

Council Meeting Agenda & Reports

5 May 2025

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

City of Norwood Payneham & St Peters
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City of
Norwood
Payneham
& St Peters

1 May 2025

To all Members of the Council

NOTICE OF MEETING

I wish to advise that pursuant to Sections 83 and 87 of the *Local Government Act 1999*, the next Ordinary Meeting of the Norwood Payneham & St Peters Council, will be held in the Council Chambers, Norwood Town Hall, 175 The Parade, Norwood, on:

Monday 5 May 2025, commencing at 7.00pm.

Please advise Tina Zullo on 8366 4545 or email tzullo@npsp.sa.gov.au, if you are unable to attend this meeting or will be late.

Yours faithfully



Mario Barone
CHIEF EXECUTIVE OFFICER

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City of
**Norwood
Payneham
& St Peters**

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VENUE Council Chambers, Norwood Town Hall

HOOR

PRESENT

Council Members

Staff

APOLOGIES

LEAVE OF ABSENCE Cr Claire Clutterham

ABSENT

1. **KAURNA ACKNOWLEDGEMENT**
2. **OPENING PRAYER**
3. **CONFIRMATION OF THE MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 28 APRIL 2025**
4. **MAYOR'S COMMUNICATION**
5. **DELEGATES COMMUNICATION**
6. **ELECTED MEMBER DECLARATION OF INTEREST**
7. **ADJOURNED ITEMS**
Nil
8. **QUESTIONS WITHOUT NOTICE**
9. **QUESTIONS WITH NOTICE**

9.1 QUESTIONS WITH NOTICE – TRANSPORT AND RAT RUNNING - SUBMITTED BY CR SCOTT SIMS

QUESTION WITH NOTICE: Transport and Rat Running
SUBMITTED BY: Cr Scott Sims
FILE REFERENCE: qA1040
ATTACHMENTS: Nil

BACKGROUND

Cr Sims has submitted the following Questions with Notice:

1. Could the Administration provide a detailed account of the Historical Context and evolution of the Transport Plan since 2006 – outlining the consultation processes undertaken, the balance struck between accommodating cars and promoting active transport, and the key policy directions that have emerged over this period?
2. Beyond the introduction of a 40 km/h speed limit, what additional initiatives and interventions has the Council implemented to mitigate rat running and the excessive speeding observed on our local streets, particularly in areas adjacent to major roads where residents report these issues on a daily basis?
3. What avenues or mechanisms exist for residents to actively contribute to or influence efforts aimed at curbing excessive vehicle speeds beyond the current Council speed limits?

REASONS IN SUPPORT OF QUESTIONS

Nil.

RESPONSE TO QUESTIONS

PREPARED BY GENERAL MANAGER, URBAN PLANNING & ENVIRONMENT

1. *Could the Administration provide a detailed account of the Historical Context and evolution of the Transport Plan since 2006 – outlining the consultation processes undertaken, the balance struck between accommodating cars and promoting active transport, and the key policy directions that have emerged over this period?*

The Council's aim in respect to traffic management, is to improve safety for all road and path users, enhance Community Well-being and encourage the adoption of active and sustainable transport modes, where possible.

The Council does not have, nor has it commissioned, an overarching Transport Plan. Traffic management and road safety matters in this City, have historically been considered, where practicable, on a Council-wide or precinct-wide basis, having regard to the Council's *Local Area Traffic Management Policy*. When Council infrastructure and assets are being renewed, or upgraded, staff work to implement 'best practice' solutions, rather than simply reinstating "like-for-like" conditions. On the ground, this often involves improvements such as enhanced roundabout geometry, better pedestrian and cyclist crossing points, and more effective speed management at intersections, including strategic narrowing of the road pavement.

Since 2006, Local Area Traffic Management Plans have been completed with various recommendations being progressed and implemented through projects that have been endorsed by the Council at the time for Kent Town, Norwood, St Peters, College Park, Maylands and Evandale. In 2013, the Council prepared and implemented a *City-wide Cycling Plan*. In 2016, the Council prepared and implemented a *City-wide Schools Traffic Management Review*, which progressively improved safety, traffic and on-street parking arrangements adjacent to Schools. In 2022, Traffic Management Studies were prepared for Marden, Royston Park, Glynde, Payneham, Payneham South, Firle, Trinity Gardens and St Morris. A 'heavy vehicle' traffic study is currently being progressed for Glynde.

Community consultation for the most recently completed Traffic Management Studies, has involved two phases. Firstly, citizens were invited to document their traffic-related concerns to help inform the development draft Traffic Management Plans. The second phase of consultation sought citizen feedback on the consultation summary report and the on draft Traffic Management Concept Plans.

Following community consultation, the Council's *Traffic Management & Road Safety Committee*, provided advice to the Council regarding the implementation of the draft Traffic Management Plans and then the Council made a final determination, regarding the implementation and funding of the Traffic Management Plans.

The Council's response to the traffic issues raised is dependent on and influenced by a range of factors, including, but not limited to:

- citizen submissions and feedback;
- alignment with Council, State and Commonwealth Government legislative framework, policies, guidelines and standards;
- street typology;
- traffic speed and traffic volume data;
- through traffic and 'rat running' issues;
- crash history;
- vulnerable road users;
- the nature of surrounding land uses; and
- other relevant factors.

Key Policy directions that influence the way in which the Council manages traffic include, but are not limited to:

- South Australia's Road Safety Strategy to 2031;
- Cycling Strategy for South Australia 2022-2032;
- The South Australian Walking Strategy 2022-2032;
- The Council's On-Street Parking Policy;
- The Council's Smart City Plan;
- The Council's City-Wide Cycling Plan;
- The Council's Infrastructure and Asset Management Plans;
- The Council's Capital Works Program; and
- The Council's Access & Inclusion Strategy.

In addition, emerging trends and policy directions with respect to micro-mobility and sustainable and active modes of transport, influence the Council's approach to traffic management. The Council plays an important role in environmental leadership and encourages active and sustainable forms of transport. Its focus to date has been on providing incentives rather than disincentives, to influence travel behaviours. Some of the Council's recent initiatives include:

- The provision of six (6) electric vehicle recharging stations, with ten (10) additional stations planned over the next ten (10) years, as demand for electric vehicles increases.
- Partnering with 'Flexi-car' to provide 'share vehicles' for local citizens. At present, there are four share cars available across the City, in Kent Town and Norwood.
- Authorising commercially operated share ride e-scooter businesses to operate in the City.
- Implementation of the *Norwood-Magill bikeway*, through Norwood and Kent Town, including a Bicycle Boulevard on Beulah Road, Norwood.

2. *Beyond the introduction of a 40 km/h speed limit, what additional initiatives and interventions has the Council implemented to mitigate rat running and the excessive speeding observed on our local streets, particularly in areas adjacent to major roads where residents report these issues on a daily basis?*

In addition to progressing the implementation of 40km/h speed limits in residential streets in the City, the Council has progressed and/or has advocated for a range of traffic management initiatives and traffic control devices to address 'rat running' and traffic speeds. The range of measures that have been implemented include:

- Emu crossings;
- Koala crossings;
- Threshold treatments;
- Roundabouts (and roundabout upgrades);
- Speed humps;
- Partial road closures;
- Kerb Extensions;
- Distinctive pavement treatments;
- Median Islands;
- One Lane Slow Points
- Deployment of trailer mounted mobile vehicle speed safety signage
- Pedestrian Actuated Crossings; and
- Advocating for signalised intersections to enhance the capacity of the DIT network to alleviate traffic volumes in the local street network.

The Council has recently completed or is currently progressing, the following traffic management initiatives to address 'rat running', safety and traffic speeds.

- installation of Pedestrian Actuated Crossing on Magill Road, Payneham;
- safety upgrade of roundabouts on William Street, Norwood;
- installation of an Emu Crossing on Tarcoma Avenue, Evandale;
- installation of a Zebra Crossing on Ann Street, Stepney;
- Traffic Calming concept designs for Richmond Street, Hackney;
- Blackspot safety upgrade of the intersection of Kensington Road and George Street, Norwood;
- installation of a median island in Battams Road, at the Payneham Road entry point;
- preparation of detailed design documentation for the St Morris Bikeway;
- installation of speed humps on Langman Grove, Felixstow;
- minor traffic safety improvements concept designs for Hereford Avenue, Trinity Gardens;
- Traffic management concept designs for select streets in Payneham, Payneham South, Firle, Trinity Gardens, Glynde and St Morris;
- installation of Pedestrian Warning signs on Little Rundle Street, Kent Town;
- School Pedestrian and Road Safety Improvement Action Plan for Queen Street and William Street, Norwood;
- reviewing options for threshold treatments at the intersections of Lower Portrush Road with River Street and Beasley Street (eg. concrete medians, with refuges for pedestrians and cyclists);
- installation of a new pedestrian facility and improved signage for the schools zone adjacent Felixstow Primary School on Briar Road, Felixstow; and
- advocacy for reduced speed limit on Stephen Terrace and a request for the Department for Infrastructure & Transport (DIT) to undertake a Traffic Efficiency Review of the intersection of Sixth Avenue and Stephen Terrace, St Peters.

In addition, Council staff have advocated to DIT for an extension of the median island on Lower Portrush Road across the junctions of River Street and Beasley Street, to reduce non-local through traffic in Marden and Royston Park, by restriction of direct right turn movements into and out of River Street and Beasley Street. To date, the Department has not supported the Council's request.

3. *What avenues or mechanisms exist for residents to actively contribute to or influence efforts aimed at curbing excessive vehicle speeds beyond the current Council speed limits?*

Citizens can contribute towards efforts aimed at curbing excessive vehicle speeds by referring issues and concerns directly to the Council's traffic engineering staff. The Council's *Local Area Traffic Management Policy* sets out the process for responding to citizen requests, concerns and petitions. In short, traffic related issues are investigated using the process set out in the Policy.

The investigation will result in one of the following outcomes:

- no action being required;
- no action being required, but the issue will continue to be monitored, including monitoring with the trailer mounted speed detector;
- minor traffic management measure/s being implemented;
- major traffic management measures being warranted at an isolated location, street or broad area and further investigations may be undertaken.

Further investigation may include one or more of the following; concept design, community consultation, referral to the Council's Traffic Management & Road Safety Committee, Council consideration, a funding submission to the Council or DIT and integration into the Council's Capital Works Program.

If the issue justifies action that can be addressed in the short-term, with minor traffic management measures that meet relevant standards and guidelines, the works will be implemented in a timely manner depending on competing demands and staff capacity. Major traffic management measures will require funding consideration by the Council.

Citizens are also encouraged to report incidents of speeding and 'hoon driving' to SAPOL, as enforcement of speeding and inattentive driving rests with SAPOL and not the Council.

10. DEPUTATIONS
Nil

11. PETITIONS
Nil

12. WRITTEN NOTICES OF MOTION
Nil

13. STAFF REPORTS

Section 1 – Strategy & Policy

Reports

[No Items listed under this Section]

Section 2 – Corporate & Finance

Reports

13.1 FINANCIAL REPORT – MARCH QUARTER 2025

REPORT AUTHOR: Finance Business Partner
GENERAL MANAGER: Chief Financial Officer
CONTACT NUMBER: 8366 4541
FILE REFERENCE:
ATTACHMENTS: Nil

PURPOSE OF REPORT

The purpose of this report is to provide the Council with information regarding financial performance for the period ended March 2025.

BACKGROUND

Section 59 of the *Local Government Act 1999* (the Act), requires the Council to keep its resource allocation, expenditure and activities and the efficiency and effectiveness of its service delivery, under review. To assist the Council in complying with these legislative requirements and the principles of good corporate financial governance, the Council is provided with monthly financial reports detailing its financial performance compared to its Budget.

RELEVANT STRATEGIC DIRECTIONS AND POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Financial sustainability is as an ongoing high priority for the Council. The Adopted Budget forecasted an Operating Surplus of \$229,418 for the 2024-2025 Financial Year. Over the course of two (2) Budget Reviews subsequent to its original adoption, the financial trajectory has undergone some changes, such as inclusion of Carry Forwards from the previous financial year (2023-2024) of \$610,747. Following the Second Budget Review, the Council approved additional projects and reductions in budgets where the projects and activities were not foreseen to be completed in 2024-2025 of \$2,121,389. As a result of these reviews during the course of the financial year, an Operating Surplus forecast of \$1,740,061 is now projected.

DISCUSSION

As at the reporting period ended March 2025, a strong Operating Surplus of \$3,632,708 is reported, significantly ahead of the Year to Date revised budget surplus of \$1,178,787, resulting in a favourable variance of \$2,453,921. This performance is attributed to both stronger-than-expected revenue and underspending in key expenditure categories such as Employee costs and Finance costs. The YTD financial results demonstrate strong fiscal performance, with a significant Operating Surplus. The favourable variances in both revenue and expenditure, highlight effective budget management with realistic reassessment of financial expectations to follow in the Third Budget Review.

These details outlined in Table 1 below:

TABLE 1 – OVERVIEW OF FINANCIAL PERFORMANCE

Financial Performance for the period ended 31 March 2025					
LYTD Actual		YTD Actual	YTD Revised Budget	Var	Var %
\$'000		\$'000	\$'000	\$'000	
	Revenue				
32,749	Rates Revenue	35,504	35,388	116	0%
1,568	Statutory Charges	1,884	1,638	246	15%
2,940	User Charges	3,091	3,033	58	2%
1,463	Grants, Subsidies and Contributions	2,835	2,823	13	0%
59	Investment Income	9	58	(50)	(85%)
83	Reimbursements	78	-	78	
399	Other	545	364	181	50%
39,260	Total Revenue	43,946	43,304	641	1%
	Expenses				
13,505	Employee Expenses	12,714	14,326	1,612	11%
10,359	Contracted Services	10,784	10,656	(128)	(1%)
1,203	Government Levies	1,255	1,258	3	0%
880	Parts, Accessories and Consumables	889	983	94	10%
956	Utilities	948	930	(18)	(2%)
711	Insurance	747	742	(5)	(1%)
542	Subscriptions, Memberships & Licences	658	610	(48)	(8%)
491	Legal Expenses	204	138	(66)	(48%)
1,316	Other Expenses	1,245	1,181	(63)	(5%)
9,346	Depreciation, amortisation & impairment	9,809	9,809	-	-
381	Finance Costs	1,060	1,493	434	29%
-	Net Loss - Joint Ventures & Associates	0	-	(0)	
39,690	Total Expenses	40,313	42,126	1,813	4%
(430)	Operating Surplus/(Deficit)	3,633	1,179	2,454	208%

Summary of Income Variances

Statutory Charges: The increase in Statutory Charges compared to the Budget is primarily driven by higher Development Assessment fees, resulting from an increase in both the number and value of Development Applications that have been lodged. In addition, the approval of more hoarding licences reflects the increase in major development projects currently underway within the City and, reflect 38% of the total Revenue variance.

Investment Income: Decrease in Investment income is primarily due to the lower interest that is yearly earned on Council's cash deposits with the Local Government Financial Authority of South Australia.

Reimbursements: There was an increase in reimbursement income mainly relating to Council's insurance claims, which is set off against the unplanned repair costs, incurred by Council reported as part of Expenses.

Other Income: There is an increase in Other Income mainly due to the variance in budgeted versus actual insurance rebates. These rebates set by Local Government Risk Services (LGRS) as part of insurance renewal program.

Summary of Expenses Variances

Employee Costs: \$1,612,007 favourable, primarily due to vacancies, which have proven difficult to fill in the current market. The employment market remains tight, and recruitment efforts have significantly increased and filling positions has been impacted by limited candidate availability. This has been recognised in the Third Budget Review, where employee cost projections were revised down to better reflect recruitment delays and market conditions.

Contracted Services: an expected increase in costs by \$128,338 over budget due to critical services fulfilled by contractors while vacant positions are being filled.

Utilities: The unfavourable variance relates to the timing of the water charges for grass maintenance in May and June 2024 that was invoiced to the Council in July 2024 and higher demand due to drier summer season December to February 2025.

Subscription, Memberships & Licences: The unfavourable variance of \$48,044 is mainly relating to the overspend on Information Services subscriptions due to the prepayment of smaller value annual subscriptions in the first half of the year and increases in some subscriptions by more than CPI (such as increase in the annual subscription for Microsoft 365 & MapInfo Access Program) and also, the expense on expert advice (Tonkin Consulting).

Legal Fees: The unfavourable variance of \$66,067 is attributed to the costs incurred in respect to legal advice on compliance and regulatory matters.

Other Expenses: The unfavourable variance of \$63,305, is mainly due to the unplanned maintenance and timing of actual expenditure and budget. This gap is expected to reduce or close at the end of Financial Year, as spending increases to align with budgeted expenditure.

Finance Expenses: Finance costs are \$433,547 lower than budgeted, primarily due to a lower-than-expected level of borrowings. This is mainly attributed to the timing of in the Trinity Valley Stormwater Upgrade Project and the rephasing of the Payneham Memorial Swimming Centre contract payment plan. These adjustments were also reflected in the Third Budget Review to align with updated project delivery schedules.

PROJECTS OVERVIEW

The Council's financial performance is influenced by recurring expenses and progress of Operating and Capital Projects. Table 2 below, provides an overview of both Operating and Capital projects, including those Carried Forward from the previous budget year (2024-2025) and new projects initiated as part of the 2024-2025 Adopted Budget. At the start of this financial year, significant focus has been placed on completing carried forward projects from the previous budget year.

TABLE 2: PROJECTED EXPENDITURE SUMMARY

Project Expenditure Summary for period ended 31 March 2025				
	YTD Actual Spend \$'000	YTD Budget \$'000	Variance \$'000	Remaining 2025 Budget \$'000
OPERATING PROJECTS EXPENDITURE (incl. Carry Forwards)				
Corporate Management	90	115	25	145
Economic Prosperity	44	25	(19)	40
Cultural Vitality	103	219	116	237
Environmental Sustainability	46	130	84	20
Social Equity	240	282	42	133
Net Cost of Operating Projects	524	771	247	575
CAPITAL PROJECTS EXPENDITURE (incl. Carry Forwards)				
Corporate Management	4	92	88	50
Economic Prosperity	102	572	470	500
Cultural Vitality	-	8	8	2
Environmental Sustainability	469	9,295	8,826	5,934
Social Equity	23,416	35,723	12,307	26,599
Net Cost of Capital Projects	23,991	45,690	21,699	33,084

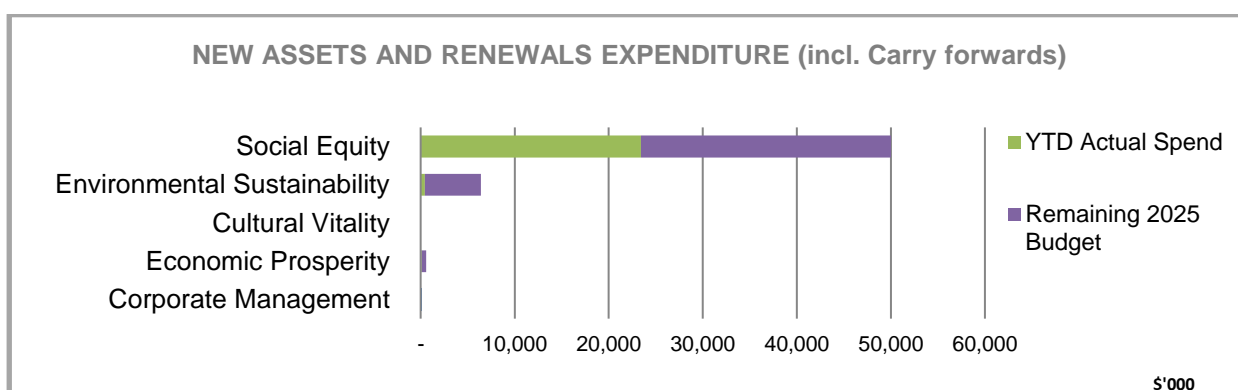
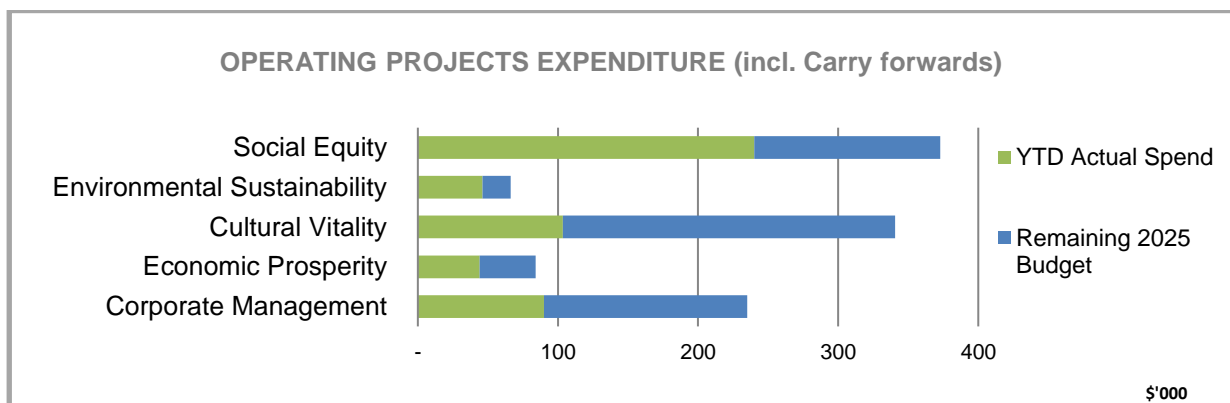
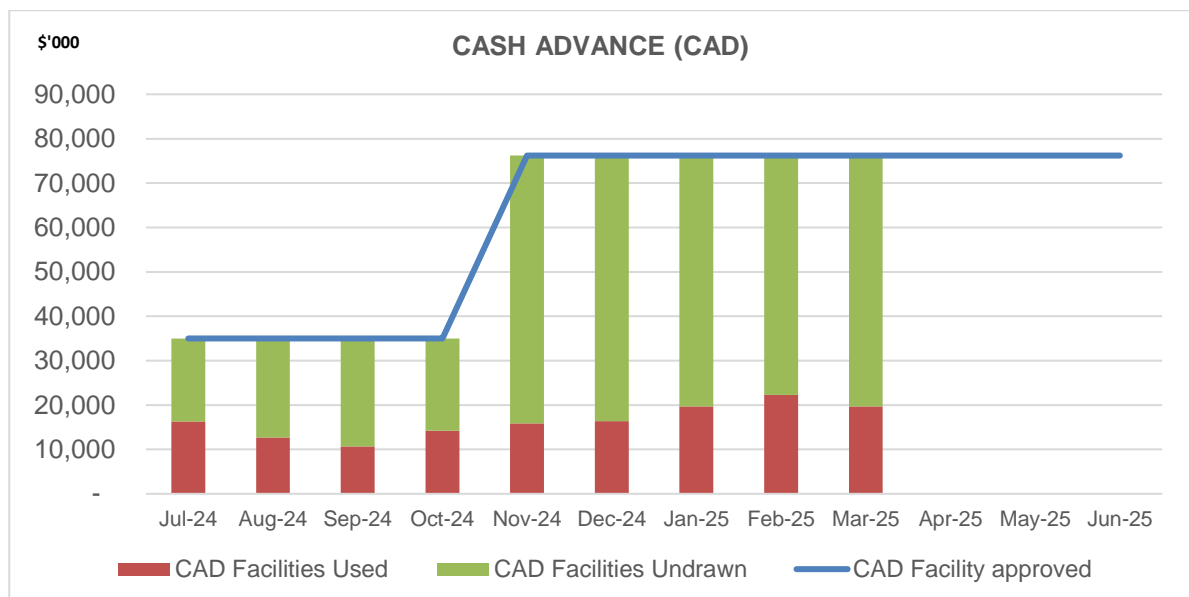
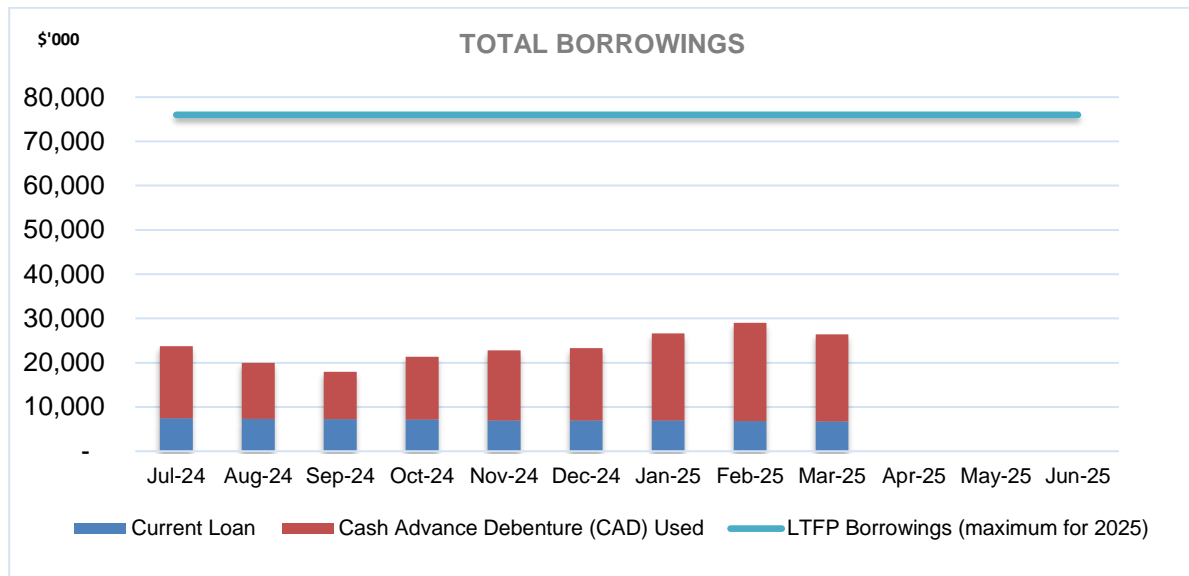
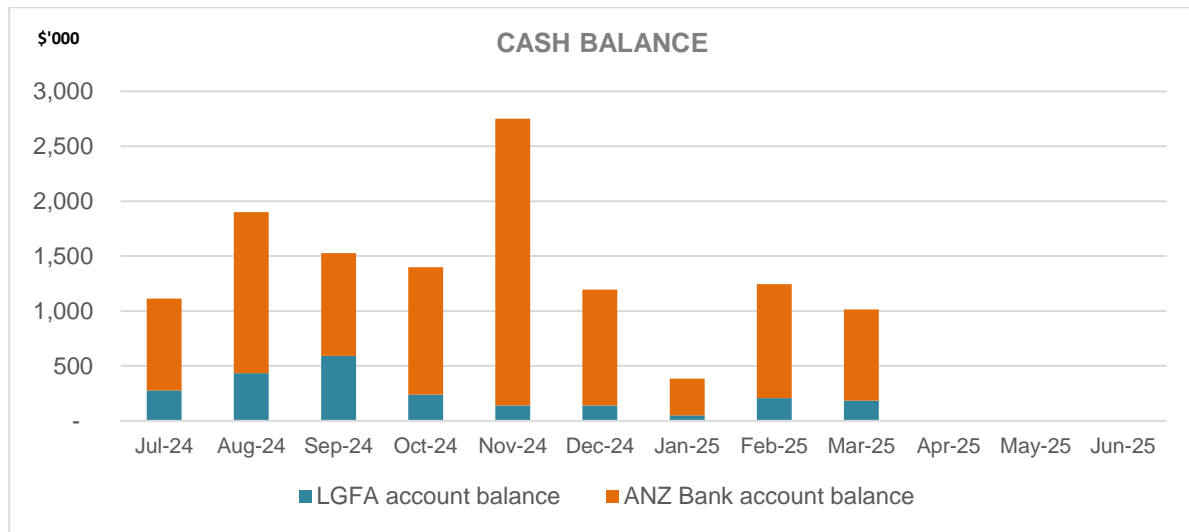


TABLE 3: STATEMENT OF FINANCIAL POSITION

Statement of Financial position as at 31 March 2025				
	30 June 2024	31 March 2025	Movement	
	Draft	Actual		
	\$'000	\$'000	\$'000	%
ASSETS				
Current Assets				
Bank and Cash	997	1,022	(25)	-2%
Accounts receivables	4,106	3,059	1,047	25%
Less : Provision for Bad Debts	(386)	(385)	(1)	0%
Total Current Assets	4,717	3,697	1,021	22%
Non-current Assets				
Financial Assets	111	111	0	0%
Investments in Joint Ventures	3,175	3,255	(80)	-3%
Infrastructure, Property, Plant and Equipment	645,596	657,116	(11,520)	-2%
Other Non-current Assets	8,873	8,873	(0)	0%
Total Non-current Assets	657,755	669,355	(11,600)	-2%
Total Assets	662,472	673,051	(10,579)	-2%
LIABILITIES				
Current Liabilities				
Trade and Other Payables	8,828	9,719	(891)	-10%
Borrowings	1,136	1,279	(143)	-13%
Provisions	3,624	3,238	386	11%
Total Current Liabilities	13,588	14,236	(648)	-5%
Non-current Liabilities				
Borrowings	19,020	25,348	(6,327)	-33%
Provisions	460	460	(0)	0%
Investments in Joint Ventures	970	941	29	3%
Total Non-current Liabilities	20,450	26,748	(6,298)	-31%
Total Liabilities	34,038	40,984	(6,946)	-20%
NET ASSETS	628,434	632,067	(3,633)	-1%
EQUITY				
Accumulated Surplus	66,480	66,480	(0)	
Profit/(Loss) for the year-to-date	-	3,633	(3,633)	
Asset Revaluation Reserves	561,954	561,954	(0)	
TOTAL EQUITY	628,434	632,067	(3,633)	-1%

TREASURY



CONCLUSION

Not Applicable.

COMMENTS

Nil.

RECOMMENDATION

That the March Quarter 2025 Financial Report be received and noted.

13.2 2025-2026 DRAFT ANNUAL BUSINESS PLAN AND BUDGET

REPORT AUTHOR: Senior Finance Business Partner
GENERAL MANAGER: Chief Financial Officer
CONTACT NUMBER: 8366 4548
FILE REFERENCE:
ATTACHMENTS: A - B

PURPOSE OF REPORT

The purpose of this report is to provide for the Council's consideration and "*in principle*" endorsement, the Draft 2025-2026 Annual Business Plan, the Draft 2025-2026 Budget and the Draft *Rating Policy*, prior to being released for public consultation.

BACKGROUND

Pursuant to the provisions contained in Chapters 8, 9 and 10 of the *Local Government Act 1999* (the Act), the Council is required to adopt for each Financial Year, an Annual Business Plan (ABP) and Budget (Draft Budget) after 31 May and except in a case involving extraordinary administrative difficulties, before 31 August.

Part 2 of the Act, "*Annual Business Plans and Budgets*" requires the Council to consider its budget in conjunction with the Council's Annual Business Plan and adopt the Budget following adoption of the Annual Business Plan.

Pursuant to Section 123 (3) of the Act, before the Council adopts an Annual Business Plan, the Council must prepare a Draft ABP and make it available for public consultation.

At the Council meeting held on 7 April 2025, the Council considered the Draft 2025-2026 Recurrent Budget, the Draft 2025-2026 Operating and Capital Projects Budget (the Draft 2025-2026 Budget), which projected an Operating Surplus \$906,006 on a full accrual basis, based on a rate increase of 8%.

At the Special Council meeting held on 28 April 2025, the Council endorsed '*in principle*' the inclusion of an additional \$390,000 as part of the pre-opening costs for the Payneham Memorial Swimming Centre. The inclusion of this additional cost as part of the Recurrent Budget, based on a Rate Revenue increase of 8%, results in an **Operating Surplus \$516,006**.

RELEVANT POLICIES & STRATEGIC DIRECTIONS

The Council's Long-Term Strategic directions are outlined in the Council's Strategic Management Plan, *City Plan 2030 – Shaping our Future*. The Draft 2025-2026 Annual Business Plan and supporting Draft Budget, set out the proposed services, programs, and initiatives for the 2025-2026 financial year and explains how the Council intends to finance its continuing services, programs, and initiatives which are undertaken during the financial year.

The Council's Long-Term Financial Plan (LTFP) is a key component of the Council's planning framework. It serves as the primary financial management tool which links the Council's Strategic Plan, *City Plan 2030 – Shaping Our Future*, the Whole-of-Life Asset Management Plans, the Annual Business Plan and Budget.

Financial sustainability is a cornerstone of the Council's financial goals and outcomes, as set out in the Long-Term Financial Plan. In general terms, financial sustainability is ensuring that the Council has the financial resources to meet the long-term service and infrastructure needs of the community, without any sharp increases in rate revenue or cuts to service provision and standards.

The Draft 2025-2026 Annual Business Plan and Budget have been developed on the basis of ensuring that it will assist in delivering on the Council's Long Term Strategic direction set in the Council's Strategic Plan, *City Plan 2030 – Shaping our Future*, delivery of the Council's Asset Management principles set out in the respective *Infrastructure and Asset Management Plans* and the financial objectives set out in the *Long-Term Financial Plan*.

FINANCIAL AND BUDGET IMPLICATIONS

The '*in-principle*' adoption of the Draft 2025-2026 Budget, as presented (based on a Rate Revenue increase of 8%), will result in an Operating Surplus of \$516,006 and a Net Surplus (after Capital Income) of \$6.476 million.

It should be noted that the Draft 2025-2026 Budget does not include the Carry Forwards from the 2024-2025 Operating Projects which are anticipated not to be completed by 30 June 2025. The Carry Forward amounts will be presented to the Council as part of the First Budget review in 2025-2026 following the finalisation of the June 2025 results.

SOCIAL ISSUES

Nil.

CULTURAL ISSUES

Nil.

ENVIRONMENTAL ISSUES

Nil.

RESOURCE ISSUES

Nil.

RISK MANAGEMENT

The Draft 2025-2026 Budget will be impacted upon by the decisions that are made by the Federal Government and State Government in their respective budgets. No information regarding these budgets is available at the time of preparation of this report.

As a result, the Draft 2025-2026 Budget presented in this report, has been developed on the following assumptions:

The Recurrent Operating Budget is and has for the Draft 2025-2026 Budget, been prepared on a "*business as usual*" basis. This means:

- no new services are proposed to be introduced as part of Draft Budget;
- includes increases to the services that are currently provided as approved by the Council during 2024-2025;
- incorporates revisions to the existing budgets to identify any savings, including indexation not being applied to some budget lines to reflect the pattern of actual costs incurred in the past couple of years;
- includes expected savings, in line with process changes where relevant (for e.g. \$130k reduction in electricity cost for the sites that were included in Long Term Procurement Project for renewable energy; \$30k reduction in printing, postage and bank charges in relation to rates paid via 'Payble' platform);
- the Payneham Memorial Swimming Centre will not be operational during the 2025-2026 financial year however the relevant recurring costs for the period between construction completion and the expected opening of the centre have been factored into the draft Budget. This period is anticipated to be from April 2026 to June 2026. The assumed costs are water, electricity, insurance, security and maintenance charges for the aforementioned three (3) month period. In addition, \$390,000 for the promotion and pre-opening of the Payneham Memorial Swimming Centre is included in the Draft Budget;
- does not include any additional costs that may be required as a result of Service Reviews that took place during the current financial year 2024-2025 (such as the Libraries Review or the Information Technology Strategy. Noting that the Council IT system, The Authority system, proposed to be upgraded during 2025-2026 and \$516,000 has been factored into the draft Budget as an Operating Project).

Any adjustments to the Draft Budget arising from the State Budget will be incorporated into the Council's 2025-2026 Budget when this information becomes available.

Notwithstanding this, the preparation of the Draft 2025-2026 Annual Business Plan and Budget has been prepared to ensure the Council meets its legislative responsibility in accordance with the requirements of the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011*.

CONSULTATION

- **Elected Members**

Elected Members have been involved throughout the Budget preparation process and have considered the various components of the Draft Annual Business Plan & Budget and made decisions as appropriate at meetings and workshops held on 3 February 2025, 11 March 2025 and 7 April 2025.

- **Audit & Risk Committee**

The Council's Audit & Risk Committee has considered the Draft 2025-2026 Recurrent Budget and the Draft 2025-2026 Operating and Capital Projects Budget. At its meeting held on 14 April 2025.

- **Community**

Citizens will be provided the opportunity to have input into the Draft 2025-2026 Budget through public consultation on the Draft Annual Business Plan, which is scheduled to commence on 26 May 2025.

- **Staff**

The preparation of the Draft 2025-2026 Budget has been completed with the involvement of the Chief Executive Officer, General Managers and staff responsible for management of the Budget.

- **Other Agencies**

Not Applicable.

DISCUSSION

The Draft 2025-2026 Budget is based on the continuation of existing services and priorities, as determined by the Council, being appropriately resourced to do so and ensures that the Council can maintain the service standards for its existing services to support the delivery of the Strategic Objectives contained in *CityPlan 2030: Shaping our Future*.

The key objective therefore is to develop a Budget that not only contributes to the Council's broader strategic objectives of achieving *Community Well-being*, but also ensures that the Council is managing its financial resources in a sustainable, prudent and equitable manner and to ensure that future financial impacts can either be avoided or managed in a measured way, so that the funding requirements are balanced with ensuring that the community does not face unreasonable increases in their annual rates contribution.

At the Council meeting held on 7 April 2025, the Council considered the Draft 2025-2026 Budget and endorsed in "*principle*" the Draft 2025-2026 Recurrent Budget and the Draft 2025-2026 Operating and Capital Projects Budget.

The Council's Audit & Risk Committee considered the Draft 2025-2026 Budget at its meeting held on 14 April 2025 and has provided comments for the Council's consideration prior to the Council's endorsement of the Draft 2025-2026 Budget for the purpose of community consultation. To this end, the Audit & Risk Committee recommended to the Council, *that it notes the projected Operating Surplus for the Draft 2025-2026 Budget is lower than the figure identified in the current Council's Long-Term Financial Plan and that the Operating Costs associated with the Payneham Memorial Swimming Centre, expected to be incurred between April 2026 and June 2026, have yet to be quantified and may further impact on the draft 2025-2026 Adopted Budget*.

Elected Members may recall that for the 2025-2026 Financial Year, the 2025-2035 Long-Term Financial Plan estimates an Operating Surplus of \$1,647,355, based on a Rate Revenue increase of 8%. The current estimated Operating Surplus for 2025-2026 is \$516,006.

Budget Overview

Table 1 below sets out the proposed Operating Surplus of \$516,006, based on a Recurrent Operating Surplus of \$1,835,306, an Operating Deficit relating to Operating Projects (excluding 2024-2025 Carry Forwards) of \$1,319,300 which results in an Operating Surplus of \$516,006.

TABLE 1: 2025-2026 PROPOSED STATEMENT OF COMPREHENSIVE INCOME

	Recurrent Budget	Operating Projects	Proposed Budget
	2024-2025	2024-2025	2024-2025
	\$	\$	\$
INCOME			
Rates	50,904,915	-	50,904,915
Statutory Charges	2,239,311	-	2,239,311
User Charges	4,370,061	-	4,370,061
Grant Subsidies, Contributions	2,653,958	-	2,653,958
Grants, Subsidies and Contributions - capital	1,050,669	-	1,050,669
Investment Income	55,000	-	55,000
Other Income	521,676	-	521,676
Net gain - equity accounted Council businesses	-	-	-
Total Income	61,795,590	-	61,795,590
EXPENSES			
Employee Expenses	20,330,052	10,000	20,340,052
Materials, Contracts & Other Expenses	22,284,405	1,309,300	23,593,705
Depreciation, Amortisation & Impairment	13,696,916	-	13,696,916
Finance Costs	3,386,245	-	3,386,245
Net Loss - Joint Ventures & Associates	262,666	-	262,666
Total Expenses	59,960,284	1,319,300	61,279,584
OPERATING SURPLUS / (DEFICIT)	1,835,306	(1,319,300)	516,006
Net gain (loss) on disposal or revaluation of assets	36,000		36,000
Amounts specifically for new or upgraded assets	5,924,000		5,924,000
NET SURPLUS (DEFICIT)	7,795,306	(1,319,300)	6,476,006

The Council is required to report its share of the Regional Subsidiaries' Operating Results and while this will have an impact on the Council's reported Operating Result, this is a non-cash transaction that does not have an impact on the Council's cash position. The Operating Surplus is currently estimated at \$262,666 and, if material, will be adjusted to the Regional Subsidiaries proposed budgets once available.

Financial sustainability underpins the Council's Financial Goals and Outcomes, are set out in the Council's Long Term Financial Plan. In general terms, financial sustainability is based on ensuring that the Council has the financial resources and capacity to meet the long-term service and infrastructure needs of the community, without any large rate revenue increases or cuts in service provision and/or standards.

From an operational perspective, financial sustainability is being able to manage the balance between keeping rate revenue increases to a minimum, maintaining existing service standards and expenditure on appropriate new services and necessary major capital investments and initiatives.

To be truly financial sustainable, the Council must generate sufficient cash flow from its recurrent operations to meet existing principal loan repayments, spending on renewal works, while having the future financial capacity (i.e. cash reserves to meet future loan servicing) to undertake new investments in the Councils infrastructure, services and activities.

Pursuant to Section 123 (10)(b) of the *Local Government Act 1999*, Part 2 Financial Accountability Regulation 7 of the *Local Government (Financial Management) Regulations 2011*, sets out that the budget must:

- (a) include budgeted financial statements, which must be presented, other than notes and other explanatory documentation, in a manner consistent with the Model Financial Statements; and
- (b) state whether projected operating income is sufficient to meet projected operating expenses for the relevant financial year; and
- (c) include a summary of operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and
- (d) include estimates with respect to the council's operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

The Financial Statements contained in **Attachment A**, are presented as prescribed in the Model Financial Statements and are based on 8% increase in Rate Revenue. The Financial Statements also provide comparisons with the 2024-2025 Forecast and the Audited Financial Statements for the past three (3) years. Together, these Statements provide a complete picture of the Council's budgeted financial position for the 2025-2026 Financial year.

The Financial Statements will be updated following the Council's decision on the various components of the Draft 2025-2026 Budget.

Budgeted Capital Projects

At its meeting held on 7 April 2025, the Council considered the Draft 2025-2026 Capital Budget ("Draft Capital Budget") and resolved to endorse, *"in principle"*, a Draft Capital Budget that incorporates Capital Projects valued at \$25.967 million. This amount excludes expenditure required to finalize the 2024-2025 capital projects that are not expected to be completed by 30 June 2025. The total value of the capital projects also includes staff costs of \$1.109 million, which are capitalized (i.e., staff involved in delivering projects involving physical assets). The Draft 2025-2026 Capital Budget expenditure is offset by grant funding of \$2.80 million, resulting in a net cost to the Council of \$23.167 million. This amount will be funded through cash borrowings and depreciation (via Rate Revenue).

The endorsed Capital Projects for 2025-2026 have been broken down into a number of categories as detailed in Table 2 below.

It should be noted that the Total Capital Projects Expenditure as set out in Table 2 is based on the proposed scheduling of major projects (i.e. the Payneham Memorial Swimming Centre Project).

TABLE 2: CAPITAL PROJECT CATEGORIES

Capital Expenditure Project	\$
Whole-of-Life Capital Works Program	
* Road Resealing	3,511,262
* Footpath Reconstruction	1,214,561
* Kerb Reconstruction	1,495,505
* Stormwater Drainage Program	2,100,000
* Building	2,590,000
* Other Infrastructure Asset Renewal	1,975,688
Payneham Memorial Swimming Centre – Year 3	11,071,956
Sail Shades (Adey Reserve & St Peters Child Care Centre)	120,000
Quadrennial Art Project	279,000
Kent Town Public Realm Upgrade	400,000
Building Accessibility Improvements	100,000
Capitalisation of Salaries (existing staff)	1,108,999
Total Capital Projects Expenditure	25,966,971
Grant Funding	2,800,000
Net Cost	23,166,971

On a full accrual basis, the Capital Expenditure will not affect the Operating Result before Capital Revenues, except through future years' depreciation and financing costs associated with any loan borrowings. Grant income which has been received and which is associated with Capital Projects, will however, be included as Capital Income within the Budgeted Income Statement, after the Operating Surplus/(Deficit), as required by the Model Financial Statements prescribed by the *Local Government Act 1999*.

Details of the Capital and Operating Projects which have been endorsed by the Council as part of the Draft 2025-2026 Annual Business Plan and Budget are contained in *Appendix One: Key Initiatives & Projects of Attachment B*.

Borrowings

In respect to the Proposed Capital Expenditure, as detailed in **Attachment B**, \$25.967 million is proposed to be funded as shown in Table 3 below:

TABLE 3: CAPITAL PROJECTS FUNDING

Use of depreciation recovered through Rate Revenue	\$13,996,015
Grant Funding	\$2,800,000
Borrowings	\$9,170,956
TOTAL	\$25,966,971

In determining the timing and the level of borrowings that are required to fund the proposed Capital Program, consideration has been given to the cash flow requirements and to intergenerational equity between current and future users (that is, an asset is funded from loan borrowings which is paid off over the life of the asset rather than raising rate revenue from current rate payers to pay for the asset). Whilst these considerations have formed part of the budget model, they will be reviewed and reconsidered before the decision to commit to any borrowings.

As Elected Members will recall, in adopting the 2024-2025 Budget, the Council approved Loan Borrowings up to a maximum of \$41,200,000. Given the timing of payments for the Payneham Memorial Swimming Centre, whilst approval has been granted the maximum amount has not been borrowed. So, for the 225-2026 Budget the Council will be required to borrow an additional \$9.171 million.

Rates Modelling

The Council's draft Long Term-Financial Plan is based on a series of financial outcomes, with one being Rate Stability, with the overall objective being that *"annual rate collections are fair and equitable for our residents and ratepayers with the aim to keep rate revenue increases stable over the medium term"*. The LTFP has set the target of Rate Revenue increases ranging between 4% and 8% each year.

Whilst Rate Stability is a key objective which requires annual rate collections to be fair and equitable, it also requires increases in Rate Revenue to be stable over the medium term. To ensure that this objective is met, the Council must make decisions in respect to Rate Revenue (or decreases in expenditure) with the future in mind, as any significant decrease in Rate Revenue in one year may result in sharp Rate Revenue increases in the future.

Increases in Rate Revenue need to be reflective of increases in service levels, to ensure that the Council remains financially sustainable. In considering increases in service levels, the Council needs to take into account not only the increase in operating programs and services, but also the increase in service levels that emanate from past and proposed capital investment.

Preliminary rates modelling, based on valuations provided by the SA Valuer-General for the **week ended 26 April 2025**, has been undertaken. The impact of the respective strategies on the Councils Operating result are set out in Table 4 below. It should be noted that the valuation information for the week ended 21 June 2025, will be used to determine the final average rate increase at the Council meeting to be held on 7 July 2025.

TABLE 4: RATING STRATEGY

	2024/ 2025	2025/ 2026	2025/ 2026	2025/ 2026	2025/ 2026	2025/ 2026
<i>Proposed Rate Revenue Increases</i>	8.50%	7.50%	7.75%	8.00%	8.50%	9.00%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General Rate Revenue (Gross)	\$46,589	\$50,083	\$50,200	\$50,317	\$50,549	\$50,782
Increase on 2024-2025	\$3,650	\$3,494	\$3,610	\$3,728	\$3,960	\$4,193
Operating Surplus/(Deficit) after rate revenue increases *	\$229	\$282	\$399	\$516	\$748	\$981

The Average Rate

The Average Rate is calculated by dividing the total rates value by the number of properties in each Land Use Code.

The increase in the average residential rate is affected by three (3) items:

- growth associated with new property development;
- the change in the residential proportion of the overall total valuation amount; and
- the proposed increase in Rate Revenue.

It should be noted that the average rate increase may change once more accurate valuation data becomes available and will be based on valuation data for the week ended 21 June 2025, when adopting the Annual Business Plan and Budget.

Table 5 below details the impact of the proposed rating strategy options on the Residential and Commercial Rates.

TABLE 5: IMPACT OF RATING STRATEGY ON RESIDENTIAL AND COMMERCIAL RATES

<i>Proposed Rate Revenue Increases</i>	8.50%	7.50%	7.75%	8.00%	8.50%	9.00%
Residential Rate						
Average Rate	\$2,044	\$2,217	\$2,223	\$2,228	\$2,238	\$2,248
Average Rate Difference \$	\$149	\$173	\$179	\$184	\$194	\$204
Increase from previous year %	7.01%	8.49%	8.74%	8.99%	9.49%	10.00%
Rate-in-Dollar	0.0018746	0.0018193	0.0018236	0.0018279	0.0018361	0.0018447
Rate-in-Dollar Change	2.52%	-2.95%	-2.72%	-2.49%	-2.05%	-1.60%
Commercial Rate						
Average Rate	\$3,430	\$3,430	\$3,438	\$3,446	\$3,461	\$3,477
Average Rate Difference \$	\$267	-\$1	\$7	\$15	\$31	\$47
Increase from previous year %	7.21%	-0.02%	0.22%	0.45%	0.91%	1.38%
Rate-in-Dollar	0.0022495	0.0021832	0.0021883	0.0021935	0.0022033	0.0022136
Rate-in-Dollar Change	2.52%	-2.95%	-2.72%	-2.49%	-2.05%	-1.60%

The Minimum Rate

Table 6 below details the impact of the proposed rating strategy options in respect to the Minimum Rate. It must be noted however, aligning the increase in the Minimum Rate to the proposed Rate Revenue increase, will result in 32.16% of assessments receiving the Minimum Rate. This figure aligns with the maximum threshold set in Section 158 (2)(d) of the *Local Government Act 1999*, Part 1 Rates and Charges on Land of 35%.

TABLE 6: IMPACT OF RATING STRATEGY ON MINIMUM RATES

	2024/2025	2025/2026	2025/2026	2025/2026	2025/2026	2025/2026
<i>Proposed Minimum Rate Increases</i>	4.00%	7.50%	7.75%	8.00%	8.50%	9.00%
Minimum Rate	\$1,277	\$1,373	\$1,376	\$1,379	\$1,386	\$1,392
\$ Difference from prior year	\$49	\$96	\$99	\$102	\$109	\$115
No. of assessments	6,825	6,650	6,650	6,650	6,650	6,650
% of assessments on Minimum Rate	32.82%	32.16%	32.16%	32.16%	32.16%	32.16%

Table 7 sets out the Capital Value, by land use, for all property classes as advised by the Valuer-General.

TABLE 7: CAPITAL VALUES BY LAND USE

Land Use	Capital Value	Capital Value	Capital Value	Capital Value	No of Assessments	Average Value
	2024/2025	2025/2026	Increase/ (Decrease)	Increase/ (Decrease)		
	\$'000	\$'000	\$'000	%	#	\$'000
Residential	\$ 18,232,335	\$ 20,677,373	\$ 2,445,037	13.41%	18,028	\$ 1,147
Commercial	\$ 3,317,687	\$ 3,385,329	\$ 67,641	2.04%	2,230	\$ 1,518
Industrial	\$ 169,597	\$ 180,851	\$ 11,255	6.64%	137	\$ 1,320
Vacant Land	\$ 185,297	\$ 215,128	\$ 29,831	16.10%	191	\$ 1,126
Other	\$ 496,712	\$ 509,274	\$ 12,562	2.53%	93	\$ 5,476
Primary Production	\$ 1,008	\$ 1,008	\$ -	0.00%	1	\$ 1,008
Total Rateable Value	\$ 22,402,636	\$ 24,968,962	\$ 2,566,326	11.46%	20,680	\$ 1,207
Non Rateable	\$ 442,308	\$ 490,119	\$ 47,811	10.81%	258	\$ 1,900
Total	\$ 22,844,944	\$ 25,459,081	\$ 2,614,137	11.44%	20,938	\$ 1,216

Rating Policy

A review of the Council's *Rating Policy* has been undertaken, to include the new direct debit payment option available to ratepayers via the Paybles platform.

Residential Properties

Pursuant to Section 166(1)(l)(ii) of the Act, the Council grants a rebate of General Rates, subject to certain eligibility criteria, to the principal ratepayer of a residential assessment, where that property is the principal place of residence and that the increase in the rates levied is a result of a rapid change in the property value.

For eligible residential ratepayers, the increase in general rates (excluding the Regional Landscape Levy) will be capped at two (2) times the rate revenue increase, subject to certain conditions.

The current eligibility criteria for the automatic rebate is any such increase in property value, in whole or part is not result of:

- (a) development greater than \$30,000 undertaken on the property, or
- (b) a change in land use for rating purposes on the date the Council declared its general rates; or
- (c) a change in the zoning of the land; or
- (d) a change in the ownership of the property since 1 January 2024.

For 2025-2026, the Capital Values increased (as advised by the Valuer-General), across the City by 11.44%, which was predominately driven by the increase in the Capital Value of vacant land of 16.10% and residential properties of 13.41%.

Commercial Properties

Section 166(1)(l)(ii) of the Act also applies to Commercial properties and therefore, the Council can grant a rebate of General Rates for all properties on a specified land use basis.

As set out in Table 7 above and as advised by the Valuer-General, valuations for Commercial properties have increased by 2.04%.

Whilst a General Rate Rebate can be applied to Commercial properties, the Council has not previously applied a General Rate Rebate for Commercial properties.

Draft Annual Business Plan

To fulfill the requirements of the Act and provide citizens with the opportunity to review and comment on the Council's proposed activities for the 2025-26 financial year, as well as the proposed funding for those activities, the Draft Annual Business Plan has been prepared and is included in **Attachment B**.

The *Draft 2025-2026 Annual Business Plan* incorporates all the assumptions detailed in this report and for consultation purposes only, includes an 8% increase in rate revenue. Upon the finalisation of the Draft 2025-2026 Budget through its "endorsement in principle," the Draft 2025-2026 Annual Business Plan will be made available to citizens in May 2025. Submissions will be invited, allowing interested citizens to provide comments either prior to or at the Public Meeting scheduled for 26 May 2025.

Following consideration of the submissions by the Council on 10 June 2025, the final 2025-2026 Annual Business Plan and Budget will be presented to the Council for adoption at the Council Meeting to be held on 7 July 2025.

OPTIONS

The Council can endorse the 2025-2026 Draft Annual Business Plan and Budget as presented in this report or can choose to amend the 2025-2026 Draft Annual Business Plan and Budget by either:

- increasing or reducing Operating Projects; and/or
- increasing or decreasing rate revenue: and/or
- revisiting recurrent operating expenditure; or
- increasing or reducing the Capital Projects.

CONCLUSION

The Council's Draft Long-Term Financial Plan outlines the Council's commitment to achieving and maintaining financial sustainability. By developing the Annual Budget with reference to the financial targets and outcomes set out in the LTFP, will ensure that the Council continues to move in the right direction to achieve its ultimate goal of Financial Sustainability.

The '*in-principle*' adoption of the Draft 2025-2026 Annual Business Plan and Budget as presented in **Attachment B**, will deliver an Operating Surplus of \$516,006 based on an 8% increase in Rate Revenue.

Decisions regarding Rate Revenue will have future impacts on the Council's ability to deliver on the financial objectives and targets set out in its Long-Term Financial Plan and while the Draft Budget as presented in this report, is forecasting an Operating Surplus, the draft Budget, as presented is forecast to deliver a cash surplus of \$500,000 after taking into account borrowings of \$45 million.

Notwithstanding this, the 'in-principle' adoption of the Draft 2025-2026 Annual Business Plan and Budget will contribute to the Council achieving its goals and objectives as set out in the suite of Strategic Planning documents.

COMMENTS

If Elected Members have any questions or require clarification in relation to specific budget items, and/or any issues raised in this report, please contact the Chief Financial Officer, Natalia Axenova, prior to the meeting.

RECOMMENDATION

That subject to further consideration of the Draft 2025-2026 Budget by the Council following the receipt and consideration of any public submissions in respect to the 2025-2026 Annual Business Plan:

- (a) That a Rate Revenue increase, of _____%, be endorsed '*in principle*', subject to further consideration of the Budget by the Council following receipt and consideration of any submissions in respect of to the Annual Business Plan.
- (b) That an average residential rate increase of _____% be endorsed '*in principle*'.
- (c) That an average commercial rate increase of _____% be endorsed '*in principle*'.
- (d) That a rate cap on residential properties of two (2) times the rate revenue increase of 8% be adopted '*in principle*' for the 2025-2026 Financial Year and be applied to all eligible assessments without the requirement for an application to be made and approved by the Council for the rebate as per the Council resolution made at its meeting held on 10 October 2005.
- (e) That the Council endorses '*in principle*' Loan Borrowings for the 2025-2026 Financial Year up to a maximum of \$9.171 million in addition to the existing borrowings and Cash Advance Facilities for the purposes of funding Capital Expenditure.
- (f) That the Draft 2025-2026 Annual Business Plan, as contained within Attachment B, be approved for release for public consultation subject to incorporation of any amendments which may be determined by the Council.
- (g) That the Chief Executive Officer be authorised to make editorial changes to the Draft 2025-2026 Annual Business Plan, as contained within Attachment B, prior to it being released for public consultation.

Attachments – Item 13.2

Attachment A

2025-2026 Draft Annual Business Plan and Budget



Statement of Comprehensive Income for the year ended 30 June 2026

	Actual 2021-2022 \$'000	Actual 2022-2023 \$'000	Actual 2023-2024 \$'000	Proposed 3rd Budget Review 2024-2025 \$'000	Proposed 2025-2026 \$'000
Income					
Rates	37,938	39,974	43,667	47,230	50,905
Statutory charges	2,003	2,039	2,112	2,181	2,239
User charges	3,561	3,668	3,823	4,007	4,370
Grants, Subsidies and Contributions - operating	3,433	3,540	1,643	3,943	2,654
Grants, Subsidies and Contributions - capital		553	571	444	1,051
Investment income	24	171	61	78	55
Other income	848	852	1,019	461	522
Net loss joint ventures & associates	122	50	39	-	-
Total Income	47,930	50,846	52,935	58,345	61,796
Expenses					
Employee costs	14,126	14,531	16,700	18,533	20,340
Materials, contracts & other expenses	19,832	21,983	22,331	22,253	23,594
Depreciation, amortisation & impairment	10,766	11,562	12,852	13,377	13,697
Finance costs	346	458	611	1,155	3,386
Net loss Joint Ventures & Associates	214	357	334	263	263
Total Expenses	45,284	48,892	52,827	55,581	61,280
Operating Surplus (Deficit)	2,645	1,954	109	2,764	516
Net gain (loss) on disposal or revaluation of assets	(2,371)	(1,502)	(4,491)	36	37
Amounts specifically for new or upgraded assets	2,341	640	6,442	7,281	2,800
Physical resources received free of charge	-	-	-	-	-
Non Operating Items - Joint Venture and Associates	-	-	-	-	-
Net Surplus (Deficit) transferred to Equity Statement	2,615	1,092	2,060	10,081	3,353
Other Comprehensive Income					
Changes in revaluation Surplus- infrastructure, property, plant & equipment	34,462	49,031	39,253	5,508	20,000
Share of Other comprehensive Income - joint ventures and associates	(5)	(12)	631	-	-
Total Other Comprehensive Income	34,457	49,019	39,884	5,508	20,000
Total comprehensive Income	37,072	50,112	41,944	15,589	23,353

Pursuant to S123 (10)(b) of the Local Government Act 1999 and Clause 7 of the Local Government (Financial Management) Regulations 2011, as detailed in the Statement of Comprehensive Income, the projected Operating Income of \$61.796m is sufficient to meet the projected Operating Expenditure (\$61.28m) for the 2025-2026 Financial Year.

2025-2026 Financial Statements
Draft



**City of
Norwood
Payneham
& St Peters**

Statement of Financial Position as at 30 June 2026

	Actual 2021-2022 \$'000	Actual 2022-2023 \$'000	Actual 2023-2024 \$'000	Proposed 3rd Budget Review 2024-2025 \$'000	Proposed 2025-2026 \$'000
Assets					
Current Assets					
Cash and cash equivalents	11,393	4,317	997	500	500
Trade & other receivables	2,675	2,193	3,720	2,632	2,454
Total Current Assets	14,068	6,511	4,717	3,132	2,954
Non-current Assets					
Financial Assets	113	104	111	130	140
Equity accounted investments in Council businesses	1,931	1,949	3,175	2,912	2,650
Infrastructure, Property, Plant & Equipment	543,710	594,771	645,596	716,407	748,677
Other Non-current Assets	4,324	5,707	8,873	8,873	8,873
Total Non-current Assets	550,078	602,531	657,755	728,322	760,340
Total Assets	564,146	609,041	662,472	731,454	763,293
Liabilities					
Current Liabilities					
Trade & Other Payables	13,031	8,819	8,828	10,749	12,399
Borrowings	1,021	1,097	1,136	1,081	3,295
Short-term Provisions	3,004	3,872	3,624	3,301	3,301
Other Current Liabilities	-	-	-	-	-
Liabilities relating to Non-current Assets held for Sale	-	-	-	-	-
Total Current Liabilities	17,056	13,789	13,588	15,132	18,994
Non-current Liabilities					
Long-term Borrowings	8,527	7,522	19,020	70,546	75,170
Long-term Provisions	1,280	288	460	782	782
Liability - Equity accounted Council Businesses	904	952	970	970	970
Total Non-current Liabilities	10,712	8,763	20,450	72,298	76,922
Total Liabilities	27,767	22,551	34,038	87,430	95,917
Net Assets	536,379	586,490	628,435	644,024	667,377
Equity					
Accumulated Surplus	62,709	63,789	66,480	76,562	79,914
Asset Revaluation Reserve	473,670	522,701	561,954	567,462	587,462
Total Equity	536,379	586,490	628,435	644,024	667,377

2025-2026 Financial Statements
Draft



**City of
Norwood
Payneham
& St Peters**

Statement of Changes in Equity for the year ended 30 June 2026

	Actual 2021-2022 \$'000	Actual 2022-2023 \$'000	Actual 2023-2024 \$'000	Proposed 3rd Budget Review 2024-2025 \$'000	Proposed 2025-2026 \$'000
Accumulated Surplus					
Balance at end of previous reporting period	60,099	62,709	63,789	66,480	76,562
Net Surplus/ (Deficit) for year	2,615	1,092	2,060	10,081	3,353
Other comprehensive Income	-	-	-	-	-
Share of other Comprehensive Income- joint venture and associates	(5)	(12)	631	-	-
Balance at end of period	62,709	63,789	66,480	76,562	79,914
Asset Revaluation Reserve					
Balance at end of previous reporting period	439,208	473,670	522,701	561,954	567,462
Gain on revaluation of infrastructure, property, plant & equipment	34,462	49,031	39,252	5,507	20,000
Balance at end of period	473,670	522,701	561,954	567,464	587,465
Total Equity at end of reporting period	536,379	586,490	628,435	644,026	667,380

Statement of Cash Flow for the year ended 30 June 2026

	Actual 2021-2022 \$'000	Actual 2022-2023 \$'000	Actual 2023-2024 \$'000	Proposed 3rd Budget Review 2024-2025 \$'000	Proposed 2025-2026 \$'000
Cash Flow from Operating Activities					
<u>Receipts</u>					
Rates - general & other	37,859	39,979	43,219	47,011	51,202
Fees & other charges	2,010	2,039	2,112	2,331	2,236
User Charges	4,592	3,668	3,823	4,275	4,349
Investment receipts	24	171	61	80	56
Grants utilised for operating purposes	3,440	3,540	1,643	3,950	2,723
Other Income	913	1,120	134	525	477
<u>Payments</u>					
Employee Costs	(15,627)	(15,075)	(16,241)	(18,664)	(20,268)
Contractual services & materials	(17,515)	(25,105)	(23,882)	(19,862)	(23,033)
Finance payments	(156)	(448)	(521)	(1,248)	(2,792)
Net Cash provided by (or used in) Operating Activities	15,540	9,888	10,348	18,398	14,949
Cash flow from Investing Activities					
<u>Receipts</u>					
Amounts specifically for new or upgraded assets	5,785	753	7,133	7,777	3,067
Grants utilised for capital purposes	-	-	571	500	1,077
Sale of replaced assets	50	0	17	36	37
Repayments of loans by community groups	6	-	-	-	-
Capital Distributions from associated entities	-	-	-	-	-
<u>Payments</u>					
Expenditure on renewal/replacement of assets	(8,937)	(11,193)	(12,994)	(27,015)	(12,887)
Expenditure on new/upgraded assets	(6,941)	(5,168)	(18,961)	(51,555)	(13,080)
Capital contributed to associated entities	(170)	(289)	(872)	-	-
Net Cash provided by (or used in) Investing Activities	(10,208)	(15,897)	(25,106)	(70,257)	(21,786)
Cash Flow from Financing Activities					
<u>Receipts</u>					
Proceeds from Borrowings	-	-	12,543	52,505	45,000
<u>Payments</u>					
Repayments of Borrowings	(1,010)	(1,067)	(1,105)	(1,144)	(38,163)
Net Cash provided by (or used in) Financing Activities	(1,010)	(1,067)	11,439	51,362	6,837
Net Increase (Decrease) in cash held	4,322	(7,076)	(3,320)	(497)	0
Cash & cash equivalents at beginning of period	7,071	11,393	4,317	997	500
Cash & cash equivalents at end of period	11,393	4,317	997	500	500

2025-2026 Financial Statements
Draft



**City of
Norwood
Payneham
& St Peters**

Uniform Presentation of Finances for year ended 30 June 2026

	Actual 2021-2022 \$'000	Actual 2022-2023 \$'000	Actual 2023-2024 \$'000	Proposed 3rd Budget Review 2024-2025 \$'000	Proposed 2025-2026 \$'000
Income	47,930	50,846	52,935	58,345	61,796
less Expenses	(45,284)	(48,892)	(52,827)	(55,581)	(61,280)
Operating Surplus (Deficit)	2,645	1,954	109	2,764	516
Timing adjustment for grant revenue		(334)	1,405	-	-
Less: Grants, subsidies and contributions – Capital	-	(553)	(571)	(444)	(1,051)
Adjusted Operating Surplus / (Deficit)	2,645	1,068	942	2,320	(535)
less Net Outlays on Existing Assets					
Capital Expenditure on renewal and replacement of Existing Assets	(8,937)	(11,193)	(12,994)	(15,593)	(12,887)
Grants, subsidies and contributions – Capital Renewal	-	-	-	-	1,051
Depreciation, Amortisation and Impairment	10,766	11,562	12,852	13,377	13,697
Proceeds from Sale of Replaced Assets	48	0	17	36	37
	1,876	369	(126)	(2,180)	1,897
less Net Outlays on New and Upgraded Assets					
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	(7,216)	(5,168)	(18,961)	(62,977)	(13,080)
Grants, subsidies and contributions – Capital New/Upgraded	-	553	571	444	-
Amounts received specifically for New and Upgraded Assets	2,341	201	7,133	7,777	3,067
Asset Received Free of Charge	2	-	-	-	-
	(4,873)	(4,414)	(11,257)	(54,756)	(10,013)
Net Lending / (Borrowing) for Financial Year	(351)	(2,978)	(10,440)	(54,617)	(8,651)

Financial Indicators

	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Proposed 3rd Budget Review 2024-2025	Proposed 2025-2026
Required by Local Government (Financial Management) Regulations 1999 Section 5B(d)					
Operating Surplus Ratio					
<u>Operating Surplus/(Deficit)</u>	5.5%	3.8%	0.2%	4.7%	0.8%
Total Operating Revenue					
<i>This ratio expresses the operating surplus as a percentage of total operating revenue</i>					
Net Financial Liabilities Ratio					
<u>Net Financial Liabilities</u>	28.3%	29.5%	53.4%	142.6%	148.6%
Total Operating Revenue					
<i>This ratio expresses the extent of Operating Revenue required to meet all monies owed by the Council's Net financial liabilities. Net financial Liabilities defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses)</i>					
Asset Renewal Funding Ratio					
<u>Expenditure on renewals</u>	80.4%	77.1%	81.2%	129.9%	96.2%
Asset Management Plan					
Rolling three-year average	98.8%	89.2%	79.5%	93.5%	100.2%
<i>This ratio measure the extent to which existing assets are being renewed compared to the Infrastructure & Asset Management Plan. Net asset renewal is defined as capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets</i>					
Debt Servicing to Rate Income Ratio					
<u>Debt Servicing</u>	3.6%	3.8%	3.9%	5.1%	7.6%
Rate revenue					
<i>The Debt Servicing to Rate Revenue Ratio measures ability to repay debt obligations (interest and principal) using Rate income.</i>					

Attachment B

2025-2026 Draft Annual Business Plan and Budget



Annual Business Plan

2025–2026



City of
Norwood
Payneham
& St Peters

Our Vision

A City which values its heritage, cultural diversity, sense of place and natural environment.

A progressive City which is prosperous, with a strong community spirit.



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Gather Round, Noorwood Oval

Mayor's Message

The City of Norwood Payneham & St Peters' 2025–2026 Annual Business Plan & Budget continues the Council's strong commitment to invest in infrastructure that benefits our community.



Against a backdrop of economic uncertainty both nationally and internationally, the City of Norwood Payneham & St Peters—like all other councils—faces a challenging financial environment.

While interest rates and inflation have fallen in recent times, the legacy of these additional impacts to operational costs and the cost of materials and labour required to deliver projects, has loomed large in the deliberations associated with the preparation of this budget.

Also taking into account the strong growth in property valuations as determined by South Australia's Valuer-General, the Council remains focused on adhering to the guiding principles of the Long-term Financial Plan (LTFP) by applying a Rate Revenue increase in 2025–2026 of 8.0%.

This approach will help ensure that the Council can continue to operate in a financially sustainable manner, which means its annual revenue will cover the costs of services and programs we deliver for our citizens.

This year's budget will result in an average residential rate increase of 8.9% or \$184.

The adopted budget will result in almost one third of residential properties paying the minimum rate of \$1,379.

The projected Operating Budget Surplus in the 2025–2026 financial year is \$516,065.

The 2025–2026 Budget sees the Council continuing its ongoing commitment to investing in infrastructure in response to the community's expectations.

A total of \$26 million has been allocated for capital projects, of which \$11 million will fund the continued construction of the state-of-the-art Payneham Memorial Swimming Centre, which is expected to reach practical completion in the first half of 2026.

The Council also understands the importance of ensuring it maintains its investment in core infrastructure of roads, footpaths, kerbs and stormwater drainage for the community.

The 2025–2026 Capital Works Program will include:

- Road reseals (\$3.5 million)
- Footpaths (\$1.2 million)
- Kerbs and water table (\$1.5 million)
- Stormwater drainage (\$2.1 million)
- Buildings (\$2.6 million)
- Kent Town Public Realm Upgrade (\$400,000).

The Budget will also include new playgrounds and shade sails at Adey Reserve, Firle and St Morris Reserve as part of the St Morris Reserve redevelopment, which forms Stage 1 of the Trinity Valley Stormwater

Drainage Upgrade—the final phase of the staged implementation of this multi-million dollar project to assist in protecting the community against the impacts of flooding.

While these projects will be delivered in different areas of our City, they will bring benefits to our entire community.

The Council has also committed funding an exciting events program, which includes a men's stage of the 2026 Tour Down Under, Norwood Christmas Pageant, Raising the Bar and Concerts in the Park series.

A key attraction during the AFL season, \$200,000 has also been allocated to the delivery of events and activations as part of the 2026 AFL Gather Round, which the Council hopes to be a part of for the fourth consecutive year.

All of these events and activities help to build on our already strong sense of community, bringing neighbours, friends and visitors together to enjoy the best of what Norwood Payneham & St Peters has to offer.

The Council is getting on with the job of delivering for our community to improve the lifestyle for all who call our City home and ensuring that our Council remains financially sustainable.

I look forward to your feedback regarding the draft 2025–2026 Annual Business Plan.

**Robert Bria
Mayor**

Executive Summary

The City of Norwood Payneham & St Peters' Annual Business Plan is a key document in the Council's overall Planning Framework. It sets out the Council's proposed projects, services and programs for the 2025–2026 financial year.



The Annual Business Plan supports the Council's long term strategic directions which are outlined in the Council's strategic management plan: *CityPlan 2030: Shaping Our Future*, as well as the Long-term Financial Plan and Whole-of-Life Asset Management Plans.

The vision for the City continues to be underpinned by the four outcomes of Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability.

In line with *CityPlan 2030: Shaping Our Future*, and in developing this Annual Business Plan, the Council continues to work towards these outcomes, through the delivery of programs, services and projects.

The accompanying Budget details the Council's revenue and how it proposes to fund the programs and initiatives which it intends to provide to the community during the 2025–2026 financial year.

The City of Norwood Payneham & St Peters' Annual Business Plan & Budget is required to be prepared in accordance with State Government legislation.

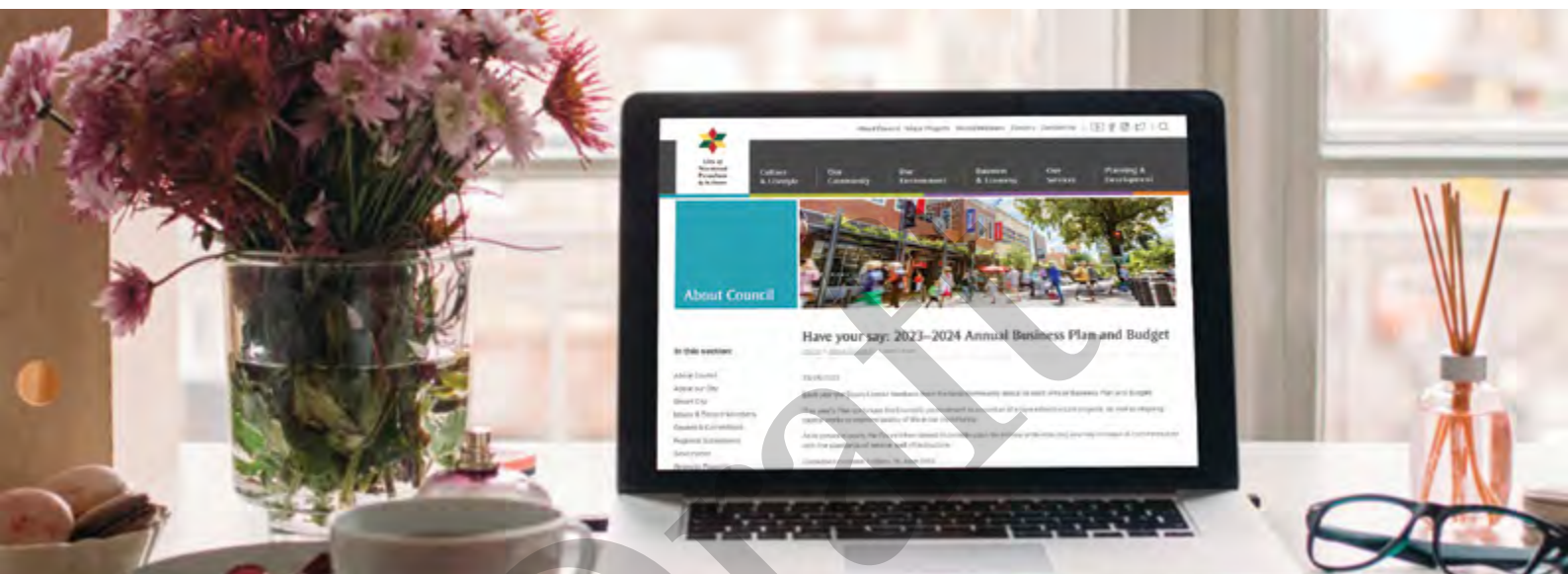
At its meeting held on 5 May 2025, the Council unanimously agreed that, subject to further consideration of the draft

2025–2026 Budget by the Council and following the receipt and consideration of any public submissions in respect to the draft 2025–2026 Annual Business Plan that:

- a Rate Revenue increase of 8.0% be endorsed 'in principle' from \$46.589 million in 2024–2025 to \$50.317 million in 2025–2026;
- an average residential rate increase of 8.94% be endorsed 'in principle';
- an average commercial rate increase of 0.45% be endorsed 'in principle'; and
- a rate cap on residential properties of two times the rate revenue increase of 8.0% be adopted 'in principle' for the 2025–2026 financial year and be applied to all eligible assessments without the requirement for an application to be made (as per the Council resolution made at its meeting held on 10 October 2005).

In addition, pursuant to the *Local Government Act 1999* and the Local Government (Financial Management) Regulations 2011, as detailed in the Statement of Comprehensive Income, the projected Operating Income is sufficient to meet the projected Operating Expenditure for the 2025–2026 financial year.

Consultation on the 2025–2026 Annual Business Plan & Budget



The Council is seeking comments on its Draft Annual Business Plan and Budget and we want to hear your views on the major projects, programs and services that the Council plans to undertake in 2025–2026.

Your comments can be provided by completing the on-line form on the Council's website: www.npsp.sa.gov.au or in writing to:

Annual Business Plan Consultation
City of Norwood Payneham & St Peters
PO Box 204, Kent Town SA 5071
or via email: ABPConsultation@npsp.sa.gov.au

Written submissions must be received by no later than 5.00pm on Friday 30 May 2025.

You are also invited to attend a public meeting to discuss your comments with Elected Members on Monday, 26 May 2025 at 7.00pm in the Mayor's Parlour at the Norwood Town Hall, 175 The Parade, Norwood.

The Draft 2025–2026 Annual Business Plan and Budget is available for viewing at www.npsp.sa.gov.au or you can view a hardcopy at:

- Norwood Town Hall,
175 The Parade, Norwood
- Norwood Library
110 The Parade, Norwood
- Payneham Library
2 Turner Street, Felixstow
- St Peters Library
101 Payneham Road, St Peters

For further information, please contact the Council's Manager, Strategic Communications & Advocacy Allison Kane on 8366 4528 or akane@npsp.sa.gov.au.

Strategic Direction

The Council's strategic direction is guided by four outcomes or Pillars which contribute to the realisation of the Council's Vision and are based on the four Pillars of the Quadruple Bottom Line (QBL) framework. The four outcomes are Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability.

We exist to improve the Well-being of our citizens and our community, through:

Social Equity

Cultural Vitality

Economic Prosperity

Environmental Sustainability



For our City, adding the fourth Pillar of culture to the traditional Triple Bottom Line (TBL) of environmental, social and economic sustainability highlights the importance of protecting and enhancing our City's unique character and sense of place.

The objectives set out in *CityPlan 2030: Shaping Our Future*, which outline the priorities for what needs to happen to achieve the four outcomes, reflect the community's aspirations, the policy commitments of the Council and the likely trends and issues which our City will face over the course of *CityPlan 2030*.

CityPlan 2030 plays a pivotal role in guiding the City of Norwood Payneham & St Peters towards the community's vision for the future. Achieving the strategies contained in *CityPlan 2030*, requires transparent and accountable governance structures and processes which are both flexible and responsive to the future opportunities and challenges that will present themselves.

It will also require a positive 'can-do attitude' and approach to ensure that we realise the future which we want for ourselves and the next generation, rather than just 'letting things happen'.

Strategic Planning Framework

In working towards our vision, all of the programs, projects and services which the Council delivers are structured into four key outcome areas, referred to as the 'Four Pillars' of Community Well-being.



Long-term Financial Plan

The City of Norwood Payneham & St Peters is driven by the need to deliver programs and services to our citizens through the most efficient and effective means possible. The ability to deliver on this and the strategic directions outlined in *CityPlan 2030: Shaping Our Future* is dependent on the Council's responsible management of its financial resources over the long-term.



The Local Government Act 1999, requires Councils to prepare a Long-term Financial Plan covering a period of at least ten years.

The Plan is a key document in the Council's Strategic Planning Framework. It is the primary financial management tool which links the Council's Strategic Plan, *CityPlan 2030*, 'Whole-of-Life' Asset Management Plans and the Annual Business Plan & Budget.

In line with *CityPlan 2030*, the Long-term Financial Plan focuses on these four strategic outcomes.

The Long-term Financial Plan is an important planning tool for the Council as it:

- reflects the future financial position based on delivering the services, activities, programs and initiatives undertaken by the Council;
- allows the costs of long-term strategic decisions to be quantified and debated; and
- assesses the financial sustainability of service levels.

A City that delivers on our Strategic Outcomes by managing our financial resources in a sustainable and equitable manner.

To ensure that we deliver on our financial goal, the Council has committed to achieving the financial outcomes set out below;

- Outcome 1: A Balanced Budget
- Outcome 2: Rate Stability
- Outcome 3: Infrastructure and Asset Management
- Outcome 4: Debt Management

While the Local Government (Financial Management) Regulations 2011 Part 2 / 5 (4) prescribe that a Long-term Financial Plan must be prepared at least every four years, undertaking an annual update within this period is important to maintain its relevance and effectiveness.

Annual updates ensure that financial projections reflect updated assumptions, such as inflation rates, interest rates, known grant funding, phasing of capital projects and asset renewal needs.

The Long-term Financial Plan does not take into consideration grant funding that is not yet secured or known. The Council is committed to seeking grant funding and support where possible to assist in the delivery of capital and operational projects.

This regular review allows Council to proactively respond to emerging risks and opportunities, uphold financial sustainability, and support informed decision-making.

It also enhances transparency and accountability, providing confidence to the community that the Council is planning responsibly and managing its finances well into the future.

Updated long-term financial statements can be found in Appendix 7.

Objectives and Key Initiatives

In preparing the 2025–2026 Annual Business Plan & Budget, the Council has considered the strategic directions set out in *CityPlan 2030: Shaping Our Future* and has determined to undertake initiatives which respond to the Council's vision and contribute to the overall well-being of our City and its community.



The services, programs and initiatives which the Council proposes to undertake during 2025–2026, must meet the objectives of at least one of the four key outcome areas of *CityPlan 2030*: Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability.

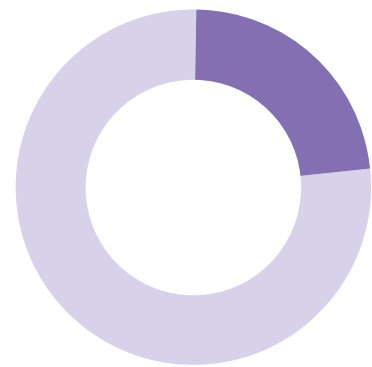
In some cases, projects and initiatives may contribute towards more than one of the four key outcomes. Projects and initiatives have been listed against the outcome with which it has the strongest alignment.

Other priorities which have influenced the preparation of the 2025–2026 Annual Business Plan & Budget include:

- an increase in operating expenditure taking into account the Local Government Price Index and Consumer Price Index (CPI) as well as the cost of building new and/or renovating facilities and infrastructure;
- ensuring the maintenance and renewal program for existing infrastructure assets, across the city including roads, footpaths, Council owned facilities and parks and reserves, are consistent with the Whole-of-Life Infrastructure and Asset Management Plans;
- consideration of financial commitments to major projects which span more than one financial year; and
- sensible and prudent financial management to ensure ongoing financial sustainability for our City.

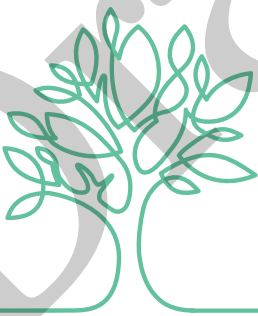
City Snapshot

The City of Norwood Payneham & St Peters enjoys a reputation as one of Adelaide's most desirable places to live, work and visit.



30.2%
of people in the City of Norwood Payneham & St Peters were born overseas, compared with 26.3% in Greater Adelaide.

341km of footpaths
363km of kerbing



171km of roads
20,000+ street trees

local businesses
7,800*

Our business community values the City's unique and diverse business mix with strong connections and ability to work together.



2 Swimming Centres[^]

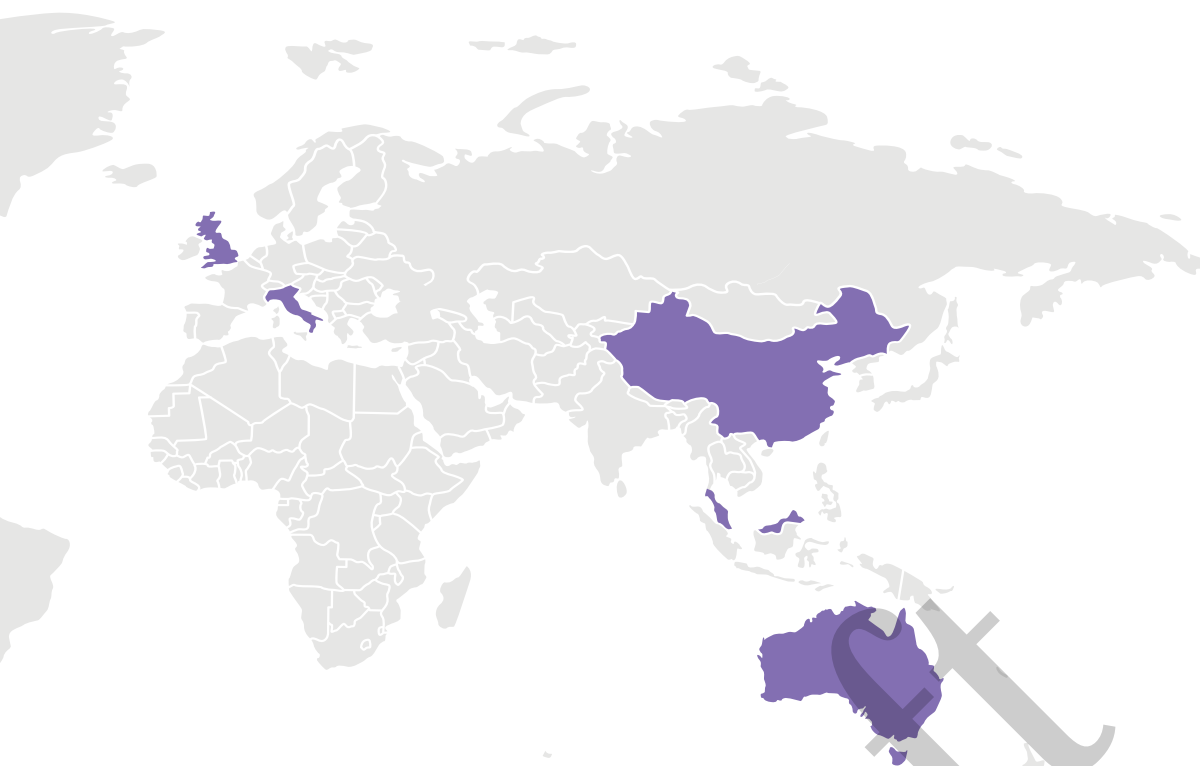


1 Child Care Centre & Pre-School



3 Libraries

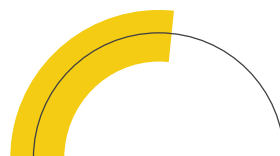
[#] Source: Australian Bureau of Statistics 2019 Estimated Resident Population
^{*} Approximate figure
[^] See Major Projects page 24



residents

37,487[#]

The median age of people is 41 years.
Children aged 0–14 years make up 17% of the population and people aged over 65 years make up 20.1%.



29 playgrounds



72 parks and reserves



180 hectares of open space

Budget Overview

2025–2026

The Council's financial goal is to deliver on the strategic outcomes which are set out in *CityPlan 2030: Shaping our Future*, by managing financial and indeed all resources in a sustainable and equitable manner.

The 2025–2026 Budget has been developed within the Council's planning framework and sets the strategic direction over the medium and long term, converting these into annual actions, outputs and outcomes.

The development of the Budget has been undertaken in consultation and review by the Council's Elected Members, Council staff and in consultation with the community.

As South Australia, together with the rest of the nation, continues to deal with cost of living pressures and inflation, the focus has been on developing an Annual Business Plan & Budget, which ensures that the Council maintains the standards for its existing range of services which are aimed at supporting the delivery of the Strategic Objectives outlined in the Council's Strategic Management Plan *CityPlan 2030: Shaping Our Future*, and that those services receive the appropriate funding.

The Council is supporting both the State's and the local economic recovery and improving the quality of the City's infrastructure by continuing its commitment to a number of large infrastructure projects, some of which commenced in 2024–2025, with the aim of being delivered this financial year.

The 2025–2026 Budget is also focused on the future and aims to ensure that the Council's emerging and continuing priorities are appropriately resourced and to this end, the Budget is built upon the strategic outcomes set out in the Councils' Asset Management Plans and Long-term Financial Plan.

The key driver is to ensure that the Budget priorities not only contribute to the Council's broader strategic objectives, but also to the Council's long term financial objective of managing its financial resources in a sustainable manner. The focus continues to be on initiatives which have been identified to support the delivery of the strategic objectives outlined in *CityPlan 2030: Shaping Our Future* and to ensure that our services are delivered in the most efficient and effective manner, thereby satisfying community needs and expectations.

The 2025–2026 Budget continues to build on the principle of financial sustainability. This is demonstrated by adherence, over the term of the Long-term Financial Plan, to the overarching principles that require the Council to:

- achieve long term revenue, expenditure and cash flow neutrality while keeping rates growth within the average for the sector; and
- ensure the Council's long term Capital Works Program is fully funded to achieve asset renewal requirements asset renewal requirements.

In this respect, a number of significant factors have influenced the preparation of the 2025–2026 Budget, namely:

- the impact of the Consumer Price Index (CPI) and the Local Government Price Index increases;
- maintenance and renewal program for existing infrastructure assets, including roads, footpaths, kerbing Council owned properties and open spaces (parks and reserves);
- Enterprise Bargaining Agreements, which provide for employee wage and salary increases of 3% from November 2024 for SA Municipal Officers Award and 3.5% for Local Government Employees until 31 October 2025 and 3% annually thereafter; and
- commitment to major projects that span more than one year, such as the redevelopment of Payneham Memorial Swimming Centre and the Trinity Valley Stormwater Drainage Upgrade.

Table 1 provides a comparison of the financial targets included in the Council's Long-term Financial Plan (LTFP) and how they are met by the 2025–2026 Budget.

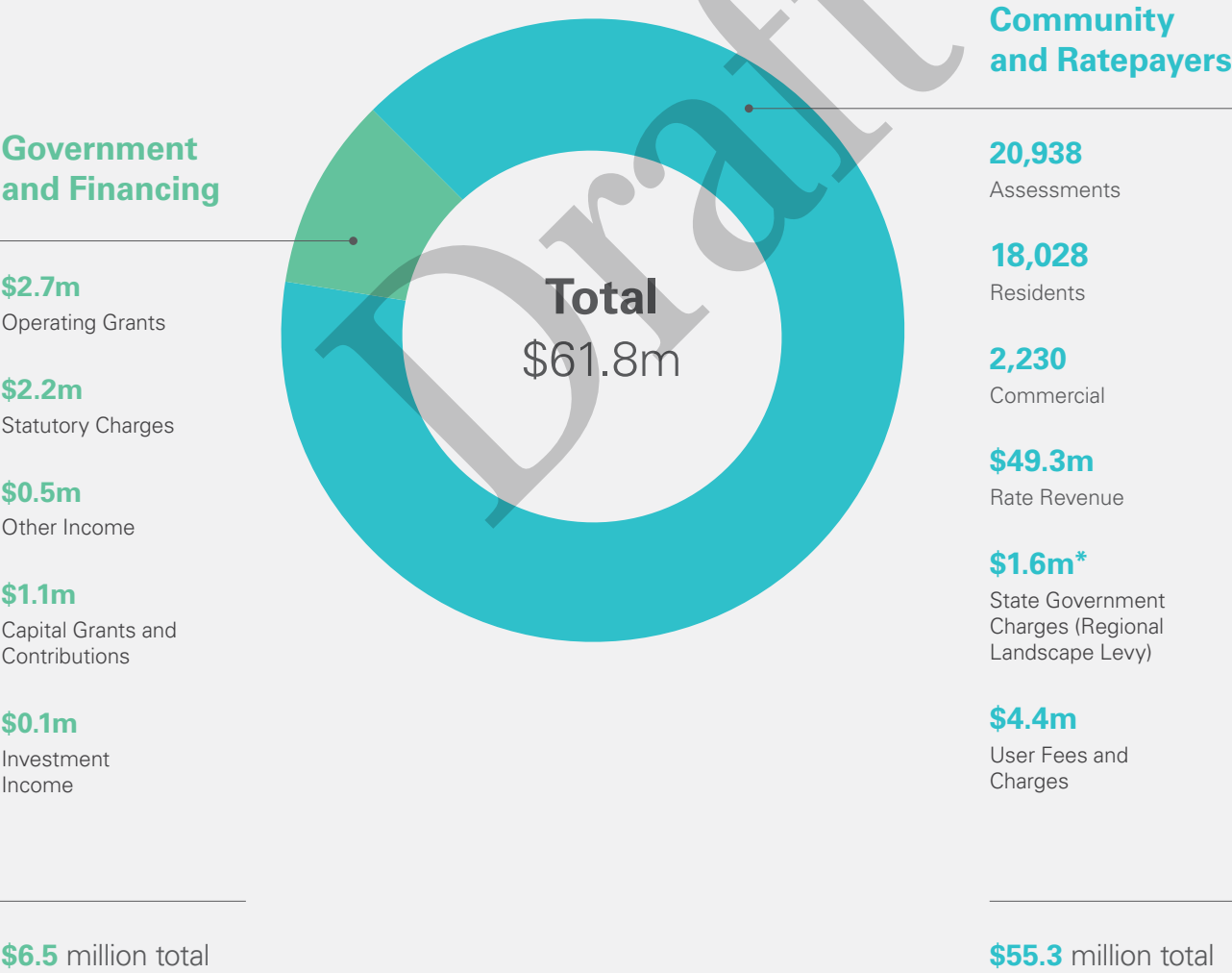
Table 1

Outcome	Indicator	LTFP Target
A balanced budget	Operating Surplus	\$0
	Operating Ratio	0–10%
Rate stability	Annual Rate Revenue increases	Between 4%–8%
Infrastructure and Asset Management	Asset Renewal Funding Ratio	Between 90%–110% on a rolling three year average
Debt Management	Net Financial Liabilities	less than 100%
	Debt Servicing Ratio	less than 15%

Budget Overview

2025–2026

Operating Income



**In 2025–2026, the Council will collect \$1.6 million for the payment of the Regional Landscape Levy. The Council is acting as a revenue collector and as such does not retain this revenue, but simply forwards it through to the Green Adelaide Board.*

The Budget shapes the projects, services and events held each year. The revenue from the community, Government and financing allows the Council to deliver services, programs and events and will enable the delivery of special projects.

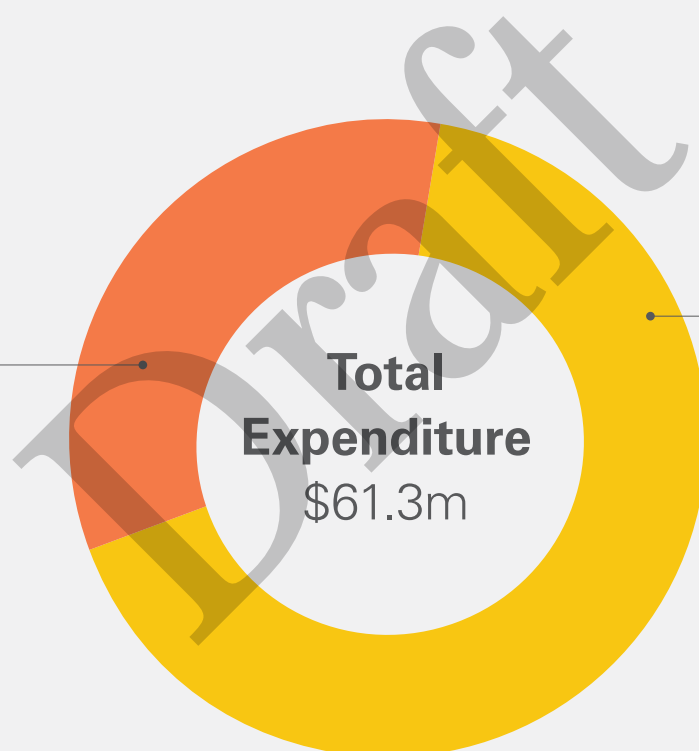
Operating Expenditure

Employee Expenses

174.9

Full-time Equivalent staff.

\$20.3 million total



Materials, Services and Investment

\$22.2m

Materials and Services

\$13.7m

Capital Expenditure

\$1.6m

State Government Charges (Regional Landscape Levy)

\$3.4m

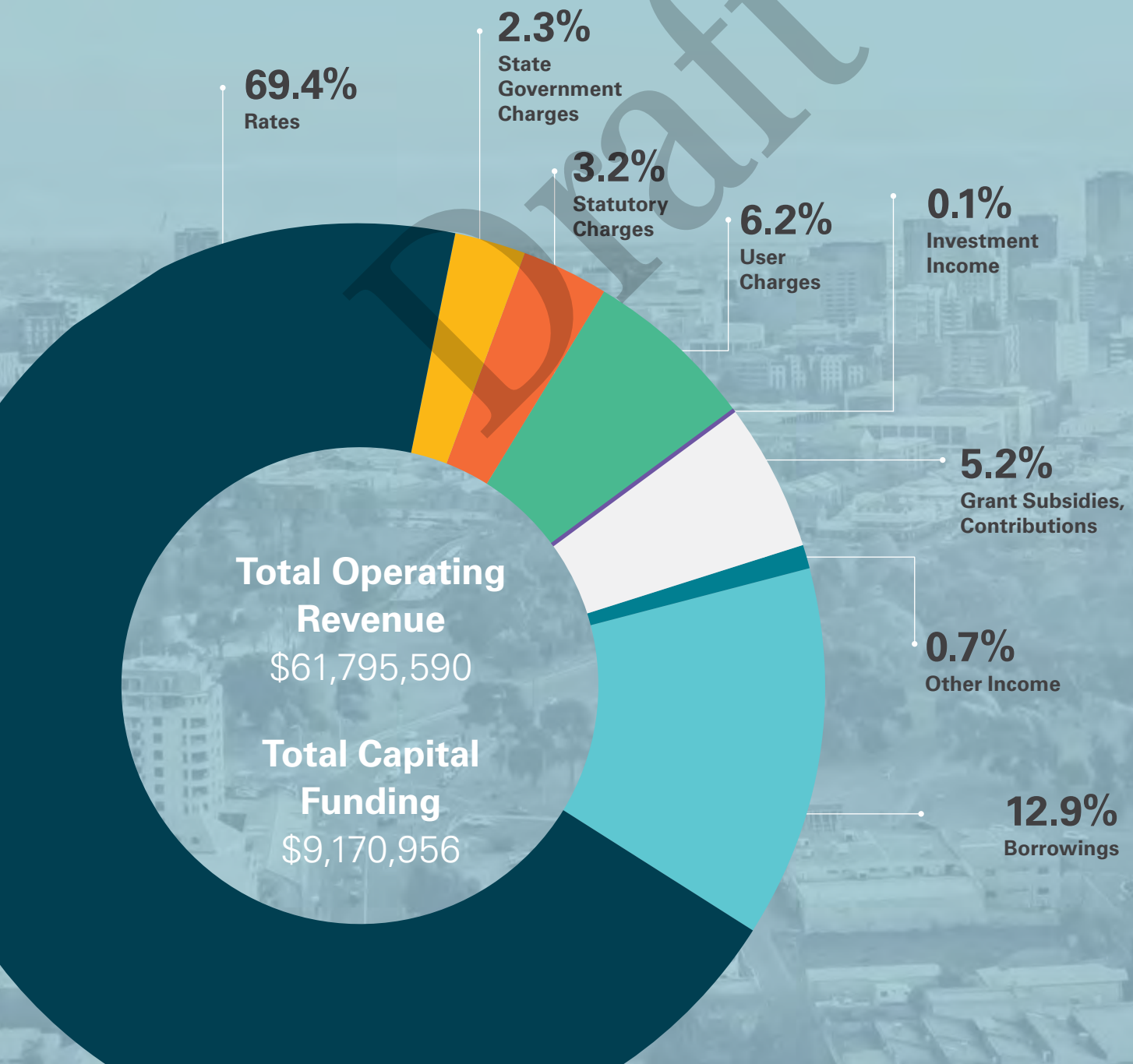
Finance costs

\$40.9 million total

Revenue & Expenditure

The 2025–2026 Annual Business Plan & Budget focuses on ensuring that the Council can maintain and improve its existing service standards while appropriately funding new projects and initiatives in a sustainable way.

How Council services are funded

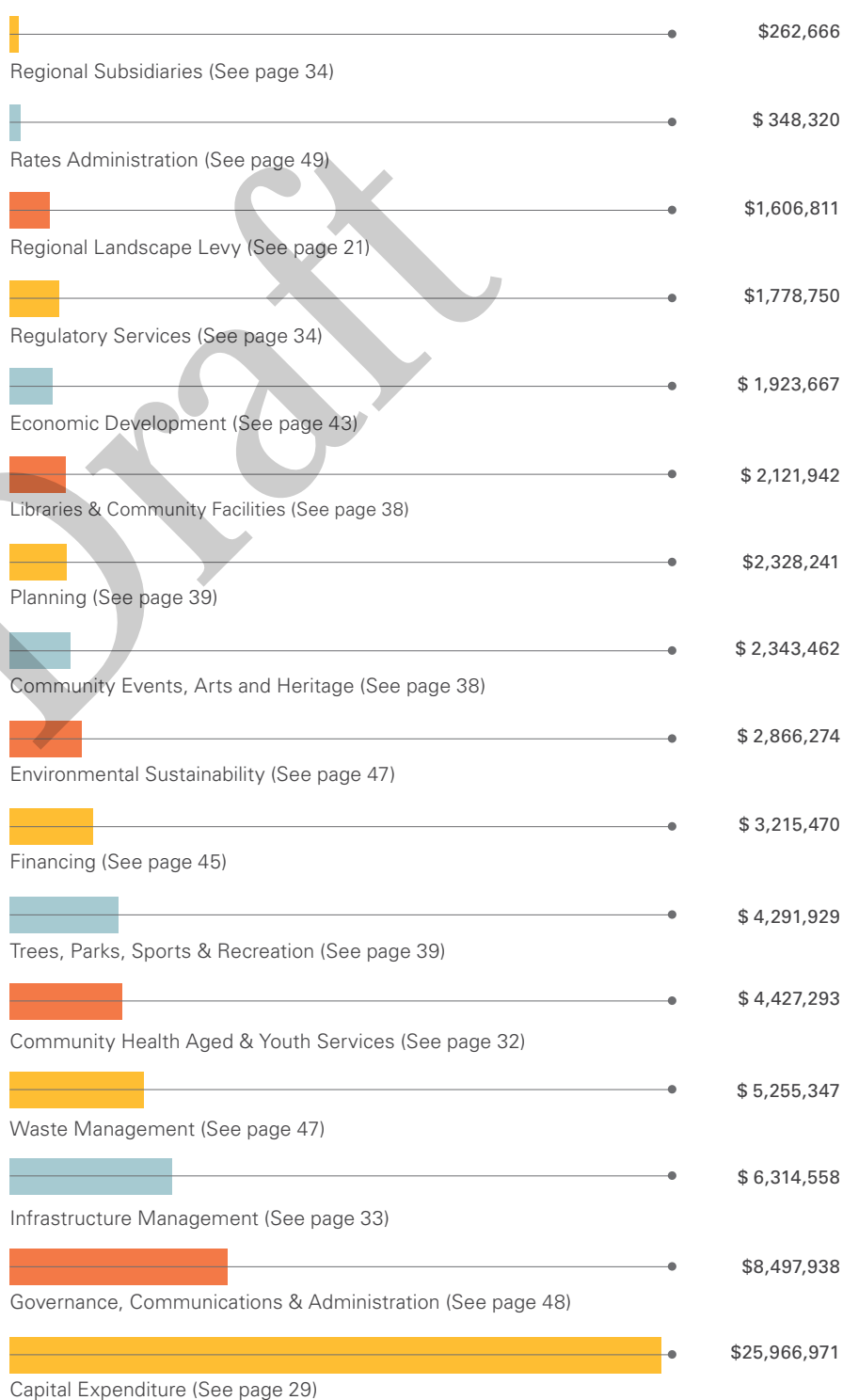


How the funds are spent

Total Expenditure \$ 73,549,639

Total Operating Expenditure (Excludes Depreciation) \$47,582,668

Total Capital Expenditure \$ 25,966,971



Your Rates Explained

Council rates are a form of property taxation and are the main source of income for the City of Norwood Payneham & St Peters. They fund essential services such as the management of infrastructure, public health and safety, as well as major capital projects, the provision of community programs, events and festivals.

The City of Norwood Payneham & St Peters is committed to financial sustainability and continuing to provide excellent services for our community.

Australia is experiencing unprecedented levels of cost of living pressures and inflation and the Council is not immune from these price increases, in particular electricity and the ever-increasing construction costs to build, maintain and replace Council assets.

As a result and to ensure it continues to be financially sustainable, the Council has endorsed an average residential rate increase of 8.94%, or an extra \$185 per annum compared to last year, bringing the average residential average rate to \$2,228.

One of the key objectives for the Council is to ensure that rate revenue increases are kept to a reasonable level, and are sufficient to maintain and improve the standard of the City's infrastructure, services and programs provided and to ensure that rates are applied across the community as fairly and equitably as possible.

For the 2025–2026 financial year, a total of \$50.3 million will be collected through General Rates (before any rebates are applied), an increase of \$3.71 million compared to 2024–2025.

The General Rate revenue is collected from property owners by applying a rate-in-the-dollar to the capital value of individual properties.

In preparing the Annual Business Plan & Budget, one of the key objectives for the Council is to ensure that rate revenue is kept to a responsible level, reflective of the service level of the City's infrastructure, services and programs provided and to ensure that rates are applied across the community as fairly and equitably as possible.

The State Government has recently made amendments to the *Local Government Act 1999*, which are intended to create consistency across all councils in South Australia when it comes to informing ratepayers about annual changes to their rates.

The Council supplements revenue with funding from other sources, such as fees and charges, State and Federal Government grants, investment incomes and loan borrowings.

Method Used to Value Land

The Valuer-General is South Australia's independent statutory authority responsible for valuations for all properties in South Australia in accordance with the *Valuation of Land Act 1971*. All properties are required to be valued every five years, however to ensure equitable property-based rates and taxes, a General Valuation is undertaken annually.

The Council has continued to use the Capital Value as the basis for valuing land within the City of Norwood Payneham & St Peters. This method of valuing land provides the fairest method of distributing the rate revenue across all ratepayers as:

- property value is a good indicator of wealth and Capital Value, which closely approximates the market value of a property, therefore providing the best indicator of overall property value; and
- the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.

Through the Office of the Valuer-General (State Government), any property owner or occupier who does not agree with their valuation may lodge an objection to have their property valuation reviewed. An objection must be lodged within 60 days of receiving the first Rate Notice for the financial year.

Differential General Rates

The *Local Government Act 1999*, allows Councils to apply differential rates based on the use of the land, the locality of the land or the use and locality of the land. The City of Norwood Payneham & St Peters applies differential rates on the basis of land use.

Definitions of land use are prescribed by regulation and are categorised as follows for rating purposes:

- Residential
- Industrial - Other
- Commercial - Shops
- Primary Production
- Commercial - Office
- Vacant Land; and
- Commercial - Other
- Other
- Industrial - Light

The City of Norwood Payneham & St Peters applies differential rates on the basis of land use whereby non- residential properties have an increased rate-in-the-dollar of an additional 20% of the rate-in-the-dollar which is applied to residential properties.

Based on information provided by the Valuer-General to date, the payment of rates will be distributed across the different categories as detailed in *Table 2*.

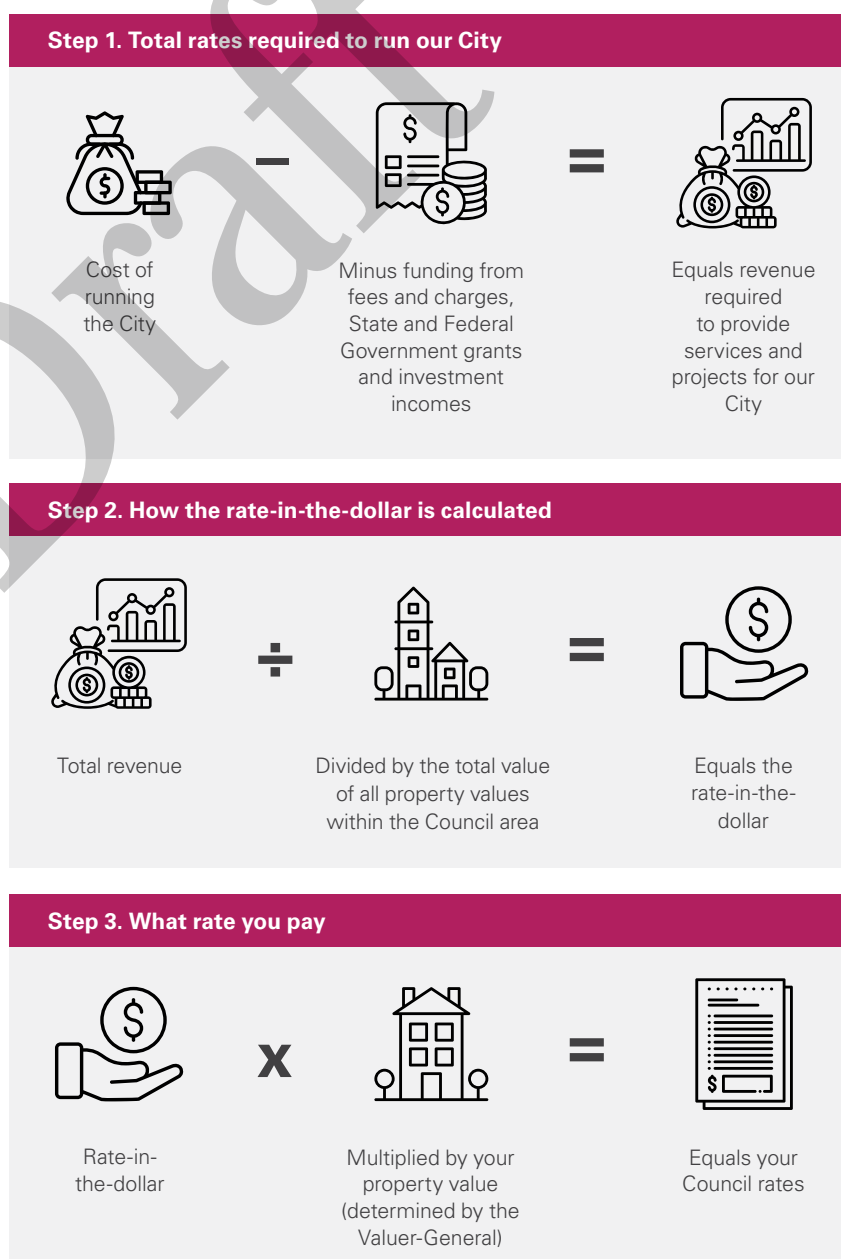
Table 2

Rate Revenue by Land Use

Residential	80.6%
Commercial	15.4%
Industrial	0.8%
Vacant Land	1.0%
Other	2.2%

How your rates are calculated

Figure 1



Minimum Rate

Pursuant to the *Local Government Act 1999*, a Council may impose a minimum amount which is payable by way of rates. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate, it must not apply to more than 35% of properties in the Council area.

For the 2025–2026 financial year, the Council has set a minimum rate of \$1,379. The minimum rate will be applied to 6,650 (32.16%) rateable properties, out of a total of 20,680 rateable properties

In determining the minimum rate, the Council is ensuring that all rateable properties make a base level contribution to the cost of:

- administering the Council's activities;
- the provision of the physical infrastructure that supports each property and is available for use by all ratepayers; and
- services provided that are available for use by all ratepayers (e.g. Libraries, parks and gardens).

Separate Rate for The Parade Precinct

The Council has endorsed the continuation of the Separate Rate for The Parade Precinct during the 2025–2026 financial year. The Separate Rate is based upon achieving a total revenue of \$225,000 from the 409 tenancies located within The Parade Precinct.

Prior to resolving to extend the Separate Rate for a further year, the Council consulted and engaged with the business and property owners within The Parade Precinct.

The Separate Rate model for The Parade has been designed to ensure that The Parade remains viable in an increasingly competitive market, whilst minimising the

additional cost to the property owners and businesses.

The Separate Rate collected in 2025–2026 will continue to be used for the purpose of marketing and promoting The Parade as South Australia's premier mainstreet.

The Separate Rate will be reviewed by the Council in early 2026, and consultation will be undertaken with the business and property owners within The Parade Precinct.

Proposed Rate Increases for 2025–2026

To fund the activities proposed within the 2025–2026 Annual Business Plan and to ensure that the Council continues to provide the level of services required and expected by the community, the Council estimates that it will require an additional \$3.71 million or 8.0% in general rate income compared to 2024–2025.

Based on the valuations which have been received from the Valuer-General in June, this will in principle result in a proposed decrease in the 'rate-in-the-dollar' by 2.49%.

For the 2025–2026 financial year, the average rate per property by land use is shown in Table 3.

The actual rates payable by a rate payer will vary according to individual property valuations, the land use, and whether there has been any new development or capital improvement on the land.

The average residential property will be required to pay \$2,228 and the average commercial property will be required to pay \$3,446.

Table 3

**Average general rate per property by land use
2025–2026 financial year**

Land Use	Average Rate \$	Increase (Decrease) \$	% Change on 2024–2025
Residential	2,228	184	8.94%
Commercial	3,446	15	0.45%
Industrial	2,957	137	4.86%
Vacant Land	2,529	319	14.44%
Other	4,796	62	1.30%
Primary Production	2,210	(56)	-2.49%
All properties	2,378	165	7.44%

**State Government Regional
Landscape Levy**

Pursuant to the *Landscape South Australia Act 2019*, the Council is required to collect funds on behalf of the State Government, for the operations of the Green Adelaide Board.

The Council collects the funds through a Separate Rate that is levied as the Regional Landscape Levy and is applicable to properties within its area of the Green Adelaide Region.

In 2025–2026, the Council will be required to collect \$1.6 million from property owners as part of the Regional Landscape Levy. The Council is acting as a revenue collector and as such does not retain this revenue, but simply forwards it through to the Green Adelaide Board.

Rate Capping

Rate Capping is provided in the form of a Rebate or Remission of Rates that are above an approved threshold. As part of the 2025–2026 Budget, the Council has determined that rate increases will be capped (subject to meeting certain conditions) at two times the rate revenue increase as set in the Annual Budget. This means that the maximum increase in rates for individual residential properties for the 2025–2026 financial year will be capped at 16%.

Remission and Postponement of Rates

Section 182A of the *Local Government Act 1999*, provides the option for State Senior Card Holders to apply to postpone part of their Council Rates on a long term basis. The deferred amount is subject to a monthly interest charge, with the accrued debt being payable on the disposal or sale of the property.

Financial Hardship

If a ratepayer is experiencing financial difficulties and foresees challenges in paying council rates, it is recommended that they initially reach out to the Council's Rates & Revenue Officer for advice.

The Council has established a dedicated Financial Hardship Policy, and for more information, please refer to the policy document. All inquiries are strictly confidential.

Statement on Expected Rate Revenue







A copy of the Expected Rate Revenue can be found in Appendix 4.

Rate Policy and Rate Rebate Policy

A copy of the Council's Rate Policy and Rate Rebate Policy can be found in Appendix 5 and 6.

How the Council spends your rates and charges

For every \$100 paid in rates, the breakdown in Council expenditure is as follows:

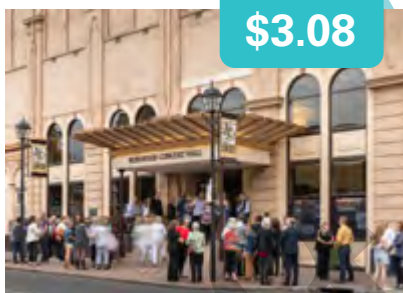
 <div>\$38.11</div> <p>Infrastructure Management</p> <ul style="list-style-type: none">• Asset management• Civil infrastructure management• Roads, kerbs and footpaths• Streetscape maintenance• Public lighting• Stormwater drainage network• Traffic management	 <div>\$10.80</div> <p>Waste & Recycling Services</p> <ul style="list-style-type: none">• Kerbside collection of<ul style="list-style-type: none">- Household waste- Recyclables- Green organics• Hard waste collection and disposal• Public litter bins• Illegal dumping• E-waste collection and disposal	 <div>\$15.62</div> <p>Governance, Communications & Administration</p> <ul style="list-style-type: none">• Corporate governance• Financial management• Information management• Customer services• Organisational development• Volunteer services• Internal and external communications• Media liaison• Marketing• Administration management• Subsidiaries
 <div>\$0.43</div> <p>Community Health, Aged & Youth Services</p> <ul style="list-style-type: none">• Community support and development• Community programs• Youth services• St Peters Child Care Centre & Preschool	 <div>\$8.26</div> <p>Trees, Parks, Sport & Recreation</p> <ul style="list-style-type: none">• Reserve and open space maintenance• Sports and recreational facilities• Swimming centres	 <div>\$5.93</div> <p>Environmental Sustainability</p> <ul style="list-style-type: none">• Street sweeping• Tree management• Creek maintenance• Street trees



\$3.61

Community Events, Arts and Heritage

- Community events
- Community arts
- Cultural heritage
- Public Art



\$3.08

Libraries & Community Facilities

- Library services
- Lifelong Learning Programs
- Children's programs
- Facility hire (casual and long term)
- Norwood Concert Hall



\$0.71

Regulatory Services

- Environmental health services
- On-street parking management
- Animal management
- Abandoned vehicles
- Pest management
- Building inspections



\$3.39

Planning

- Urban planning
- Health inspections
- Development assessments



\$3.52

Economic Development

- Management of business precincts
- Strategic projects
- Economic development



\$6.55

Finance cost associated with loan borrowings to fund capital projects.

- E.g. construction of Payneham Memorial Swimming Centre

Major Projects

The 2025–2026 Annual Business Plan & Budget continues the Council's ongoing commitment to a number of major infrastructure projects, some of which commenced in 2024–2025 or earlier, which aim to improve our City, the well-being and quality of life of our community and help to maintain a strong local economy. This year, the Council will continue its investment in the following major projects.



Payneham Memorial Swimming Centre Redevelopment

The transformation of Payneham Memorial Swimming Centre is well underway, with the \$60 million project taking shape following construction of two indoor pools and an Olympic sized 50 metre, ten lane outdoor pool.

Marking the Council's biggest investment in infrastructure to date, the state-of-the-art aquatic leisure centre is on track for completion in the last quarter of the 2025–2026 financial year.

In November 2024, construction of the two indoor pool shells—the learn to swim and 25 metre pools—were completed, closely followed in December by the outdoor 50 metre pool shell.

Following completion of the shells and associated works, the pools successfully underwent hydrostatic testing—a crucial quality control measure to identify any potential leaks or structural weaknesses prior to completing construction.

Following successful completion of hydrostatic testing, the pools were drained and construction continued as planned.

While the construction of the pools is underway, the building works around the pools have also been taking shape, with the erection of the structural steel components and installation of roofing for the indoor pool hall taking place during December 2024 and January 2025.

Installation of the roof allowed the internal fit out of the pool hall to commence, which included the feature timber ceiling a product sourced from Italy specifically for the project.



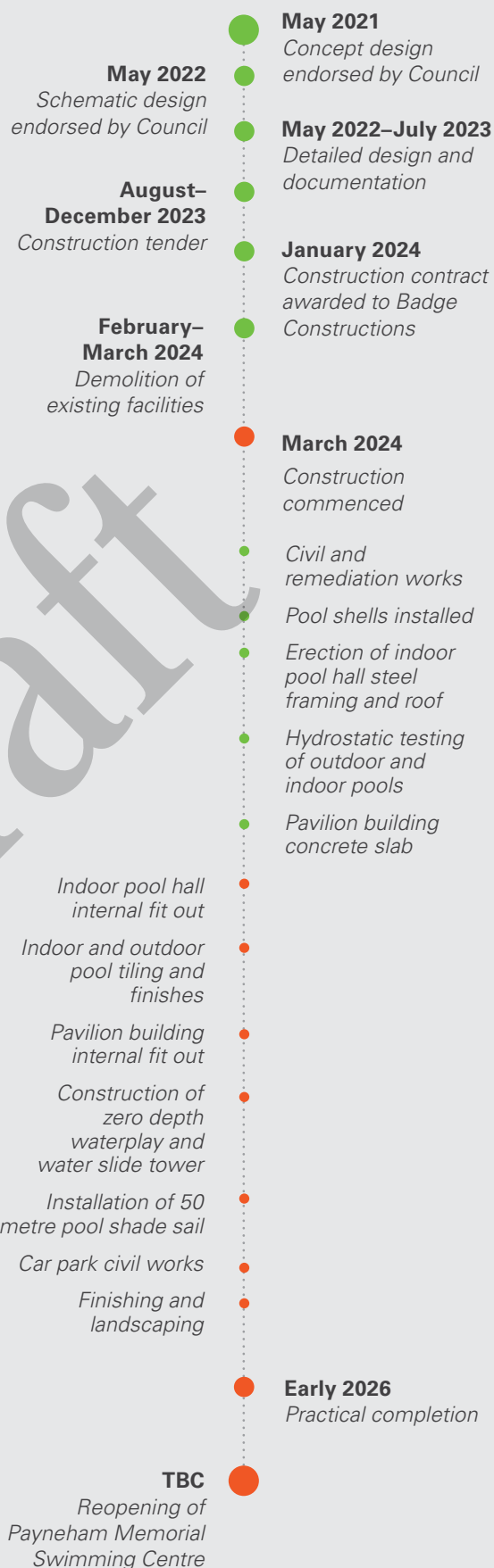
Most recently, the concrete slab for the pavilion building has been laid and installation of pool tiling and finishes for the 25 and 50 metre pools has commenced.

As the new financial year commences, passers-by will start to see construction of the pavilion building—the main entrance to the Centre that houses function and commercial areas.

Practical completion of the Payneham Memorial Swimming Centre is scheduled and on-track for early 2026.

To see progress images and time lapse footage of construction and to find out more visit www.npsp.sa.gov.au/PMSC

Project timeline



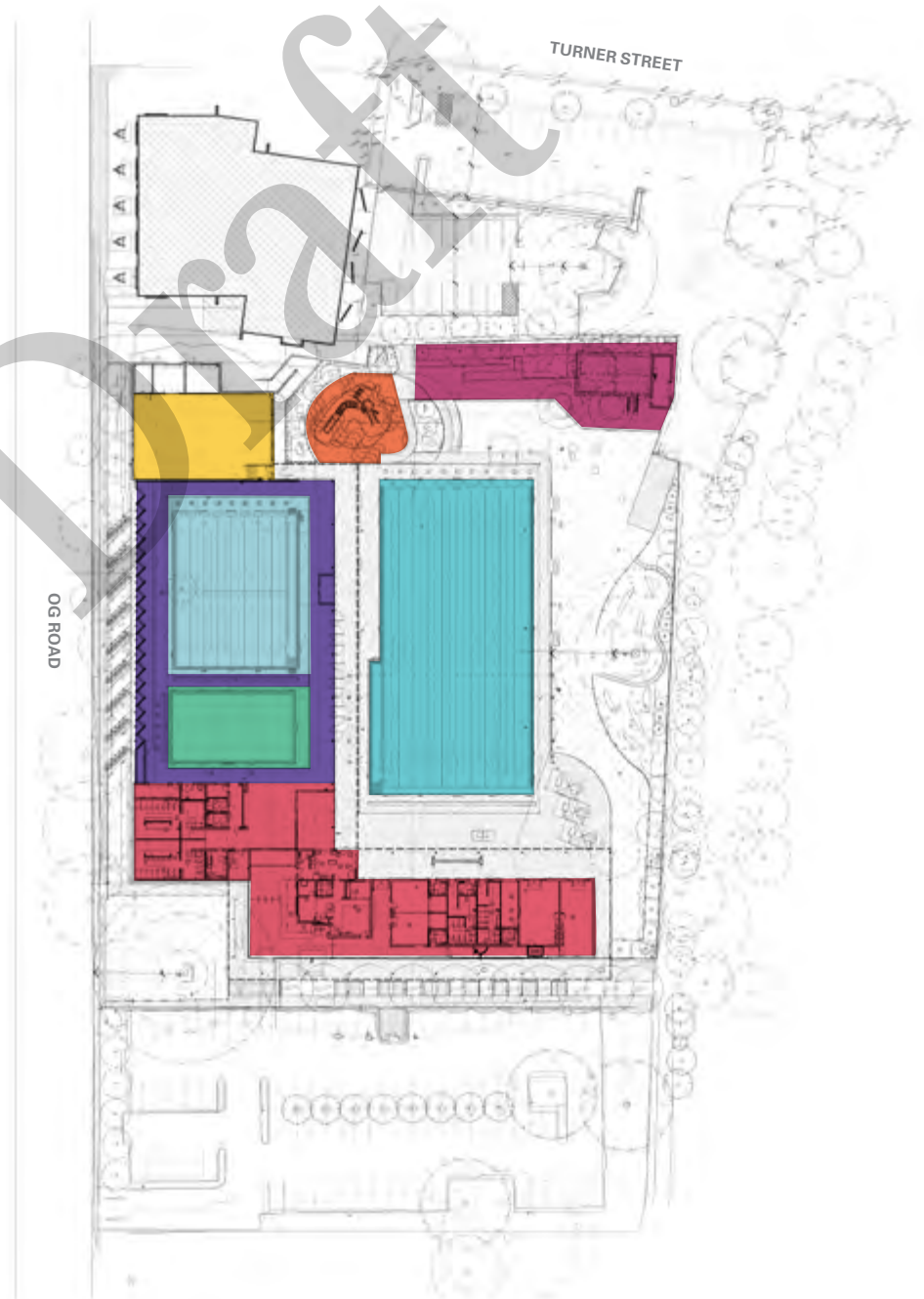


Concept design Payneham Memorial Swimming Centre

Payneham Memorial Swimming Centre Site Map

Legend

●	Waterslide tower
●	Zero depth
●	Plant room/Balance tank
●	Pool hall building
●	25m pool
●	Learn to swim pool
●	Pavillion building
●	50m pool





St Peters Childcare Centre

Kent Town Public Realm Upgrades

The Kent Town Public Realm Upgrade will deliver new footpath paving, landscaping and furniture adjacent new developments in Kent Town.

The upgrades will be delivered in accordance with the Kent Town Urban Design Framework and Public Realm Manual, that were endorsed by the Council in 2019 to guide streetscape enhancements, including how the Council will work with developers to make improvements adjacent new development sites.

With several residential developments now under construction, including the Parkline by Chasecrown, situated at 9-11 Dequetteville Terrace, the opportunity to improve the surrounding public realm has arisen.

While developers are required to renew any public infrastructure upon construction completion, the Council will take this opportunity to further upgrade the public realm and bring it into line with the vision for Kent Town.

The timing of the delivery of the Kent Town Public Realm Upgrades will be coordinated to align with the completion of new developments, with costs to be shared with developers.

Shade sails for playgrounds

To help create cooler and safer play spaces, the Council will install shade sails at two key locations — St Peters Child Care Centre & Preschool and Adey Reserve as part of the new playground.

Shade sails will be installed over the playground area at St Peters Childcare Centre & Preschool to ensure that adequate shade is provided for children and to minimise the temperature of the play space and the impact of ultraviolet radiation from the sun.

Shade sails will also be installed at Adey Reserve, in conjunction with an upgrade of the Adey Reserve Playground equipment.

Classified as a Category 1 playground in the Council's Playground Strategy, the Adey Reserve Playground therefore requires a suitable shade sail.

Installation of shade sails in this location will not only provide cooling effects and protective measures against the impact of ultraviolet radiation from the sun, but also serve to prolong the useful life of the play equipment and allow for an increased playtime for its users.

Investing to ensure our community is safe.



Capital Works Program Expenditure

2025–2026

The Council invests significant resources each year to ensure that the quality and standard of the City's infrastructure, including roads, footpaths, kerbs, buildings and recreation and open space assets, is maintained and meets community expectations.

To guide this investment, the Council's Asset Management Plans provide a comprehensive overview of the City's assets, including replacement value and condition, asset performance, service levels, and associated financial considerations.

Adopted by the Council in November 2024, the Asset Management Plans aim to ensure that the Council can deliver essential services, maintain assets and achieve strategic objectives in a financially sustainable, appropriate and prudential manner over the short, medium and long term.

The chart below compares the expenditure proposed for 2025–2026 as part of the Council's Asset Management Plans with the 2025–2026 Budget.

Fluctuations of expenditure within asset classes are expected year-to-year, however, the overall 2025–2026 Budget is in line with Asset Management Plans.

Updated Asset Management Plan financial statements can be found in Appendix 8.

The 2025–2026 Capital Works Program expenditure of \$12,887,016 includes:

- Civil infrastructure works to the value of \$6,571,328 including resealing 5.16kms of roads, reconstructing 8,485 square metres of footpaths and replacing 3.16kms of kerbing.
- Building works to the value of \$2,590,000 including the various upgrade works at Norwood Concert Hall and St Peters Town Hall Complex lighting upgrade.
- Recreation and open space infrastructure works to the value of \$1,016,000 including Adey Reserve Playground Upgrade and shade sail, and Church Street Reserve Playground Upgrade.
- Stormwater drainage works to the value of \$2,100,000, including Little Flinders Street, Kent Town and Third Creek culverts, Payneham.
- Renewal of other assets such as plant and equipment and library materials \$609,688



Outcome 1

Social Equity

An inclusive, connected, accessible and friendly community.

2024–2025 Achievements

Payneham Memorial Swimming Centre

Reached the 12-month construction milestone in March 2025 with the project on track for completion in May 2026.

Broad Street Reserve Playground Upgrade

Created an imaginative new playspace for children of all ages to engage in active play.

Trinity Valley Stormwater Drainage Project

Significantly progressed construction of stormwater infrastructure and installation of new stormwater detention culverts.

Burchell Reserve Redevelopment

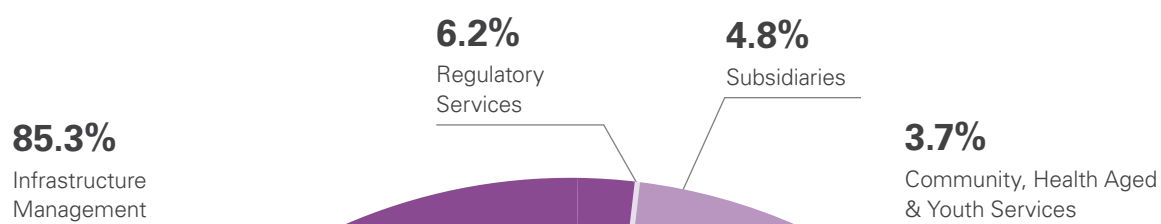
The newly developed playground and recreation facilities were officially opened on 27 October 2024 following a \$4.2 million redevelopment.

Annual Business Plan Objectives

- Continue to deliver services which are relevant, community focussed and in a cost effective manner.
- Continue to maintain and renew the City's infrastructure in line with the Council's whole-of-life framework for infrastructure.
- Deliver programs and activities which engage our young people in the City's future.
- Provide a variety of events and programs which engage all citizens regardless of age and ability.
- Ensure fair and equitable rates for all ratepayers.

Proposed key initiatives for 2025–2026

- Deliver the annual Capital Works Program in accordance with the respective infrastructure and asset management plans, including civil infrastructure (roads, footpaths and kerbing), buildings and open space assets.
- Continue construction of the Payneham Memorial Swimming Centre.
- Playground upgrades and shade sail installation at Adey Reserve and St Peters Child Care Centre & Preschool.
- Implementation of traffic management initiatives include 40kph speed limits and the On-street Parking Policy.
- Kent Town public realm upgrades.
- William Street Bikeway street lighting upgrade.



Function	Income	Expense	(Surplus)/Net Cost
Community, Health Aged & Youth Services	(4,220,554)	4,427,293	206,739
Infrastructure Management	(1,606,119)	6,314,558	4,708,439
Regulatory Services	(1,437,025)	1,778,750	341,725
Subsidiaries	-	262,666	262,666

Community, Health, Aged & Youth Services

Services Provided

- Community Visitors Scheme
- Domestic care
- Environmental health inspections
- Health and fitness programs
- Home and Community Care
- Home modifications
- Immunisations
- Personal care
- Social inclusion programs
- St Peters Child Care Centre & Preschool
- Transport
- Volunteer services
- Youth programs

Community Services

Community Services which are offered by the Council include the Community Visitors Scheme that provides Volunteers to visit socially or culturally isolated residents living in Federal Government subsidised aged care homes. Community Visitors are Council Volunteers who visit on a one-to-one basis.

Other programs provided include:

- health and fitness programs; and
- a range of social support activities designed to improve social connectedness and quality of life.

Home and Community Care Services

The Council's Home and Community Care (HACC) services is funded by the Federal and State Government to provide community care services for our City's frail aged and younger residents with a disability and their carers.

The services are designed to prevent social isolation, and provides individuals with assistance to maintain their independence and remain in their own homes for as long as possible. The range of services, which are available to help the frail and aged, people with a disability and their carers, who live within the community, include:

- home maintenance and safety and security assistance;
- personal care and cleaning; and
- transport services.

Youth Development

The Council is committed to providing opportunities for young people aged 12–25 years to be visible, valued and involved in shaping the current and future direction of the community. Services and programs delivered include Youth FM, Young Achievers Program and Eastern Region Youth Projects.

Volunteer Services

Volunteers play a vital role in ensuring that the Council can deliver a range of important services to our community. Volunteer Services is responsible for the development and promotion of volunteering opportunities across the Council's range of services and activities, includes the recruitment, recognition, training and retention of Council Volunteers.

St Peters Child Care Centre & Preschool

The Council owns and operates the St Peters Child Care Centre & Preschool. The Centre is licensed to provide child care and preschool services for 105 children between the ages of six weeks and five years of age. The St Peters Child Care Centre & Preschool provides a preschool program under the Government's Universal Access Program.

Environmental Health Services

These services are provided on behalf of the Council by the Eastern Health Authority (EHA) which is a Regional Subsidiary established under Section 43 of the *Local Government Act 1999*. Through EHA, the Council aims to enhance public health by managing the registration of all premises as required under the *South Australian Public Health Act 2011* and the Council's immunisation program.

Infrastructure Management

Services Provided

- **Asset management**, which includes project management services for the annual Capital Works Program, which includes;
 - road reseals;
 - footpaths;
 - kerbing and watertable; and
 - stormwater drainage network system.
- **Civil infrastructure maintenance** which includes programmed and responsive maintenance of the Council's civil infrastructure assets
- **Road and traffic management**
- **Street lighting**
- **Streetscape maintenance**

Infrastructure Maintenance

Infrastructure maintenance involves both the programmed and responsive maintenance of the Council's civil infrastructure assets, so that these are maintained to the required standard.

Also included in this program is the management of the City-wide Street Cleansing and The Parade Footpath Sweeping Program.

Services undertaken by Civil Infrastructure Maintenance also includes:

- Footpath, kerb and watertable
- Road and Traffic management
- Stormwater drainage network
- Streetscape maintenance
- Street lighting.

Asset Management

The Council's Asset Management Unit is responsible for the maintenance, construction, renewal and disposal of Council's facilities and assets, including the preparation and implementation of the annual Capital Works Program. This unit is also responsible for the expenditure of external infrastructure grants such as the Federal Governments Roads to Recovery Program and project specific grants.

Specific areas which are mandated by the Asset Management Unit include:

- **Capital projects** — This includes the provision of capital works construction and contract management associated with Council assets, in particular, the delivery of road, kerb, footpath, water table and stormwater drainage capital works renewal projects. The unit manages external contracts associated with building maintenance services for Council buildings including cleaning, plumbing, carpentry, electrical, air conditioning, painting, general maintenance and renewal.
- **Open space planning and delivery** — This includes the development and implementation of open space policies and strategies; development of public open space asset; undertake project management for capital works relating to open space improvements; provides internal technical advice and provide assistance to local community groups.
- **Assets and special projects** — This involves maintenance of the Council's Whole-of-Life Asset Management Plans and prepares scope of works associated with major capital works projects.

Regulatory Services

Regulatory Services

Responsible for administration of the Council's by-laws, policies and other legislation which the Council is charged with administering. Specific areas covered by Regulatory Services include:

- **Animal Management** — With more than 3,000 dogs residing in our City, it is important that provisions surrounding their care and control are in place. Regulatory Services staff administer the provisions of the *Dog & Cat Management Act 1995* which includes annual dog registration, managing barking and noise complaints and ensuring dogs are not found wandering at large where they pose a significant threat to their own safety, as well as to that of other members of our community who may not be familiar with the best way to handle a distressed or wandering dog.
- **On-street Parking Management** — The Council is responsible for ensuring that the parking provisions (Part 12) of the Australian Road Rules as well as the *Private Parking Areas Act 1986*, are observed by motorists. In addition this area leads the management of resident parking permits in line with the Council's Resident Parking Permit Policy.

Regulatory Services is also responsible for the management of abandoned vehicles and the investigation and enforcement of alleged breaches of Council's local laws including issues associated with kerbside trading, amenity and litter control and flammable growth.

Regional Subsidiaries

Regional collaboration is a key area of focus for the Council and it continually seeks and explores opportunities to work with other councils to establish networks, while it strives to fulfil its role as a responsible leader and provide best value.

Eastern Health Authority

The Eastern Health Authority (EHA) provides public and environmental health services on behalf of its constituent councils - the City of Norwood Payneham & St Peters, City of Burnside, Campbelltown City Council, the City of Prospect and the Town of Walkerville.

A wide range of environmental health functions and services are performed to maintain appropriate public health standards and to prevent and control disease, including:

- regularly inspecting food premises
- investigating disease outbreaks in conjunction with SA Health;
- investigating incidents of environmental health concern;
- provision of immunisation via public clinics;
- ensuring appropriate water quality standards are maintained in public swimming pools and spas; and
- providing advice and information to the general public.

East Waste

The Eastern Waste Management Authority (East Waste) is a Regional Subsidiary established under Section 43 of the *Local Government Act 1999* providing at-cost kerbside waste collection services to its Constituent Councils.

The membership base (owners) of East Waste comprise of the Town of Walkerville, the City of Burnside, the City of Norwood Payneham & St Peters, the Campbelltown City Council, the City of Mitcham, City of Prospect, City of Unley and the Adelaide Hills Council. East Waste provides the following services:

- waste management and recycling;
- co-ordinating waste education programs on behalf of its constituent councils; and
- working with the Local Government Association of South Australia to expand the delivery of waste education and messaging via the My Local Services App across all South Australian councils.

ERA Water

ERA Water is a regional subsidiary established under Section 43 of the *Local Government Act 1999*. ERA Water is responsible for construction and operation of a stormwater and reuse scheme on behalf of its constituent councils; the Cities of Burnside and Norwood Payneham & St Peters and the Town of Walkerville.

- ERA Water is responsible for implementing the Waterproofing Eastern Adelaide Project.
- The project is to reduce reserve irrigation and green our suburbs and enhance the quality of water that is discharged to our gulf.
- Importantly, through the constructions of wetlands and bio-filters at locations such as Felixstow Reserve the project has also centralised the City's environmental sustainability as well as reducing reliance on mains waste for irrigation purposes.

Highbury Landfill Authority

The Highbury Landfill Authority is responsible for the post-closure management of the Highbury Landfill previously used by the Councils through East Waste as their waste landfill. Significant ongoing activities undertaken by the HLA, include the monitoring and harvesting of landfill gases and the monitoring of groundwater contamination and leachates from the landfill.

The HLA has completed the construction of a synthetic clay capping for the landfill, which allows for more efficient monitoring and harvesting of landfill gases and reduces the risk of groundwater contamination to allow for further site remediation and revegetation.

Outcome 2

Cultural Vitality

A culturally rich and diverse City, with a strong identity, history and sense of place.

2024–2025 Achievements

Quadrennial Public Artwork

Concept design for the Council's fifth Quadrennial Public Artwork which will be installed on Osmond Terrace.

Hosted Popular Events

Movie Nights at the Pool
Twilight Carols
Concerts in the Park series
Tour Down Under Stage 3
Norwood Christmas Pageant

Events for Youth

The Council's Co-ordinator Youth Programs delivered a range of youth events and activities to a suit a diverse audience of age and abilities in our City.

AFL Gather Round & Norwood Food & Wine Festival

For the third year, the Council worked with the AFL and State Government to host Gather Round at Norwood Oval.

Library Events

The Council's three libraries hosted a range of events for diverse audiences including Music Month, Firstival and the Culturally Diverse Early Literacy Project .

Annual Business Plan Objectives

- Promote the City's cultural diversity through the use of public art and events that complement the City's cultural heritage and enhance its sense of place.
- Provide opportunities for the community to contribute to the social and creative life of the City through events, activities, arts and cultural initiatives.
- Provide a variety of events and programs which engage all citizens, regardless of age, ability, gender or cultural background.

Proposed key initiatives for 2025–2026

- Host the AFL Gather Round and associated events.
- Deliver a number of programs and activities that are focussed on achieving the objectives set out in the Council's Youth Action Plan.
- Continue to host the Concerts in the Park series.
- Continue to explore heritage protection opportunities through the Council's Built Heritage Strategy.
- Development of the Council's fifth Quadrennial Public Artwork to be installed on Osmond Terrace.
- Arts and Culture Plan Year 3 implementation.

45%Trees, Parks, Sport &
Recreation**19.7%**Community Events, Arts
and Heritage**18.5%**

Planning

16.8%Libraries &
Community Facilities

Function	Income	Expense	(Surplus)/Net Cost
Community Events, Arts and Heritage	(600,677)	2,343,462	1,742,785
Libraries & Community Facilities	(635,352)	2,121,942	1,486,590
Planning	(688,586)	2,328,241	1,639,655
Trees, Parks Sport & Recreation	(302,162)	4,291,929	3,989,767

Community Events, Arts & Heritage

Services Provided

- **Community Events** — are hosted by the Council across a diverse range of areas including festivals, concerts, performances and activities.
- **Community Arts** — initiatives are delivered in accordance with the Council's Public Art Policy.
- **Cultural Heritage** — activities and services which recognise the heritage of the City.

Community Events

A number of events are held by the Council which cater to the wide demographic of our community and include:

- The Norwood Christmas Pageant;
- Twilight Carols and Christmas Market;
- St Peters Fair;
- Concerts in the Park;
- Australia Day Celebrations;
- Citizenship Ceremonies; and
- Tour Down Under.

Community Arts

As a culturally rich and socially diverse community, the City of Norwood Payneham & St Peters has a long tradition of valuing creativity and artistic expression. This area supports the Council's Public and Community Arts Programs which are informed by the Council's Public Art Policy.

Cultural Heritage

The Council's Cultural Heritage Program assists the community to understand, celebrate and benefit from the City's rich and distinctive history through the provision of a number of specialist historical services and activities.

Libraries & Community Facilities

Services Provided

- **Libraries** - Library services are provided by the Council across three locations and include;
 - free use of computers and access to internet;
 - training programs;
 - home library service;
 - infant and children programs; and
 - book groups.
- **Norwood Concert Hall** is a versatile event space that is available for hire for musical theatre productions, functions and events.
- **Community Facilities** - are provided by the Council and are available to hire, from rooms to entire buildings, on a casual basis or under a long-term lease.

Libraries

The Council operates three Libraries at Norwood, St Peters and Payneham. The services provided include free access to educational and recreational resources including books, magazines, DVDs and CDs, online databases, public internet access, programs and events, local history services and inter-library loans.

Community Facilities

The Council has a number of buildings and facilities available for casual hire or long-term lease.

Norwood Concert Hall

The Norwood Concert Hall caters for events of all sizes, including Adelaide Festival productions, international acts, product launches, school concerts, cabaret acts, balls and weddings.

Planning

Services Provided

- City planning (including Development Assessment and planning policy)
- Health inspections
- Building Control

City Planning

Responsible for the development of strategic policy and planning across the City, this area issues planning approvals, controls the use and development of land, land divisions, liquor licenses, administers heritage controls and advice, and sustainable urban design advice.

Building Control

This area issues building permits and administers and enforces the building code and legal requirements concerning building safety.

Environmental Management

Delivery of projects which are aimed at achieving a sustainable environment for the City. This incorporates the support of a range of programs and events which are designed to engage the community on issues such as climate change and includes strategic planning in the areas of water, greenhouse emissions and climate change adaptation

Environmental Management also includes the management of First, Second, Third and Fourth Creeks and environmental pests such as European wasps and noxious weeds.

Parks, Sport & Recreation

Services Provided

- Sporting and recreational facilities include recreational and sporting facilities such as sporting fields and tennis courts
- **Swimming Centres** include the Norwood Swimming Centre and Payneham Memorial Swimming Centre.

Projects and Service Initiatives

- Recreation and Open Space Works Program
- Continuing construction of Payneham Memorial Swimming Centre
- Undertaking the Adey Reserve Playground Upgrade and shade sail installation
- Completion of the redevelopment of Dunstan Adventure Playground
- William Street Bikeway Lighting Upgrade.
- Kent Town Public Realm Upgrade.

Further details are provided in Appendix 1.

Sporting and Recreational Facilities

The Council provides a wide variety of recreational, sporting and leisure facilities such as sporting fields and tennis/netball courts, which are available for either casual hire or seasonal hire or leased to home sporting clubs within the City.

This also includes administration of the hire of the Council's sporting facilities, as well as managing the ongoing maintenance of the infrastructure which is provided at these facilities.

Swimming Centres

The Council owns and operates two Swimming Centres, the Norwood Swimming Centre and Payneham Memorial Swimming Centre.

The Payneham Memorial Swimming Centre is currently being redeveloped.

Outcome 3

Economic Prosperity

A dynamic and thriving centre for business and services.

2024–2025 Achievements

Raising the Bar

Held the highly regarded Raising the Bar event with a range of guest speakers and presenters in various venues, which provided a boost to the local economy.

Eastside Business Awards

Hosted the eighth Eastside Business Awards which saw a fourth business awarded with a Legends Award for winning the same category three times.

Business Initiatives and Competitions

Supported local businesses through a range of initiatives and competitions such as Shop to Win.

Food Secrets and Eastside Wine & Ale Trail Tours

Hosted Food Secrets together with Eastside Wine & Ale Trail Bus Tours around our City.

Business Networking

Hosted networking events to improve engagement amongst the business community and connectivity between Council staff and business operators.

Annual Business Plan Objectives

- Support the development of a prosperous local economy.
- Continue to engage, network and explore opportunities to grow local businesses.

Proposed key initiatives for 2025–2026

- Implement the ninth annual Eastside Business Awards to recognise the best small businesses, including retailers, restaurants, cafes, bars, venues, cultural experiences and entertainment venues in the City.
- Host Raising the Bar Adelaide in various venues, creating an environment of academia, learning and fun in laid back casual settings throughout the City.
- End of Year Business Networking event.
- Continue to implement initiatives from the Economic Development Strategy.

100%
Economic Development



Function	Income	Expense	(Surplus)/Net Cost
Economic Development	-	1,698,667	1,698,667
Precinct Management	(225,000)	225,000	-



Economic Development

Services Provided

- Marketing The Parade and other business precincts throughout the City
- Ongoing promotion of the Food Secrets and Eastside Wine & Ale Trail
- Business networking events.

Projects and Service Initiatives

- **Eastside Business Awards** is an annual awards program that recognises the best small businesses, restaurants, cafes bars, venues and boutiques within the City.
- **Raising the Bar** activates venues within the City as they are transformed into relaxed and fun learning environments with the aim of making education part of popular culture.

Futher details are provided in Appendix 1.

Economic Development

Provision of services programs, events and initiatives which facilitate economic development throughout the City.

Precinct Management

Services Provided

- Marketing The Parade and other business precincts throughout the City.
- Invest in NPSP website directory
- Social media , blogs and e-newsletters.

Projects and Service Initiatives

- Business Advisory Service
- Shop The Parade & Win and other competitions
- Business networking events.

Precinct Management

The City of Norwood Payneham & St Peters currently supports all of its business precincts, through the delivery of various initiatives, marketing and promotion.

Outcome 4

Environmental Sustainability

A leader in environmental sustainability.

2024–2025 Achievements

Tree planting

Planted 500 new street trees across the City to increase canopy coverage and create cooler, greener streets and a better environment for our citizens.

Smart Irrigation

Installed an additional 21 Hydrowise System irrigation controllers, completing the deployment of Smart Irrigation at all Council owned and managed Reserves.

Native Plant Giveaway

Continued the popular Native Plant Giveaway, to boost green cover and biodiversity on private properties.

Annual Business Plan Objectives

- Ensure any urban development that is undertaken enhances the environmental, social, cultural character and unique ‘sense of place’ of the City.
- Maximise use of the City’s open space by providing a range of active and passive open space recreation opportunities.
- Promote recycling and environmentally sustainable practices throughout the City.

Proposed key initiatives for 2025–2026

- Continued support of Resilient East which aims to strengthen the resilience of the Council and its community in respect to the impacts of climate change.
- Continuation of the Urban Greening Program including tree incentive vouchers.
- Development of a tree inventory system.
- Urban tree canopy mapping and analysis in partnership with Green Adelaide

64.5%

Waste Management

35.5%Enviromental
Sustainability

Function	Income	Expense	(Surplus)/Net Cost
Enviromental Sustainability	(2,000)	2,866,274	2,864,274
Waste Management	(41,200)	5,255,347	5,214,147

JAZZ *in the* PARK

SAT 11 FEBRUARY
4PM - 8PM



FIND OUT MORE
www.npsp.sa.gov.au



City of
Norwood
Payneham
& St Peters



JOLT

Waste Management

Through its Regional Subsidiary East Waste, the Council provides waste collection services to the community, using a three-bin kerbside system for general waste, recyclables and green organics. This model maximises waste diversion from landfill by ensuring that recyclable and compostable materials are processed sustainably.

East Waste also delivers extensive waste and recycling education initiatives to improve citizen understanding about effective waste disposal and recycling practices that promote a circular economy.

Environmental Sustainability

Services Provided

- **Environmental management**
- **Open space maintenance** includes parks, gardens and reserves
- **Street trees** include the management of the City's 20,000+ street trees.

Environmental Management

Delivery of projects that are aimed at achieving a sustainable environment for the City. This includes a range of programs and events which are designed to engage the community on issues such as climate change and includes strategic planning in the areas of water, greenhouse emissions and climate change adaptation.

Environmental Management also includes the management of First, Second, Third and Fourth Creeks and environmental pests such as European wasps and noxious weeds.

Reserve Maintenance

The Council has more than 180 hectares of open space, 72 parks and reserves and gardens that are maintained to a high standard for the enjoyment of the community for outdoor recreation and activities..

Street Trees

More than 20,000 street trees are located throughout the City with several thousand more trees located on reserves, parks and gardens. The costs associated with the management of the Council's street trees includes inspection, condition assessment and ongoing maintenance such as watering, pruning, planting and removal.

The Council's tree network enhances urban greening and provides shade, habitat and aesthetic value for the community.

The Council also delivers initiatives that promote, encourage and support the planting of trees on private land through the Native Plant Giveaway and Tree Incentive programs,

Street Cleaning

An extensive street and footpath cleaning program is delivered by the Council to not only beautify our streets and neighbourhoods but minimise rubbish and waste being swept into the stormwater network.

Street Cleaning

An extensive street and footpath cleaning program is delivered by the Council to not only beautify our streets and neighbourhoods but to divert waste away from the stormwater network.

Corporate Management

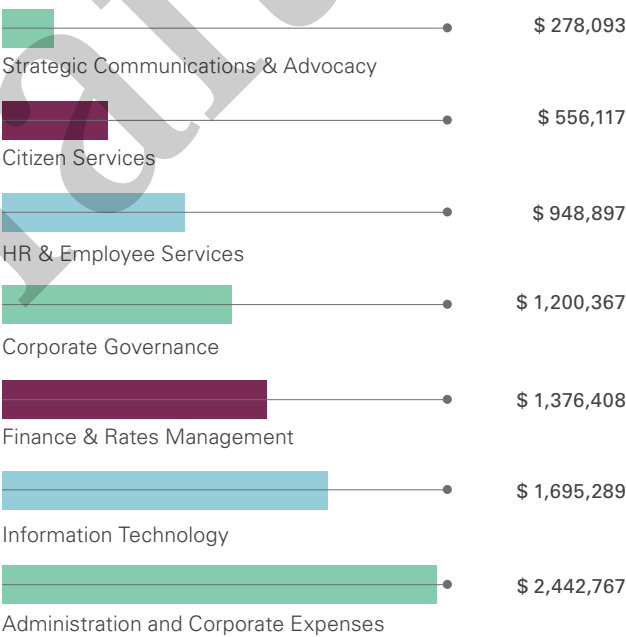
In addition to the Outcomes, the City of Norwood Payneham & St Peters also has costs associated with the corporate management and administration of operating the Council

Governance, Communications & Administration

Services Provided

- Financial management and services
- Customer service
- Human resources and employee services
- Communications and public relations
- Information management
- Rates administration
- Governance
- Elected Members
- Risk management

Corporate Management Expenses



Governance

Corporate Governance ensures that the Council’s decision-making processes and legislative compliance seeks to minimise risk to enable the Council to meet community needs and legislative requirements.

This area provides administrative support and assistance to the Mayor and Elected Members and handles enquiries and complaints from the public. Corporate Governance also includes the Chief Executive’s Office which provides executive leadership through the coordination of policy development, communication of strategic directions and performance monitoring.



Strategic Communications & Advocacy

The Communications Unit manages the Council's internal and external communications including public relations, social media and preparation of publications, and supports the implementation of the Council's advocacy initiatives.

Council Administration

Financial Management

Financial Management includes the provision of strategic financial management advice, budgeting and financial performance monitoring, preparation of annual financial statements and treasury management. Financial management also includes the Council's annual business planning, provision of project management support and advice and undertakes long-term financial planning and reporting.

Financial Services incorporates financial activities, including;

- accounts payable and accounts receivable services;
- monitoring the application of financial internal controls;
- payroll services;
- administration of the Council's insurance program;
- administration the Council's leased vehicle fleet; and
- asset reporting.

Rates

Rates staff maintain the Council's property rating database, facilitates the collection of rates and charges from residents and ratepayers and provides property information to the citizens.

Citizen Services

Citizen Services is the primary interface between the Council, the community and the delivery of services. Citizen Service staff provide information to the City's citizens via direct telephone, service desk and online and provide over the counter payment options for the payment of rates and other fees and charges for Council services and administers the Council's electronic payment options.

Information Management and Services

This area provides support to deliver on organisational priorities and improved service delivery to the community through information and communication technology. Information management incorporates the maintenance of the Council's corporate records.

Human Resources, Organisational Development and Work Health & Safety

These functions are managed through the Chief Executives Office and support the Council's management and staff by providing advice in the areas of human resources, organisational development, performance and work health and safety .

Appendix 1

2025–2026

Operational Projects & Initiatives

Capital Projects

Draft

Operational Projects & Initiatives

Project Name	Project Description	Approved Projects	Grant Funding	Rates Funding	Borrowing Funding
CityPlan 2030 Outcome: Social Equity					
Traffic Management — Ninth Avenue Christmas lights display	The Ninth Avenue, St Peters Christmas Lights displays has evolved from residents participating in a small scale display of Christmas lights to a large-scale event that attracts many vehicles and pedestrians. This has resulted in significant traffic congestion during peak periods, accessibility issues for residents and raised concerns for pedestrian safety in recent years. To address these issues, the Council has approved funds to help manage traffic flows at the annual event.	\$50,000		\$50,000	
On-street Parking Policy implementation in Norwood and Kensington precincts	The project involves the implementation of the Council's On-street Parking Policy on an area or precinct basis, including community consultation.	\$40,000		\$40,000	
40kmp/h speed limit implementation in Kensington and Felixstow	Continues the preparation of a Traffic Impact Statement and signage layout plan associated with the implementation of 40kmp/h speed limits in the residential streets of Kensington and Felixstow, as well as funding for the procurement and installation of speed limit signage and temporary 'speed limit changed' signs, which are required to be installed for a minimum period of two months as part of the implementation process.	\$45,000		\$45,000	
Public consultation for traffic management concept design for Payneham South, Firle, Trinity Gardens, Glynde and St Morris	A traffic study was undertaken for the suburbs of Payneham, Glynde, Payneham South, Firle, Trinity Gardens and St Morris, which resulted in the preparation of concept designs for traffic management to improve road safety and primarily address vehicle speeds and 'rat running'. To progress this project further, funding will support community consultation to be undertaken on the concept plans.	\$40,000		\$40,000	
William Street bikeway— street lighting upgrade	Following the William Street Bikeway Upgrade works, a number of locations were identified as non-compliant with relevant Australian Standards for street lighting. Funding will support an upgrade of street lighting to ensure compliance and improve safety.	\$115,000		\$115,000	
Street lighting upgrade and renewal	With internal reviews identifying non-compliance with street lighting standards, the Council will undertake design and construction to ensure street lighting is appropriately upgraded and renewed to improve safety and meet standards.	\$15,000		\$15,000	

Project Name	Project Description	Approved Projects	Grant Funding	Rates Funding	Borrowing Funding
CityPlan 2030 Outcome: Cultural Vitality					
Tour Down Under	The Tour Down Under, a nationally and internationally recognised cycling event that attracts media attention across the world, therefore providing an excellent platform for the Council to position the City as a tourism destination and showcase the Norwood Parade Precinct to an international audience. Funding will enable the City to host a stage of the 2026 Tour Down Under.	\$55,000		\$55,000	
Art & Culture Plan	The project enables the development of a searchable online catalogue to improve community access to the Council's heritage collection using personal or public devices.	\$25,000		\$25,000	
Culturally diverse early literacy project	The Council will provide bi-lingual early literacy sessions by engaging a provider (Chinese School of Music and Arts) to conduct sessions at the Council's Libraries. Sessions will include bi-lingual stories, songs and activities to build community knowledge of a range of cultures and languages.	\$3,300		\$3,300	
Firstival	Firstival is a festival of new experiences, introduced by the Public Libraries SA in 2023, which aims to increase citizen engagement with libraries, and drive visitation and membership among non-library goers.	\$4,000		\$4,000	
Library service catalogue & program review (motion)	Funds will enable the engagement of a consultant to support the delivery of recommendations as part of the Library Services Review. This includes reforming the libraries catalogue to provide accessible and quality community resources, releasing valuable floor space and developing a strategic approach to library programs.	\$50,000		\$50,000	
Public Health Plan	The project involves the review and development of the Council's Public Health Plan.	\$13,000		\$13,000	
CityPlan 2030 Outcome: Economic Prosperity					
Eastside Business Awards	The Awards recognise the best small businesses, retailers, restaurants, cafes, venues, professional services and food and beverage manufacturers within the City of Norwood Payneham & St Peters.	\$50,000		\$50,000	
Raising the Bar Adelaide	This annual event positions education as part of the City's popular culture by simply mixing learning and debate with a fun night out to support the City's hotels.	\$38,000		\$38,000	

Project Name	Project Description	Approved Projects	Grant Funding	Rates Funding	Borrowing Funding
CityPlan 2030 Outcome: Economic Prosperity Continued					
AFL Gather Round	Hosting AFL matches at Norwood Oval during the 2026 AFL Gather Round provides an opportunity for the Council to position Norwood Oval as a premier venue for AFL matches, enhance the City's reputation as a must-visit destination, and attract local and interstate visitors thereby stimulating the local economy.	\$200,000		\$200,000	
CityPlan 2030 Outcome: Environmental Sustainability					
Development of tree inventory contractor	This project will deliver a detailed audit of the City's street trees and capture the data into the Council's tree asset management system, Forestree.	\$20,000		\$20,000	
Urban Greening Program	An action of the Council's tree Strategy, this program will provide the Council with an opportunity to promote the importance of improving greening and canopy cover on private land and assist in funding 100 established trees and 600 native plants to be planted on private property.	\$10,000		\$10,000	
Verge Upgrade	Funding will support the continuation of a Verge Greening Incentive Fund, to financially assist residents with the cost of growing greenery on verges to beautify our City and bring cooling to high surface temperatures and hotspots.	\$20,000		\$20,000	
Urban Tree Canopy Regional Mapping Contribution	Green Adelaide is in the early stages of planning for the next tree canopy and green spaces data capture, anticipated to occur January 2026. Green Adelaide has requested a financial contribution from each of the 18 affected councils in the Metropolitan Adelaide study area to cover the cost of the multispectral imagery and Light Detection and Ranging (LiDAR) data capture, data analysis and reporting.	\$10,000		\$10,000	
Corporate Management: Operations					
Authority Upgrade	Upgrade of the Council's management software.	\$516,000		\$516,000	
Total		\$1,319,300		\$1,319,300	

Capital Projects

Project Name	Project Description	Approved Projects	Grant Funding	Rates Funding	Borrowing Funding
CityPlan 2030 Outcome: Social Equity					
Capital Renewal Program	To deliver the 2025–2026 Capital Works Program for the replacement and upgrade of civil, drainage, recreation and open space, and building assets, in accordance with the Council's Asset Management Plans, including the Trinity Valley Stormwater Drainage Upgrade.	\$12,887,016		\$12,887,016	
Payneham Memorial Swimming Centre (Year 3)	Continued redevelopment of the Payneham Memorial Swimming Centre, as per the Council's Swimming Centres Strategy.	\$11,071,956	\$2,800,000		\$8,271,956
Salary Capitalisation	Wages and salaries of Council staff who are involved in the delivery of projects involving physical assets.	\$1,108,999		\$1,108,999	
Adey Reserve playground shade sail structure	Renewal of the Adey Reserve playground as per the 2025–2026 Capital Works Program (funding for this component is from the renewals budget). will also include an accompanying new shade sail structure for the playground to enhance usability and safety.	\$60,000			\$60,000
St Peters Child Care Centre & Preschool shade sail structure	A new shade sail will be installed over the playground area the St Peters Child Care Centre & Preschool.	\$60,000			\$60,000
Kent Town Public Realm Upgrade	The Kent Town Urban Design Framework and Public Realm Manual were endorsed by the Council in 2019, providing guidance on how the Council will undertake streetscape enhancements, including working with developers to make improvements adjacent new development sites. Several development sites are now under construction with the budget allocation to fund the difference between renewal and upgrade costs for footpath paving, landscaping and furniture in Kent Town.	\$400,000			\$400,000
CityPlan 2030 Outcome: Social Equity continued					
Project Name	Project Description	Approved Projects	Grant Funding	Rates Funding	Borrowing Funding

Building accessibility improvements	In 2024, accessibility audits of Norwood Swimming Centre, Norwood Oval and St Peters Town Hall Complex were undertaken. This project will enable accessibility improvements to be undertaken at these sites to achieve compliance with the national building code and to improve access and safety.	\$100,000			\$100,000
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CityPlan 2030 Outcome: Cultural Vitality

Quadrennial Public Artwork	The Quadrennial Public Art Commission is an initiative that underpins the outcomes of Council's Public Art Policy, providing high quality works of art by contemporary professional artists for our public places. The project is delivered across two financial years. Funds were approved in 2021–2022 as \$75,000 annual budget for four financial years. The total budget will be spent in the 2025–2026 financial year and support detailed design, fabrication and installation of the artwork.	\$279,000			\$279,000
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Total	\$25,966,971	\$2,800,000	\$13,996,015	\$9,170,956
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2025–2026 Civil Whole-of-Life Infrastructure Renewal Program

Street	From	To	Re-seal	Kerb & Water Table	Footpath
College Park					
Harrow Road	Catherine Street	Richmond Street	-	-	✓
Evandale					
Morris Street	Janet Street	Llandower Avenue	✓	✓	✓
Felistow					
Fisher Street	Ashleigh Avenue	End (west)	✓	✓	✓
Pearce Avenue	Shirley Avenue	End	✓	✓	-
Glynde					
Almond Avenue	Davis Road	Loader Street	-	-	✓
Scott Street	Davis Road	Loader Street	-	-	✓
Joslin					
Sixth Avenue	Suburb Boundary	Lambert Road	-	-	✓
Marden					
Addison Avenue	Broad Street	Battams Road	-	-	✓
Norwood					
John Street	Fullarton Road	Charles Street	✓	✓	-
Payneham					
George Street	Henry Street	John Street	✓	✓	-
Henry Street	Avenue Road	Edward Street	✓	✓	-
John Street	George Street	Arthur Street	✓	✓	-
Payneham South					
Tarcoma Avenue	Portrush Road	Arthur Street	-	-	✓
Royston Park					
Battams Road	First Avenue	Sixth Avenue	✓	✓	-
St Morris					
Breaker Street	Magill Road	Seventh Avenue	✓	✓	-
St Peters					
Harrow Road	Third Avenue	Eighth Avenue	-	-	✓
Harrow Road	Payneham Road	First Avenue	-	-	✓
Second Avenue	Harrow Road	St Peters Street	✓	✓	-

Street	From	To	Re-seal	Kerb & Water Table	Footpath
Stepney					
Battams Street	Loch Street	Olive Road	✓	✓	-
Clifton Street	Portrush Road	Frederick Street	✓	✓	-
Henry Street	Nelson Street	Frederick Street	✓	✓	-
Laura Street	Ann Street	Frederick Street	✓	✓	-
Trinity Gardens					
Annesley Avenue	Aberdare Avenue	Magill Road	-	-	✓
Canterbury Avenue	Lechfield Crescent	Devitt Avenue	✓	✓	-
Lechfield Crescent	Canterbury Avenue	Hereford Avenue	✓	✓	✓

2025–2026 Stormwater Drainage Whole-of-Life Infrastructure Renewal Program

Location	Nature of Works
Little Flinders Street	Upgrade of stormwater drainage infrastructure
Payneham	Upgrade of Third Creek culverts between Lewis Road and Henry Street

Appendix 2

Measures of Success

Draft

The measure of the Council's success is driven by the achievement of the objectives contained in *CityPlan 2030*.

A series of performance indicators have been developed to monitor the Council's progress against these objectives and are reported on in our Annual Report. In addition to the indicators contained in the Council's strategic management plan *CityPlan 2030*, the Council also measures its achievements and outcomes through the following non-financial and financial Indicators;

Non-Financial Indicators

Program Delivery

To ensure that the Council delivers the Strategic Objectives set out in *CityPlan 2030*, various projects and initiatives are required to be delivered.

For 2025–2026, the Council has proposed 20 Operating Projects and Initiatives and 6 Capital Projects. Progress on these projects will be reported in the 2025–2026 Annual Report.

Financial Indicators

When evaluating activities undertaken during any given financial year, the Council considers a number of factors, one being the ongoing financial sustainability of the Council.

A series of financial indicators have been developed by Local Government to assist in determining whether a Council is financially sustainable or moving to a position of financial sustainability.

Financial indicators which are used by the Council to measure performance and financial sustainability are:

Operating Surplus/(Deficit) Ratio

The Council's long-term sustainability is dependent upon ensuring that, on average over time, the operating expenses are less than the associated revenues.

As the major source of income for the Council is rates revenue, the Operating Surplus ratio measures operating surplus/ (deficit) as a percentage of total operating revenue. This indicator represents the percentage by which the major controllable income source varies from the day-to-day operating expenditure.

In 2025–2026, the forecast operating surplus of \$516,006 which will result in an Operating Surplus Ratio of 0.8%

Net Financial Liabilities Ratio

A Council's indebtedness must be managed to ensure its liabilities and associated costs are met without impacting on the financial sustainability of the Council.

The Net Financial Liabilities Ratio measures the extent of what is owed by the Council, less any liquid assets (i.e. cash or receivables) against its Operating Revenue.

Where the Ratio is increasing, it indicates a greater amount of the Council's Operating Revenue is required to service its financial obligations. For 2025–2026, it is anticipated the net Financial Liabilities Ratio of the Council will be 148.6%.

Debt Servicing Ratio

The Debt Servicing Ratio measures the extent of the Council's commitment to interest costs and loan repayments, is met by general Rate Revenue. For 2025–2026, it is anticipated that 7.6% of the Council's General Rate Revenue will be committed to servicing the interest and principal repayments on its borrowings.

Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio measures whether the Council is renewing or replacing existing physical assets (roads, footpaths, buildings, etc.) at the same rate that the asset is 'wearing out'. The Ratio is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the planned expenditure outlined in the Council's Asset Management Plans.

The Council can accelerate or reduce expenditure on asset over time to compensate for prior events, or invest in assets by spending more now so that it costs less in the future to maintain. On a three year rolling average, the Asset Renewal Funding Ratio is 100.2%.

Details on these ratios over the 10-year planning horizon are contained in the Council's Long-term Financial Plan.

Financial Ratios

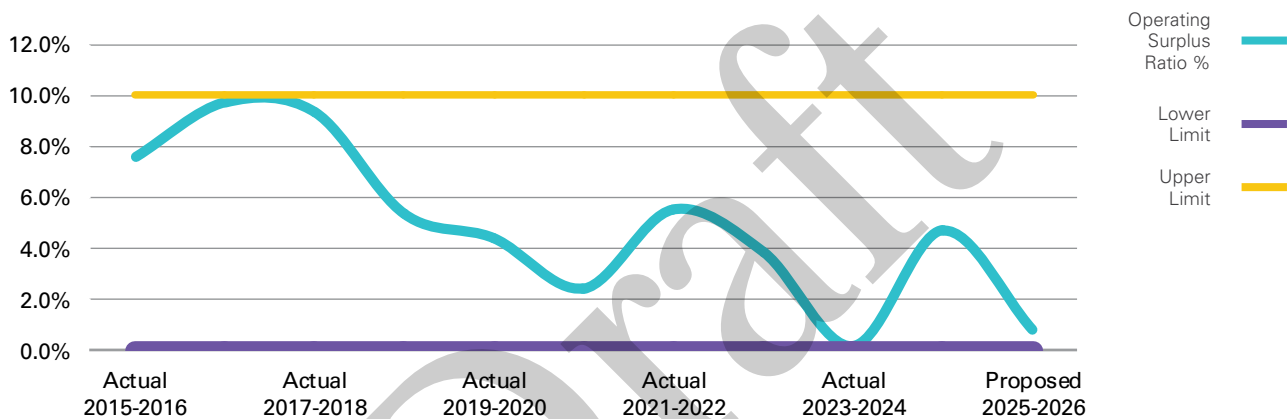
To ensure that it delivers on its financial goals, the Council has committed to achieving a number of financial outcomes.

The Council’s performance against these outcomes since the 2015–2016 financial year of Council is detailed below.

Outcome 1: A balanced budget

The Council’s services and programs, including depreciation of infrastructure and assets, are fully funded and the costs are shared equitably between current and future ratepayers.

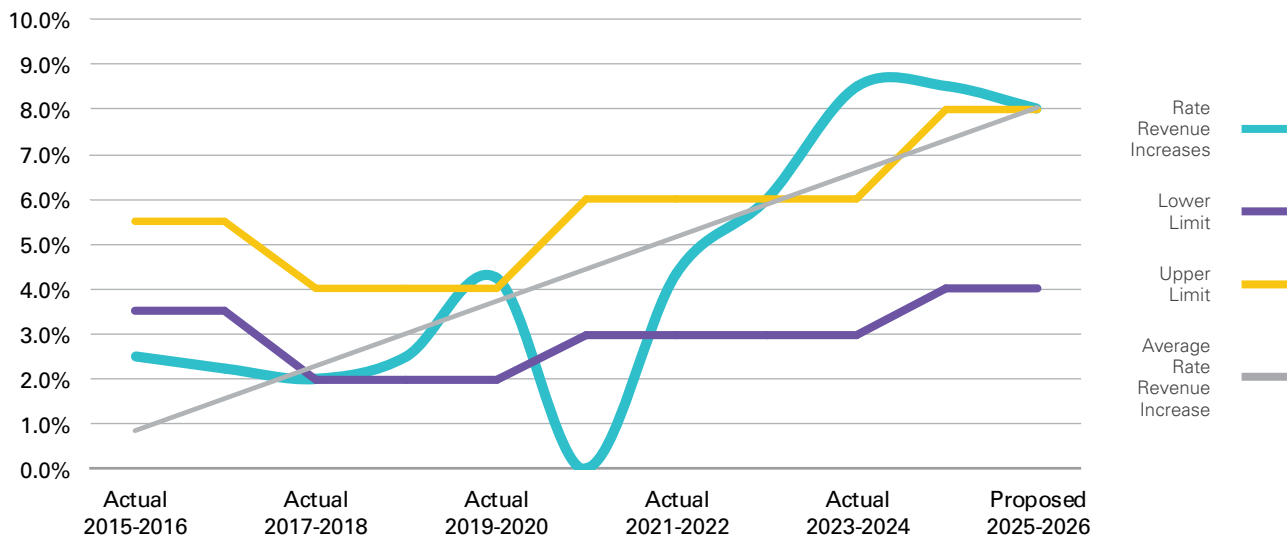
Operating Surplus Ratio %



Outcome 2: Rate Stability

Annual rate collections are fair and equitable for residents and ratepayers with the aim to keep rate revenue increases stable over the medium term.

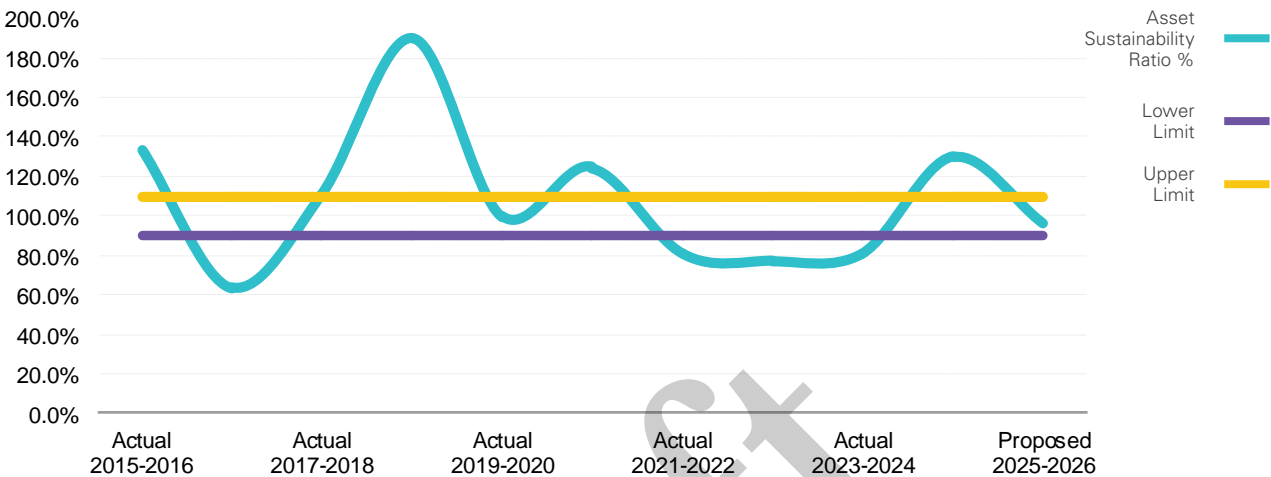
Rate Revenue Increase



Outcome 3: Infrastructure and Asset Management

Maintain infrastructure and assets in line with the Council’s Whole-of-Life Infrastructure Framework to achieve the outcomes and objectives, as set out in *CityPlan 2030*.

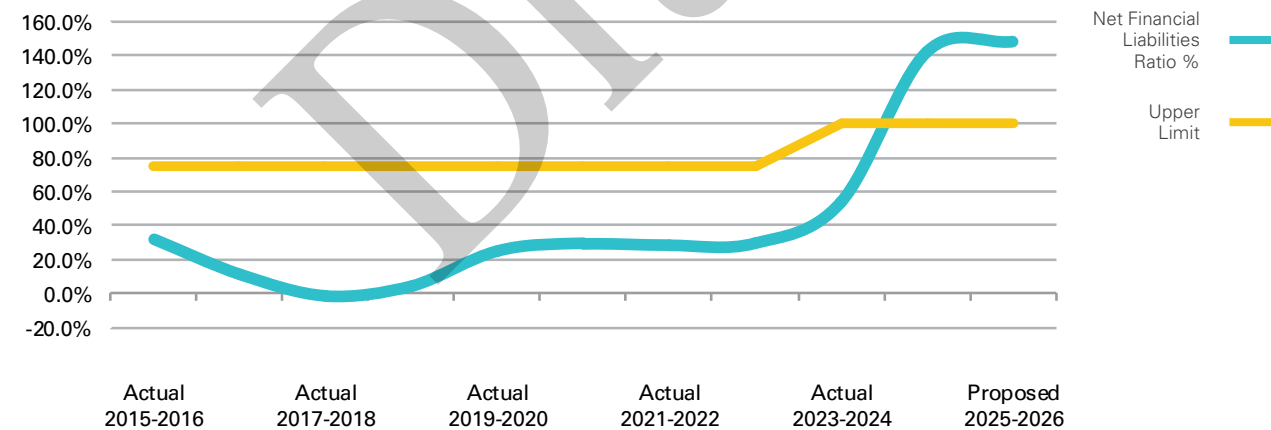
Renewal Funding Asset Ratio %



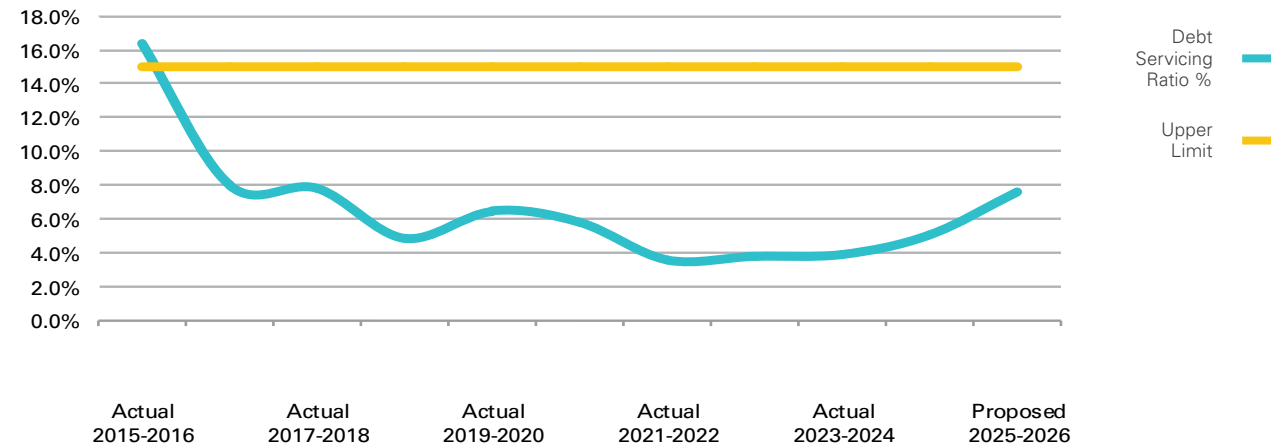
Outcome 4: Debt Management

Prudent use of debt to invest in new long term assets, to ensure intergenerational equity between current and future users.

Net Financial Liabilities Ratio %



Debt Servicing Ratio %



Appendix 3

Financial Statements

Draft

**Statement of Comprehensive Income
for the year ended 30 June 2025**

	Actual 2020–2021	Actual 2021–2022	Actual 2022–2023	3rd Budget Review 2024–2025	Proposed 2025–2026
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
Rates	37,938	39,974	43,667	47,230	50,905
Statutory charges	2,003	2,039	2,112	2,181	2,239
User charges	3,561	3,668	3,823	4,007	4,370
Grants, subsidies and contributions	3,433	3,540	1,643	3,943	2,654
Grants, subsidies and contributions		553	571	444	1,051
Investment income	24	171	61	78	55
Other income	848	852	1,019	461	522
Net loss joint ventures and associates	122	50	39	-	-
Total Income	47,930	50,846	52,935	58,345	61,796
Expenses					
Employee costs	14,126	14,531	16,700	18,533	20,340
Materials, contracts & other expenses	19,832	21,983	22,331	22,253	23,594
Depreciation, amortisation & impairment	10,766	11,562	12,852	13,377	13,697
Finance costs	346	458	611	1,155	3,386
Net loss Joint Ventures & Associates	214	357	334	263	263
Total Expenses	45,284	48,892	52,827	55,581	61,280
Operating Surplus (Deficit)	2,645	1,954	109	2,764	516
Net gain (loss) on disposal or revaluation of assets	(2,371)	(1,502)	(4,491)	36	37
Amounts specifically for new or upgraded assets	2,341	640	6,442	7,281	2,800
Physical resources received free of charge	-	-	-	-	-
Non Operating Items - Joint Venture and Associates	-	-	-	-	-
Net Surplus (Deficit) transferred to Equity Statement	2,615	1,092	2,060	10,081	3,353
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant and equipment	34,462	49,031	39,253	5,508	20,000
Share of other comprehensive income - joint ventures and associates	(5)	(12)	631	-	-
Total Other Comprehensive Income	34,457	49,019	39,884	5,508	20,000
Total Comprehensive Income	37,072	50,112	41,944	15,589	23,353

Pursuant to S123 (10)(b) of the Local Government Act 1999 and Clause 7 of the Local Government (Financial Management) Regulations 2011, as detailed in the Statement of Comprehensive Income, the projected Operating Income of \$61.796m is sufficient to meet the projected Operating Expenditure (\$61.28m) for the 2025–2026 Financial Year.

**Statement of Financial Position
for the year ended 30 June 2025**

	Actual 2020–2021	Actual 2021–2022	Actual 2022–2023	3rd Budget Review 2024–2025	Proposed 2025–2026
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Current Assets					
Cash and cash equivalents	11,393	4,317	997	500	500
Trade and other receivables	2,675	2,193	3,720	2,632	2,459
Total Current Assets	14,068	6,511	4,717	3,132	2,959
Non-current Assets					
Financial assets	113	104	111	130	140
Equity accounted investments in Council businesses	1,931	1,949	3,175	2,912	2,650
Infrastructure, property, plant and equipment	543,710	594,771	645,596	716,407	748,677
Other non-current assets	4,324	5,707	8,873	8,873	8,873
Total Non-current Assets	550,078	602,531	657,755	728,322	760,340
Total Assets	564,146	609,041	662,472	731,454	763,299
Liabilities					
Current Liabilities					
Trade and other payables	13,031	8,819	8,828	10,749	12,088
Borrowings	1,021	1,097	1,136	1,081	3,295
Short-term provisions	3,004	3,872	3,624	3,301	3,301
Total Current Liabilities	17,056	13,789	13,588	15,132	18,684
Non-current Liabilities					
Long-term borrowings	8,527	7,522	19,020	70,546	75,486
Long-term provisions	1,280	288	460	782	782
Liability – equity accounted Council businesses	904	952	970	970	970
Total Non-current Liabilities	10,712	8,763	20,450	72,298	77,238
Total Liabilities	27,767	22,551	34,038	87,430	95,922
Net Assets	536,379	586,490	628,435	644,024	667,377
Equity					
Accumulated Surplus	62,709	63,789	66,480	76,562	79,914
Asset Revaluation Reserve	473,670	522,701	561,954	567,462	587,462
Total Equity	536,379	586,490	628,435	644,024	667,377

**Statement of Cash Flows
for the year ended 30 June 2025**

	Actual 2020–2021	Actual 2021–2022	Actual 2022–2023	3rd Budget Review 2024–2025	Proposed 2025–2026
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Receipts					
Rates - general and other	37,859	39,979	43,219	47,011	51,202
Fees and other charges	2,010	2,039	2,112	2,331	2,236
User charges	4,592	3,668	3,823	4,275	4,349
Investment receipts	24	171	61	80	56
Grants utilised for operating purposes	3,440	3,540	1,643	3,950	2,723
Other income	913	1,120	134	525	477
Payments					
Employee costs	(15,627)	(15,075)	(16,241)	(18,664)	(20,294)
Contractual services and materials	(17,515)	(25,105)	(23,882)	(19,862)	(23,323)
Finance payments	(156)	(448)	(521)	(1,248)	(2,792)
Net Cash provided by (or used in) Operating Activities	15,540	9,888	10,348	18,398	14,633
Cash Flows from Investing Activities					
Receipts					
Amounts specifically for new or upgraded assets	5,785	753	7,133	7,777	3,067
Grants utilised for capital purposes			571	500	1,077
Sale of replaced assets	50	0	17	36	37
Repayments of loans by community groups	6	-	-	-	-
Capital Distributions from associated entities	-	-	-	-	-
Payments					
Expenditure on renewal/replacement of assets	(8,937)	(11,193)	(12,994)	(27,015)	(12,887)
Expenditure on new/upgraded assets	(6,941)	(5,168)	(18,961)	(51,555)	(13,080)
Capital contributed to associated entities	(170)	(289)	(872)	-	-
Net Cash provided by (or used in) Investing Activities	(10,208)	(15,897)	(25,106)	(70,257)	(21,786)
Cash Flow from Financing Activities					
Receipts					
Proceeds from Borrowings	-	-	12,543	52,505	45,000
Payments					
Repayments of Borrowings	(1,010)	(1,067)	(1,105)	(1,144)	(37,847)
Net Cash provided by (or used in) Financing Activities	(1,010)	(1,067)	11,439	51,362	7,153
Net Increase (Decrease) in cash held	4,322	(7,076)	(3,320)	(497)	0
Cash and cash equivalents at beginning of period	7,071	11,393	4,317	997	500
Cash and cash equivalents at end of period	11,393	4,317	997	500	500

Statement of Changes in Equity for the year ended 30 June 2025	Actual 2020–2021	Actual 2021–2022	Actual 2022–2023	3rd Budget Review 2024–2025	Proposed 2025–2026
	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated Surplus					
Balance at end of previous reporting period	60,099	62,709	63,789	66,480	76,562
Net Surplus/(Deficit) for year	2,615	1,092	2,060	10,081	3,353
Other comprehensive Income	-	-	-	-	-
Share of other Comprehensive Income- joint venture and associates	(5)	(12)	631	-	-
Balance at end of period	62,709	63,789	66,480	76,562	79,914
Asset Revaluation Reserve					
Balance at end of previous reporting period	439,208	473,670	522,701	561,954	567,462
Gain on revaluation of infrastructure, property, plant and equipment	34,462	49,031	39,252	5,507	20,000
Balance at end of period	473,670	522,701	561,954	567,464	587,465
Total Equity at end of reporting period	536,379	586,490	628,435	644,026	667,380
Uniform Presentation of Finances for the year ended 30 June 2025					
	Actual 2020–2021	Actual 2021–2022	Actual 2022–2023	3rd Budget Review 2024–2025	Proposed 2025–2026
	\$'000	\$'000	\$'000	\$'000	\$'000
Income	47,930	50,846	52,935	58,345	61,796
<i>less</i> Expenses	(45,284)	(48,892)	(52,827)	(55,581)	(61,280)
Operating Surplus(Deficit)	2,645	1,954	109	2,764	516
Timing adjustment for grant revenue		(334)	1,405	-	-
Less: Grants, subsidies and contributions – Capital	-	(553)	(571)	(444)	(1,051)
Adjusted Operating Surplus / (Deficit)	2,645	1,068	942	2,320	(535)
less Net Outlays on Existing Assets					
Capital Expenditure on renewal and replacement of Existing Assets	(8,937)	(11,193)	(12,994)	(27,015)	(12,887)
Grants, subsidies and contributions – Capital Renewal	-	-	-	-	1,051
Depreciation, Amortisation and Impairment	10,766	11,562	12,852	13,377	13,697
Proceeds from Sale of Replaced Assets	48	0	17	36	37
	1,876	369	(126)	(13,603)	1,897

**Uniform Presentation of Finances
for the year ended 30 June 2025**

Actual 2020–2021	Actual 2021–2022	Actual 2022–2023	3rd Budget Review 2024–2025	Proposed 2025–2026
\$'000	\$'000	\$'000	\$'000	\$'000

less Net Outlays on New and Upgraded Assets

"Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)"	(7,216)	(5,168)	(18,961)	(51,555)	(13,080)
Grants, subsidies and contributions – Capital New/ Upgraded	-	553	571	444	-
Amounts received specifically for New and Upgraded Assets	2,341	201	7,133	7,777	3,067
Asset Received Free of Charge	2	-	-	-	-
	(4,873)	(4,414)	(11,257)	(43,334)	(10,013)

Operating Surplus / (Deficit) Ratio

Operating Surplus/(Deficit)	5.5%	3.8%	0.2%	4.7%	0.8%
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Total Operating Revenue

This ratio expresses the Operating Surplus as a percentage of total Operating Revenue.

Net Financial Liabilities Ratio

Net Financial Liabilities	28.3%	29.5%	53.4%	142.6%	148.6%
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Total Operating Revenue

This Ratio expresses the extent of Operating Revenue required to meet all monies which are owed by the Council. Net financial liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).

Asset Renewal Funding Ratio

Expenditure on renewals	80.4%	77.1%	81.2%	129.9%	96.2%
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Asset Management Plan

Rolling three-year average	98.8%	89.2%	79.5%	93.5%	100.2%
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This Ratio measures the extent which existing assets are being renewed compared to the Infrastructure & Asset Management Plan. Net asset renewals is defined as capital expenditure on the renewal and replacement of existing assets and excludes new capital expenditure on the acquisition of additional assets.

Interest Cover Ratio

Net Interest Expense	0.7%	0.6%	1.0%	1.8%	5.4%
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Total Operating Revenue excl Interest income

This ratio expresses the net interest expense as a percentage of total operating revenue.

Appendix 4

Rate Revenue

Draft

Statement on Rate Revenue

	2024–2025	2025–2026	Change	Comment
	\$	\$	%	
Rates Revenue				
General Rates Revenue				
General Rates (GROSS)	46,589,340	50,316,971	(c)	8.0
Less Mandatory Rebates	(1,110,794)	(1,134,604)	(d)	
General Rates (NET)	45,478,546	49,182,367	(e)	8.1
Other Rates (inc. service charges)				
Regional Landscape Levy	1,594,523	1,606,811	(f)	
Separate and Special Rates	225,000	225,000	(g)	
Total Other Rates	1,819,523	1,831,811		0.7
Less Discretionary Capping	(67,980)	(115,823)	(h)	
Expected Total Rates Revenue	47,230,089	50,898,355	(i)	7.8

For the 2024–2026 financial year, the Council will collect \$50.3 million from Rate Revenue before Discretionary Rebates and remissions as determined by the Council.

The Regional Landscape Levy is a State tax, it is not retained by the Council.

The Council has determined to raise a Separate Rate, for the purposes of promoting and marketing The Parade Precinct. This Separate Rate is paid by property owners within The Parade Precinct and is only used for this purpose.

Including the State Government Regional Landscape Levy minus Mandatory and Discretionary Rebates.

Growth in number of rateable properties

Number of rateable properties	20,536	20,680	(l)	0.7
	<i>Actual</i>	<i>Actual</i>		

'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to the Council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.

Average General Rates per rateable property after mandatory rebates

Average per rateable property	2,214	2,378	(l)	7.4
	<i>Actual</i>	<i>Actual</i>		

Councils use property valuations to calculate each rateable property's contribution to the required Rate Revenue that is required to be raised. Councils do not automatically receive more money because property values increase but this property value may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).

The total General Rates paid by all rateable properties will equal the amount adopted in the budget.

The annual change in the rates that are payable by an individual ratepayer, will vary according the change in the individual property value, the land use and whether there has been development or improvements to the property.

Statement on Rate Revenue

	Total Expected Revenue			No. of Rateable Properties		Average Per Rateable Property			
	2024–2025	2025–2026	% Change	2024–2025	2025–2026	2024–2025	2025–2026	\$ Change	
Land Use (General Rates—Net)									
Residential	36,534,343	40,162,154	9.9%	17,874	18,028	2,044	2,228	(/)	184
Commercial	7,663,183	7,683,887	0.3%	2,234	2,230	3,430	3,446	(/)	15
Industry	389,169	405,120	4.1%	138	137	2,820	2,957	(/)	137
Vacant Land	435,277	482,954	11.0%	197	191	2,210	2,529	(/)	319
Other	454,308	446,041	-1.8%	92	93	4,734	4,796	(/)	62
Primary Production	2,266	2,210	-2.5%	1	1	2,266	2,210	(/)	(56)
Total Rateable Value	45,478,546	49,182,367	8.1%	20,536	20,680	2,214*	2,378*	(/)	165

* after rebate

The *Local Government Act 1999* allows the Council to apply differential rates. The Council has a differential rating system based on Land Use where by non-residential properties have a cent-in-the-dollar which is 20% higher than residential properties.

	Number of properties to which the minimum Rate will apply		Rate			
	2025–2026	% of total rateable properties	2024–2025	2025–2026	\$ Change	
Minimum Rate	6,650	32.16	1,277	1,379	(m)	102

The *Local Government Act 1999* allow for Council's to apply a minimum amount which is payable by way of rates. By applying a minimum rate, the Council is ensuring that all rateable properties, irrespective of their valuation make a base level contribution to the costs of administering Councils activities and services that are available to all rate payers (eg libraries, parks and reserves) and the provision of physical infrastructure that supports each property that is available to all rate payers.

Adopted valuation method

The Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

- Capital Value -** the value of the land and all improvements on the land;
- Annual Value -** a valuation of the rental potential of the property.

The Council uses Capital Value as the basis for valuing land within the Council area, as it is considered that this method provides the fairest way for distributing the rates across all ratepayers.

Notes

(d) Councils are required under the *Local Government Act 1999* to provide a rebate to qualifying properties under a number of categories:

- Health Services—100%
- Community Services—75%
- Religious purposes—100%
- Public Cemeteries—100%
- Royal Zoological Society of SA—100%
- Educational purposes—75%

The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties which receive the rebate).

(e) Presented as required by the Local Government (Financial Management) Regulations 2011 Reg 6(1)(ea)
Please note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

(f) Councils are required under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.

(h) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(i) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.

(j) 'Growth' as defined in the *Local Government (Financial Management) Regulations 2011* Regulation 6(2)

(l) Average per rateable property after mandatory rebates calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, *divided* by the number of rateable properties within that category in the relevant financial year.

(m) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

Appendix 5

Rating Policy

Draft



NAME OF POLICY: Rating Policy

POLICY MANUAL: Governance

BACKGROUND

Section 123 of the *Local Government Act 1999* (The Act) requires Councils, as part of the Annual Business Plan, to have a rating policy which must be prepared and adopted each financial year in conjunction with the declaration of rates. The Council's power to raise rates and the framework within which the Council must operate is outlined in Chapter 10 of the Act.

Scope

The purpose of the Policy is to outline the Council's approach to determining and collecting rates from the community. In determining the Policy, the Council is committed to the principles that apply to the imposition of taxes on the community.

Equity: Ratepayers with the same property value should pay the same level of tax.

Benefit: Ratepayers should receive some benefit from the tax paid, but not necessarily to the extent of tax paid. Rates are not a fee-for-service.

Simplicity: The tax must be understandable and easy to collect.

Consistent: Taxes should be internally consistent, based on transparent and predictable rules.

Economic Efficiency: The tax imposed should not distort economic behaviour. For example, a tax which is designed to change behaviour, and that behaviour changes, then the tax is considered efficient.

These principles may be in conflict with each other, therefore the Council must strike a balance between the:

- application of the principles of taxation;
- policy objective of levying rates;
- need to raise revenue; and
- the effect of the tax on the community.

The Council has considered each principle when determining its Rating Policy.

POLICY

Strategic Focus

The Council must balance its service levels, the needs and expectations of the community and the levying of rates to ensure it is adequately resourced to fulfil its roles and responsibilities. In determining rates for the financial year, the Council gives primary consideration to strategic directions, budget considerations, the current economic climate and the likely impacts on the community.

The resources required to successfully achieve this outcome are documented in the Annual Business Plan and Annual Budget. The Annual Budget directly supports and reflects the delivery of the Council's Strategic Plan, *City Plan 2030*.

The Council's major source of revenue is Rates Revenue, derived as a tax on land within the Council area. Rate levels are determined after consideration of expenditure priorities in relation to the Council's Strategic Plan *City Plan 2030*, the Long-Term Financial Plan, Asset Management Plans, the Annual Business Plan, ongoing service delivery requirements and community needs.

The Council recognises the importance of supporting and encouraging a diverse and healthy commercial sector and this is reflected in its strategic plans. As a result, specific business development initiatives are being introduced to support and attempt to broaden the City's economic base. Strategic and Business Planning for various precincts are an example of the work being progressed in this area.

Rating Structure

All land within a Council area is rateable, except for land specifically exempted under Section 147(2) of the Act. This includes:

- unalienated Crown land;
- land used or held by the Crown or an instrumentality of the Crown for a public purpose (including an educational purpose), except any such land—
 - that is held or occupied by the Crown or instrumentality under a lease or licence; or
 - that constitutes domestic premises;
- land (not including domestic or residential premises) occupied by a university established by statute;
- land that is exempt from rates or taxes by virtue of the *Recreation Grounds Rates and Taxes Exemption Act 1981*;
- land occupied or held by the Council, except any such land held from a Council under a lease or licence;
- land occupied by a subsidiary where the land is situated in the area of the Council that established the subsidiary or a constituent Council (as the case may be);
- land occupied or held by an emergency services organisation under the *Fire and Emergency Services Act 2005*;
- land that is exempt from Council rates under or by virtue of another Act.

Method Used to Value Land

Pursuant to Section 151 of the Act, the Council may adopt one of three valuation methodologies to value the properties. The valuation methodologies are:

- Capital Value – The value of the land and all of the improvements on the land.
- Site Value – The value of the land and any improvements which permanently affect the amenity of use of land such as drainage works, but excluding the value of buildings and other improvements.
- Annual Value – The valuation of the rental potential of the property.

The Council adopts Capital Value as the basis for valuing land within the Council area.

The Council considers the Capital Value method of valuing land, is the fairest method of distributing the rate burden across all ratepayers, on the following basis:

- property value is a good indicator of wealth. Capital Value, which closely approximates the market value of a property, provides the best indicator of overall property value;
- the equity principle of taxation requires taxpayers of similar wealth pay similar taxes, so taxpayers of greater wealth pay more tax than taxpayers of lesser wealth.

Adoption of Valuations

The Council adopts the Capital Valuations as assessed by Land Services SA, effective at 1 July as the Capital Value of each property.

If a ratepayer is dissatisfied with the valuation made by Land Services SA, the ratepayer may object to Land Services SA in writing, within sixty (60) days of receiving the first notice of the valuation, explaining the basis for the objection provided the ratepayer has not:

- (a) previously received a notice of this valuation under the Act, in which case the objection period is sixty (60) days from the receipt of the first notice; or
- (b) previously had an objection to the valuation considered by Land Services SA.

Note: The sixty (60) day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause. Contact details to lodge an objection are included on the Rates Notice sent by the Council.

The Council has no role in the assessment of objections. It is important to note that the lodgement of an objection does not alter the due date for the payment of rates. Rates must be paid in accordance with the Rate Notice unless otherwise notified by the Council.

Differential General Rates

Pursuant to Section 153 of the Act, the Council can impose a general rate on all rateable land/or a differential rate based on location of land and/or the use to which the land is put. In applying the equity and benefit principles, the Council will apply a differential rate based on the use of the land.

Definitions of land use are prescribed by regulation and are categorised as follows for rating purposes:

- Residential;
- Commercial – Shop;
- Commercial – Office;
- Commercial – Other;
- Industrial – Light;
- Industrial – Other;
- Primary Production;
- Vacant Land; and,
- Other

If a ratepayer believes a particular property has been incorrectly classified as to its land use, then an objection may be made to the Council within sixty (60) days of being notified of the land use classification. It is important to note that the lodgement of an objection does not alter the due date for the payment of rates. Rates must be paid in accordance with the Rate Notice unless otherwise notified by the Council.

For the 2025-2026 financial year, the Council has determined that the following differential rates will be applied to all of its rateable assessments:

Land Use	Differential Rate Cents-in-the-Dollar	% of Rate Revenue
Residential	0.18279	80.6%
Commercial	0.21935	15.4%
Industrial	0.21935	0.8%
Primary Production	0.21935	0.01%
Vacant Land	0.21935	1.0%
Other	0.21935	2.2%

Minimum Rate

A Council may impose a minimum rate to properties within the Council area in accordance with Section 158 of the Act.

The minimum rate is imposed so that all rateable properties make a base level contribution to the costs of:

- administering the Council's activities;
- the provision of the physical infrastructure that supports each property and is available for use by all ratepayers;
- services provided that are available for use by all ratepayers e.g. Library and Parks and Gardens.

Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

The minimum rate will increase at the same percentage increase in general rate revenue. Pursuant to Section 158(2) (d), the minimum rate will not be applied to more than 35% of properties in the Council area.

For 2025-2026, the minimum rate is set at \$1,379. The minimum rate has been applied to 6,650 assessments or 32.16% of all rateable properties within the Council area.

The Parade Separate Rate

For the purposes of promotion, enhancing business viability and profitability of the businesses and traders along The Parade, pursuant to Section 154 of the Act, the Council has previously declared The Parade Separate Rate. The revenue raised from The Parade Separate Rate may only be used for the purpose of promotion and enhancing business viability for those businesses located within The Parade Precinct.

The Council declared a differential separate rate of 0.04235 cents-in-the-dollar will be levied against all properties which fall within The Parade Precinct with a land use classified as Category (b) – Commercial Shop or Category (c) – Commercial Office or Category (d) – Commercial Other or Category (e) - Industrial Light.

Pursuant to Section 166(1)(a) of the Act, the Council will grant a discretionary rebate of 50% of The Parade Separate Rate to all properties that fall within the geographical boundary described above and which have a land use of Category (c) – Commercial Office and Category (d) – Commercial Other land use classified as Professional Services.

Regional Landscape Levy

The Regional Landscape Levy is a State Government tax which the Council is required to collect under the *Landscape South Australia Act 2019*, in order to make a specified contribution to the funding of the operations of the Green Adelaide Board. Revenue collected from this levy is not retained by the Council and the Council does not determine how the revenue raised is allocated by the State Government.

The Council's contribution to the Green Adelaide Board is collected from property owners through a separate rate, the Regional Landscape Levy, based on Capital Value. The rate is fixed and calculated to raise the equivalent amount as Council's share to be contributed to the Green Adelaide Board, taking into account any rebates/remissions under Section 159-166 of the Act.

The Regional Landscape Levy is separate to the General Rates levied by the Council.

For the 2025-2026 Financial year, the Council will collect \$1.6million for the payment of the State Government Regional Landscape Levy. The Regional Landscape Levy has been set at 0.006598 cents-in-the-dollar against all rateable properties.

Private Laneways Separate Rate

Within the City of Norwood Payneham & St Peters, there are a number of Private Laneways which provide pedestrian and vehicular access to residential properties and businesses, and access routes to adjoining roads and destinations.

The Council recognises the difficulties that face residents and businesses that rely upon Private Laneways for access to their properties, and acknowledges that the Council is often the only authority which has the capacity to provide a solution. As such, the Council has determined to progressively assume responsibility for selected Private Laneways within the City, through implementation of the statutory process set out in Section 210 of the *Local Government Act 1999* (the Act), to convert Private Laneways to Public Roads, whereby its ownership will vest in the Council.

For the purposes of recovering the cost of converting a Private Laneway to a Public Road, the Council may declare a Separate Rate over the relevant part of the Council area amounting to a rates liability against each Adjoining Allotment to the laneway.

Pursuant to Section 154 of the Local Government Act 1999, the Council has not declared a Separate Rate for this purpose in 2025-2026.

Payment of Rates

Council rates will be due in four (4) instalments - 5 September 2025, 5 December 2025, 6 March 2026 and 5 June 2026. The total outstanding balance of rates may be paid in full at any time.

The Council provides various methods to enable the payment of rates. Payment methods are detailed on the Rates Notice.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard arrangements should contact the Council's Rates & Revenue Officer on 8366 4554 to discuss alternative payment arrangements. Such enquiries are treated confidentially by the Council.

Late Payment of Rates

The Council has determined that penalties for late payments will be imposed in accordance with the provisions of Section 181(8) of the Act and relevant Council procedures.

Late payment fines are levied in accordance with the provisions of Section 181(8) of the Act.

Fines and interest will not be raised for those ratepayers who use formalised Payment Plan arrangement through Direct Debit methods (Weekly, Monthly, Quarterly) set up via 'Payble' platform.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard instalments and due dates can contact the Council to discuss alternative payment arrangements. Fines and interest are still levied in accordance with the Act while there is an arrears balance.

The Council will consider applications for remissions of fines in certain extenuating circumstances. A request for waiver of fines should be made in writing, setting out detailed reasons why a fine remission has been requested, or may be submitted on the Application for Remission of Rates and/or Fines Form.

When the Council receives a payment in respect of overdue rates, the Council will apply the money received as follows:

- First – to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs;
- Third – in payment of any fines imposed;
- Fourth – in payment of rates, in chronological order (starting with the oldest account first).

Recovery of Rates

The Council will issue one (1) Reminder Notice for payment of rates when rates remain unpaid by the due date. Rates, which remain in arrears for a period exceeding 30 days, will be subject to recovery action in accordance with the Council's Credit Policy.

Sale of Land for Non-payment of Rates

Section 184 of the Act provides that a Council may sell any property where the rates have been in arrears for three (3) years or more.

Before a Council sells land in pursuance of this section, it must send a notice to the principal ratepayer at the address appearing in the assessment record stating:

- a) the period for which the rates have been in arrears; and
- b) the amount of the total liability for rates presently outstanding in relation to the land; and
- c) that if that amount is not paid in full within one (1) month of service of the notice (or such longer time as the Council may allow), the Council intends to sell the land for non-payment of rates.

Except in extraordinary circumstances, the Council will enforce the sale of land for arrears of rates.

Remission and Postponement of Rates

Application for remission of rates and charges or postponement of rates will be considered under the discretionary provisions of Sections 181 and 182 of the Act.

Requests must be lodged in writing or may be submitted on the Application for Remission or Postponement of Rates and/or Fines form. All requests must provide evidence of financial hardship. Monthly interest at the prescribed rate will be applied to rates postponed under the Section 182.

Such enquiries are treated confidentially by the Council.

Postponement of Rates for Seniors

Section 182A of the Act sets out the criteria that applies for a senior ratepayer to be eligible for the postponement of payment of rates.

Applications must be lodged in writing and must provide evidence of eligibility plus other evidence as required. Requests must be lodged on the Application Form for Postponement of Rates. Monthly interest at the prescribed rate will be applied to rates postponed under Section 182A.

Where an application for postponement under Section 182A is granted, a presumption of ongoing annual postponement will be assumed. If an entitlement of postponement ceases to exist, the owner of the land must inform the Council in writing of that fact.

Ratepayers requesting postponement of rates will initially be referred to the availability of reverse mortgage loans through financial institutions. Seniors granted postponement of rates are required to pay a minimum of \$500 of rates and charges levied in each financial year in compliance with the Local Government (General) Regulations.

Such enquiries are treated confidentially by the Council.

Rebate of Rates

Rebates of rates will be only granted when the applicant satisfies the requirements for Mandatory Rebates pursuant to Section 159 to Section 165 of the Act.

Applications for discretionary rebates lodged under Section 166 of the Act, will be considered under Council's Rate Rebate Policy.

Rate Capping Rebate

Pursuant to Sections 153(3) and 153(4) of the Act, the Council will grant a rebate of General Rates to the principal ratepayer of a residential assessment where there is a significant increase in the rates payable as a result of a rapid change in the property value, and where that property is their principal place of residence.

For the 2025-2026 financial year, the rebate will be automatically applied where the increase in rates payable from one financial year to the next financial year is greater than 16%.

Where this rebate is not automatically applied, ratepayers who consider they are eligible for the Rate Cap Rebate may lodge an application form, which will be assessed against the eligibility criteria. The application must be lodged by 30 June in the financial year that the rates are declared.

The rebate will not apply where:

- (a) any such increase is due in whole or in part to an increase in valuation of the land because of improvements made to it are worth more than \$30,000, or
- (b) any such increase is due in full or part to the use of the land for rating purposes on the date the Council declared its General Rates for the 2025-2026 financial year being different than the land use on the date the Council declared its General Rates for the 2024-2025 financial year, or
- (c) any such increase is in whole or part because of a change in the zoning of the land; or
- (d) the ownership of the property has changed since 1 January 2024.

Disclaimer

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to properly apply this policy, it should raise the matter with the Council. In the first instance contact the Rates and Revenue Officer on 8366 4554 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied, they should write to the Chief Executive Officer.

REVIEW PROCESS

The Council will review this Policy within 12 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is the Council's Rates and Revenue Officer, telephone 8366 4554.

ADOPTION OF THE POLICY

The Rating Policy was adopted by Council on 3 July 2006.
The Rating Policy was adopted by Council on 2 July 2007.
The Rating Policy was adopted by Council on 7 July 2008.
The Rating Policy was adopted by Council on 6 July 2009.
The Rating Policy was adopted by Council on 5 July 2010.
The Rating Policy was adopted by Council on 4 July 2011.
The Rating Policy was adopted by Council on 2 July 2012.
The Rating Policy was adopted by Council on 1 July 2013.
The Rating Policy was adopted by Council on 7 July 2014.
The Rating Policy was adopted by Council on 6 July 2015.
The Rating Policy was adopted by Council on 4 July 2016.
The Rating Policy was adopted by Council on 3 July 2017.
The Rating Policy was adopted by Council on 2 July 2018.
The Rating Policy was adopted by Council on 1 July 2019.
This Policy was reviewed by the Audit Committee on 25 May 2020.
The Rating Policy was adopted by Council on 6 July 2020.
This Policy was reviewed by the Audit Committee on 24 May 2021.
The Rating Policy was adopted by Council on 5 July 2021.
This Policy was reviewed by the Audit Committee on 23 May 2022.
The Rating Policy was adopted by Council on 4 July 2022.
The Rating Policy was adopted by the Council on 10 July 2023.
The Rating Policy was adopted by the Council on 1 July 2024.

TO BE REVIEWED

May 2026

Appendix 6

Rate Rebate Policy

Draft



NAME OF POLICY: Rate Rebate Policy

POLICY MANUAL: Governance

BACKGROUND

The purpose of this Policy is to assist the Council in determining applications for rate rebates and to provide guidance to the community about the grounds upon which they may be entitled to a rebate of rates in accordance with the requirements of the *Local Government Act 1999* (the Act).

In accordance with the Act, this Policy sets out the type of use of land which the Council must grant a rebate of rates and the quantum of the rebate and those types of land uses where the Council has discretion to grant a rebate of rates.

KEY PRINCIPLES

The Act provides:

- for a mandatory rebate of rates in specified cases and specifies the amount of that rebate
- that where the Council must grant a rebate of rates under the Act, and the amount of that rebate fixed by the Act is at less than 100%, the Council may increase the amount of the rebate; and
- pursuant to Section 166, for the Council to provide, at its discretion, a discretionary rebate of rates in the cases set out in that Section (see Clause 2.0 below).

POLICY

1. Mandatory Rebates

- 1.1. Pursuant to Chapter 10, Division 5 – Rebates of rates, the Council will grant a 100% rebate on the rates payable for the following specified land use:
 - a. Land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the South Australia Health Commission Act 1976 (Section 160);
 - b. Land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes (Section 162);
 - c. Land used for the purpose of a public cemetery (Section 163)
 - d. Land (other than land used as domestic premises owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated (Section 164)
- 1.2. Pursuant to Chapter 10, Division 5 – Rebates of rates, the Council will grant a 75% rebate on the rates payable for the following specified land use:
 - a. Land that is predominantly being used for service delivery or administration (or both) by a community services organisation. (Section 161).
 - To be eligible for the Community Services Rebate applied under Section 161, the Community Services Organisations must meet the definition of a "community services organisation" as defined in Section 161 (2), (3).and (4) of the Act.
 - Community Services Organisations must meet all criteria set out in the definition of a Community Services Organisation to be eligible for the rebate.
 - b. Land occupied by a government school under a lease or licence and being used for educational purposes (Section 165 (1)(a)).

- c. Land occupied by a non-government school registered under Education and Early Childhood Services (Registration and Standards) Act 2011 and being used for educational purposes (Section 165 (1) (b)).
 - d. Land being used by a University or University Collage to provide accommodation or other forms of support for students on a not-for-profit basis (Section 165 (2)).
- 1.3. Where the Council is satisfied from its own records or from other sources, that a person or body meets the necessary criteria for a Mandatory Rebate, the Council will automatically apply the eligible rebate.
 - 1.4. Where a person or body is entitled to a rebate of 75%, the Council may, pursuant to Section 159(4) of the Act grant the further rebate of up to 25%. In its determination to grant a further mandatory rebate of up to 100%, the Council will take into account those matters set out in Section 166 of the Act.
 - 1.5. Persons who or bodies which are eligible for a mandatory rebate and seek additional rebate of up to 25%, are required to submit an application to the Council and provide the Council such information as stipulated on the application form and any other information that the Council may reasonably require.
 - 1.6. Persons who or bodies which have not received an automatic rebate and believe the criteria for a mandatory rebate have been met, can submit an Application for Rate Rebate to the Council.

2. Discretionary Rebates

- 2.1. Upon application, the Council may, pursuant to Section 166 of the Act, grant a Discretionary Rebate of rates. The granting of a rebate and the amount of the rebate will be at the absolute discretion of the Council.
- 2.2. In assessing an application for a Discretionary Rebate, the Council will consider the criteria set out in Section 166 of the Act.
- 2.3. Persons who or bodies which seek a discretionary rebate are required to submit an application form to the Council and provide to the Council such information as stipulated on the application form and any other information that the Council may reasonably require to assess the application.

3. Application for Rebates

- 3.1. The Council will inform the community of the provisions for Rate Rebates under the *Local Government Act 1999*, by the inclusion of suitable details on the Annual and Quarterly Rates Notice and within the Council's Rating Policy which is available on the Council's website. www.npsp.sa.gov.au
- 3.2. Persons or bodies who seek a rebate of rates (and/or service charges) must make a written application to the in the manner and form determined by the Council and supplying such information as the Council may reasonably require to assess the eligibility for a rebate.
- 3.3. Application forms are available on the Council's website www.npsp.sa.gov.au or may be obtained from the Council's Principal Office located at 175 The Parade, Norwood.
- 3.4. In considering applications for rebates, the Council will take into account the matters set out in Division 5 – Rebate of rates of the Act.
- 3.5. The Council may also take into account other matters which are considered relevant by the Council including, but not limited to, the following –
 - the outstanding rates balance at the time of the application;
 - the need for financial assistance through a rebate;
 - the appropriateness of the extent of the rebate (percentage and dollar amount) being sought;
 - the extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
 - whether, and if so to what extent, the applicant is or will be providing a service within the City of Norwood, Payneham & St Peters;
 - whether the applicant is a public sector body, a not-for-profit body, a commercial body or community service organisation;
 - whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
 - consideration of the full financial consequences of the rebate for the Council;
 - the timeliness the application is received;
 - any other matters, and policies of the Council, which the Council considers relevant.

The Council has delegated its power, pursuant to Section 44 of the Act to determine applications and to grant a discretionary rebate of rates to the Chief Executive Officer.

The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies. Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

The Council will, in writing, advise an applicant for a rebate of its determination of that application.

REVIEW PROCESS

This Policy will be reviewed within 24 months of the adoption date of the Policy, subject to any amendments to the relevant sections of the *Local Government Act 1999*.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's Rates and Revenue Officer, telephone 8366 4554.

ADOPTION OF THE POLICY

The Rate Rebate Policy was endorsed by the Audit Committee on 28 July 2014.
The Rate Rebate Policy was adopted by the Council on 4 August 2014.
The Rate Rebate Policy was endorsed by the Audit Committee on 26 July 2016.
The Rate Rebate Policy was adopted by the Council on 1 August 2016.
The Rate Rebate Policy was endorsed by the Audit Committee on 23 July 2018.
The Rate Rebate Policy was adopted by the Council on 6 August 2018.
The Rate Rebate Policy was endorsed by the Audit Committee on 27 July 2020.
The Rate Rebate Policy was adopted by the Council on 3 August 2020.
The Rate Rebate Policy was endorsed by the Audit Committee on 25 July 2022.
The Rate Rebate Policy was adopted by the Council on 1 August 2022.
The Rate Rebate Policy was adopted by the Council on 10 July 2023.
The Rate Rebate Policy was adopted by the Council on 1 July 2024.

TO BE REVIEWED

May 2026

Appendix 7

Long-term Financial Plan Update

Draft

Financial Indicators

	Current Year	Projected Years									
	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
	%	%	%	%	%	%	%	%	%	%	%
Operating Surplus Ratio	4.7	0.8	0.1	1.3	3.4	2.1	3.1	4.2	5.5	6.8	8.4
Net Financial Liabilities Ratio	142.60	148.64	159.44	167.01	169.05	164.70	159.11	149.32	138.59	126.89	113.97
Asset Renewal Funding Ratio	129.90	96.22	96.77	104.42	103.22	96.83	108.38	105.03	106.33	111.84	111.60
Interest Cover Ratio	1.85	5.40	6.05	6.72	7.01	7.35	7.17	6.86	6.35	5.70	5.04
Debt Servicing ratio	5.06	7.61	12.73	13.67	13.27	16.37	16.24	15.98	15.49	14.83	14.17

Statement of Comprehensive Income—General fund

	Current Year	Projected Years									
	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income											
Rates	47,230,089	50,904,915	54,468,259	58,008,696	61,489,218	63,948,787	66,506,738	69,167,008	71,933,688	74,811,036	77,803,477
Statutory Charges	2,180,953	2,239,311	2,284,163	2,329,914	2,376,581	2,424,183	2,472,738	2,522,266	2,572,786	2,624,318	2,676,882
User Charges	4,006,554	4,370,061	4,457,528	4,546,746	4,648,889	4,753,326	4,860,110	4,969,293	5,080,928	5,195,071	5,311,778
Grants, Subsidies and Contributions - operating	3,943,469	2,653,958	2,718,449	2,784,507	2,852,171	2,921,479	2,992,471	3,065,188	3,139,672	3,215,966	3,294,114
Grants, Subsidies and Contributions - capital	444,393	1,050,669	688,369	724,599	724,599	-	-	-	-	-	-
Investment Income	77,965	55,000	57,253	59,640	62,216	65,116	68,361	71,737	75,264	78,798	82,498
Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Other Income	461,434	521,676	533,395	545,378	557,630	570,157	582,966	596,062	609,453	623,144	637,143
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-
Total Income	58,344,857	61,795,590	65,207,416	68,999,480	72,711,304	74,683,048	77,483,384	80,391,554	83,411,791	86,548,333	89,805,892

Statement of Comprehensive Income—General fund continued

	Current Year	Projected Years									
	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses											
Employee Costs	18,533,321	20,340,052	20,950,254	21,578,762	22,226,125	22,892,909	23,579,696	24,287,087	25,015,700	25,766,171	26,539,156
Materials, Contracts & Other Expenses	22,253,010	23,593,705	24,672,272	25,782,174	26,203,566	27,401,746	28,166,520	28,868,787	29,704,027	30,615,242	31,303,759
Depreciation, Amortisation & Impairment	13,376,887	13,696,916	15,250,282	15,777,289	16,384,142	16,976,640	17,467,246	17,985,176	18,483,128	18,995,604	19,523,036
Finance Costs	1,155,037	3,386,186	3,997,653	4,690,234	5,157,302	5,548,556	5,615,187	5,584,341	5,370,539	5,004,210	4,604,137
Net loss - Equity Accounted Council Businesses	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666
Total Expenses	55,580,921	61,279,525	65,133,126	68,091,125	70,233,801	73,082,516	75,091,315	76,988,057	78,836,061	80,643,892	82,232,754
Operating											
Surplus/ (Deficit)	2,763,936	516,065	74,290	908,355	2,477,503	1,600,532	2,392,069	3,403,497	4,575,730	5,904,441	7,573,138
Asset Disposal & Fair Value Adjustments	36,000	36,792	35,601	36,385	37,185	38,003	38,839	39,694	40,567	41,459	41,459
Amounts Received Specifically for New or Upgraded Assets	7,281,459	2,800,000	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	10,081,395	3,352,857	109,891	944,740	2,514,688	1,638,535	2,430,908	3,443,191	4,616,297	5,945,901	7,614,597
Other Comprehensive Income											
Amounts which will not be reclassified subsequently to operating result											
Changes in Revaluation Surplus - I, PP&E	5,508,000	20,000,000	37,366,909	39,838,990	42,443,826	45,104,124	47,472,361	49,989,773	52,486,866	55,086,310	57,791,892
Total Other Comprehensive Income	5,508,000	20,000,000	37,366,909	39,838,990	42,443,826	45,104,124	47,472,361	49,989,773	52,486,866	55,086,310	57,791,892
Total Comprehensive Income	15,589,395	3,352,857	37,476,800	40,783,730	44,958,515	46,742,659	49,903,270	53,432,963	57,103,163	61,032,211	65,406,489

Statement of Financial position—General fund

	Current Year 2024–25	2025–26	2026–27	2027–28	2028–29	Projected Years					
	\$	\$	\$	\$	\$	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
						\$	\$	\$	\$	\$	\$
Assets											
Current Assets											
Cash & Cash Equivalents	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Trade & Other Receivables	2,631,527	2,459,356	2,441,090	2,567,622	2,682,844	2,782,148	2,877,817	2,975,651	3,078,768	3,186,413	3,294,139
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as “Held for Sale”	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	3,131,527	2,959,356	2,941,090	3,067,622	3,182,844	3,282,148	3,377,817	3,475,651	3,578,768	3,686,413	3,794,139
Non-Current Assets											
Financial Assets	129,711	139,804	149,590	159,313	168,872	175,627	182,652	189,958	197,557	205,459	213,677
Equity Accounted Investments in Council Businesses	1,942,404	1,679,738	1,417,072	1,154,406	891,740	629,074	366,408	103,742	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	716,407,390	748,677,445	798,531,705	850,847,854	903,749,550	950,842,801	,001,289,355	1,051,737,378	1,104,667,307	1,160,180,962	1,218,383,932
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as “Held for Sale”	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	8,872,785	8,872,785	8,872,785	8,872,785	8,872,785	8,872,785	8,872,785	8,872,785	8,872,785	8,872,785	8,872,785
Total Non-Current Assets	727,352,290	759,369,772	808,971,152	861,034,358	913,682,947	960,520,287	1,010,711,200	,060,903,863	1,113,737,649	1,169,259,205	1,227,470,394
Total Assets	730,483,817	762,329,128	811,912,242	864,101,980	916,865,792	963,802,435	1,014,089,018	,064,379,515	1,117,316,416	1,172,945,618	1,231,264,533

Statement of Financial position—General fund continued

	Current Year	Projected Years									
	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Liabilities											
Current Liabilities											
Cash Advance	-	-	-	-	-	-	-	-	-	-	-
Debenture	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	10,748,903	12,088,030	12,894,521	13,501,613	14,356,378	14,841,103	15,239,609	15,632,652	16,062,917	16,518,296	16,934,229
Borrowings	1,081,341	3,294,562	3,392,746	3,562,694	5,051,584	5,316,855	5,597,100	5,893,176	6,205,991	6,536,502	6,364,042
Provisions	3,301,367	3,301,367	3,301,367	3,301,367	3,301,367	3,301,367	3,301,367	3,301,367	3,301,367	3,301,367	3,301,367
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	15,131,611	18,683,958	19,588,633	20,365,674	22,709,329	23,459,325	24,138,076	24,827,195	25,570,275	26,356,164	26,599,639
Non-Current Liabilities											
Cash Advance	65,005,412	28,240,080	27,635,411	41,628,019	21,942,190	26,503,978	31,606,587	33,469,124	34,407,795	34,293,679	32,864,952
Debenture	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	5,540,949	47,246,387	59,052,696	55,689,056	80,836,526	75,718,725	70,320,679	64,626,557	58,619,620	52,282,172	46,117,184
Provisions	781,912	781,912	781,912	781,912	781,912	781,912	781,912	781,912	781,912	781,912	781,912
Liability - Equity	-	-	-	-	-	-	-	-	-	-	-
Accounted Council	-	-	-	-	-	-	-	-	158,924	421,590	684,256
Businesses	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to	-	-	-	-	-	-	-	-	-	-	-
Non-Current Assets	-	-	-	-	-	-	-	-	-	-	-
classified as “Held for	-	-	-	-	-	-	-	-	-	-	-
Sale”	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	71,328,273	76,268,380	87,470,019	98,098,987	103,560,629	103,004,616	102,709,178	98,877,593	93,968,251	87,779,353	80,448,304
Total Liabilities	86,459,884	94,952,338	107,058,652	118,464,660	126,269,957	126,463,941	126,847,254	123,704,788	119,538,526	114,135,517	107,047,943
Net Assets	644,023,933	667,376,790	704,853,590	745,637,320	790,595,834	837,338,494	887,241,763	940,674,727	997,777,890	1,058,810,101	1,124,216,589

Statement of Financial position—General fund continued

	Current Year 2024–25	2025–26	2026–27	2027–28	2028–29	Projected Years					
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Equity											
Accumulated Surplus	76,561,552	79,914,409	80,024,300	80,969,040	83,483,728	85,122,263	87,553,171	90,996,362	95,612,659	101,558,560	109,173,157
Asset Revaluation Reserves	567,462,381	587,462,381	624,829,290	664,668,280	707,112,106	752,216,231	799,688,592	849,678,365	902,165,231	957,251,541	1,015,043,433
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-
Total Equity	644,023,933	667,376,790	704,853,590	745,637,320	790,595,834	837,338,494	887,241,763	940,674,727	997,777,890	1,058,810,101	1,124,216,589

[illegible]

Statement of Cash Flows—General fund continued

	Current Year 2024–25	2025–26	2026–27	2027–28	2028–29	Projected Years					
	\$	\$	\$	\$	\$	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
						\$	\$	\$	\$	\$	\$
Cash Flows from Investing Activities continued											
Distributions Received from Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-
Payments:											
Expenditure on Renewal/Replacement of Assets	(15,593,382)	(12,887,016)	(14,681,435)	(15,188,785)	(15,773,002)	16,343,399	(16,815,705)	(17,314,315)	(17,793,693)	(18,287,053)	(18,794,812)
Expenditure on New/Upgraded Assets	(62,976,666)	(13,079,955)	(13,056,198)	(13,065,663)	(11,069,010)	(2,622,367)	(3,625,734)	(1,129,111)	(1,132,498)	(1,135,895)	(1,139,303)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Loans Made to Community Groups	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(70,257,072)	(21,786,379)	(26,847,038)	(27,493,464)	(26,080,228)	(18,927,763)	(20,402,600)	(18,403,732)	(18,885,624)	(19,381,489)	(19,892,656)

[illegible]

Uniform Presentation of Finances— General fund

	Current Year 2024–25	2025–26	2026–27	2027–28	2028–29	Projected Years					
	\$	\$	\$	\$	\$	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income											
Rates	47,230,089	50,904,915	54,468,259	58,008,696	61,489,218	63,948,787	66,506,738	69,167,008	71,933,688	74,811,036	77,803,477
Statutory Charges	2,180,953	2,239,311	2,284,163	2,329,914	2,376,581	2,424,183	2,472,738	2,522,266	2,572,786	2,624,318	2,676,882
User Charges	4,006,554	4,370,061	4,457,528	4,546,746	4,648,889	4,753,326	4,860,110	4,969,293	5,080,928	5,195,071	5,311,778
Grants, Subsidies and Contributions - operating	3,943,469	2,653,958	2,718,449	2,784,507	2,852,171	2,921,479	2,992,471	3,065,188	3,139,672	3,215,966	3,294,114
Grants, Subsidies and Contributions - capital	444,393	1,050,669	688,369	724,599	724,599	-	-	-	-	-	-
Investment Income	77,965	55,000	57,253	59,640	62,216	65,116	68,361	71,737	75,264	78,798	82,498
Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Other Income	461,434	521,676	533,395	545,378	557,630	570,157	582,966	596,062	609,453	623,144	637,143
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-
Total Income	58,344,857	61,795,590	65,207,416	68,999,480	72,711,304	74,683,048	77,483,384	80,391,554	83,411,791	86,548,333	89,805,892
Expenses											
Employee Costs	18,533,321	20,340,052	20,950,254	21,578,762	22,226,125	22,892,909	23,579,696	24,287,087	25,015,700	25,766,171	26,539,156
Materials, Contracts & Other Expenses	22,253,010	23,593,705	24,672,272	25,782,174	26,203,566	27,401,746	28,166,520	28,868,787	29,704,027	30,615,242	31,303,759
Depreciation, Amortisation & Impairment	13,376,887	13,696,916	15,250,282	15,777,289	16,384,142	16,976,640	17,467,246	17,985,176	18,483,128	18,995,604	19,523,036
Finance Costs	1,155,037	3,386,186	3,997,653	4,690,234	5,157,302	5,548,556	5,615,187	5,584,341	5,370,539	5,004,210	4,604,137
Net loss - Equity Accounted Council Businesses	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666
Total Expenses	55,580,921	61,279,525	65,133,126	68,091,125	70,233,801	73,082,516	75,091,315	76,988,057	78,836,061	80,643,892	82,232,754

Uniform Presentation of Finances— General fund continued

	Current Year	Projected Years									
	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Surplus / (Deficit)	2,763,936	516,065	74,290	908,355	2,477,503	1,600,532	2,392,069	3,403,497	4,575,730	5,904,441	7,573,138
Timing adjustment for grant revenue	-	-	-	-	-	-	-	-	-	-	-
Less: Grants, subsidies and contributions – Capital	(444,393)	(1,050,669)	(688,369)	(724,599)	(724,599)	-	-	-	-	-	-
Adjusted Operating Surplus / (Deficit)	2,319,543	(534,604)	(614,079)	183,756	1,752,904	1,600,532	2,392,069	3,403,497	4,575,730	5,904,441	7,573,138
Net Outlays on Existing Assets											
Capital Expenditure on Renewal and Replacement of Existing Assets	(15,593,382)	(12,887,016)	(14,681,435)	(15,188,785)	(15,773,002)	16,343,399	(16,815,705)	(17,314,315)	(17,793,693)	(18,287,053)	(18,794,812)
add back Depreciation, Amortisation and Impairment	13,376,887	13,696,916	15,250,282	15,777,289	16,384,142	16,976,640	17,467,246	17,985,176	18,483,128	18,995,604	19,523,036
add back Grants, subsidies and contributions – Capital Renewal	-	1,050,669	688,369	724,599	724,599	-	-	-	-	-	-
add back Proceeds from Sale of Replaced Assets	36,000	36,792	35,601	36,385	37,185	38,003	38,839	39,694	40,567	41,459	41,459
Total Net Outlays on Existing Assets	(2,180,495)	1,897,361	1,292,817	1,349,488	1,372,924	671,244	690,380	710,555	730,002	750,010	769,684

Uniform Presentation of Finances— General fund continued

	Current Year 2024–25	2025–26	2026–27	2027–28	2028–29	Projected Years					
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Outlays on New and Upgraded Assets											
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(62,976,666)	(13,079,955)	(13,056,198)	(13,065,663)	(11,069,010)	(2,622,367)	(3,625,734)	(1,129,111)	(1,132,498)	(1,135,895)	(1,139,303)
add back Grants, subsidies and contributions – Capital New/Upgraded	444,393	-	-	-	-	-	-	-	-	-	-
add back Amounts Received Specifically for New and Upgraded Assets	7,776,664	3,066,686	166,624	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments & non-current assets held for sale)	-	-	-	-	-	-	-	-	-	-	-
Total Net Outlays on New and Upgraded Assets	(54,755,609)	(10,013,269)	(12,889,574)	(13,065,663)	(11,069,010)	(2,622,367)	(3,625,734)	(1,129,111)	(1,132,498)	(1,135,895)	(1,139,303)
Annual Net Impact to Financing Activities (surplus / (deficit))	(54,616,562)	(8,650,512)	(12,210,836)	(11,532,419)	(7,943,182)	(350,591)	(543,285)	2,984,940	4,173,234	5,518,556	7,203,518

Appendix 8

*Asset Management Plan
Updates 2025–2026*

Draft

Updated Asset Management Plan

Capital Renewals	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030	2030–2031	2031–2032	2032–2033	2033–2034	2034–2035
Civil Renewal (AMP)	6,715,623	7,369,310	6,983,046	6,744,019	7,384,791	7,214,584	7,265,986	7,478,791	7,411,719	7,634,070
Building Renewal (AMP)	3,019,000	3,383,376	1,894,078	2,983,171	3,608,368	2,146,920	4,222,331	4,135,971	3,722,741	3,834,423
Stormwater Renewal (AMP)	987,500	2,636,463	2,376,713	3,155,963	3,457,273	2,942,968	2,168,913	2,652,048	2,187,095	2,252,708
Recreation & Open Space Renewal (AMP)	1,891,137	915,189	2,396,729	1,472,516	1,467,449	2,224,907	1,812,485	1,423,925	1,957,771	2,016,504
Total	12,613,259	14,304,338	13,650,565	14,355,669	15,917,881	14,529,379	15,469,715	15,690,735	15,279,326	15,737,705
Plants, Depot Equipment, Books, IT equipment, Fixtures and Fittings	780,142	820,182	848,170	876,921	908,861	935,296	962,191	988,685	1,015,967	1,046,446
Updated Asset Management Plan	13,393,401	15,124,520	14,498,735	15,232,590	16,826,742	15,464,675	16,431,906	16,679,420	16,295,293	16,784,152

Draft

Council Facilities

The Council's Principal Office is located at:

Norwood Town Hall
175 The Parade, Norwood

Additional sites of operation include:

Council Works Depot
Davis Road, Glynde

Norwood Library
110 The Parade, Norwood

St Peters Library
101 Payneham Road, St Peters

Cultural Heritage Centre
101 Payneham Road, St Peters

Payneham Library & Community
Facilities Complex (Tirkandi)
2 Turner Street, Felixstov

Payneham Community Centre
374 Payneham Road, Payneham

Norwood Swimming Centre
Phillips Street, Kensington

The Council also operates two unique entities:

St Peters Child Care Centre
42–44 Henry Street, Stepney

Norwood Concert Hall
175 The Parade, Norwood

The 2025–2026 Annual Business Plan can be viewed
online at www.npsp.sa.gov.au



Further information

For more information about the City of Norwood Payneham & St Peter's 2025–2026 Annual Business Plan and Budget, please contact the General Manager, Governance & Civic Affairs on 8366 4555 or email townhall@npsp.sa.gov.au

For further information, visit www.npsp.sa.gov.au

Draft

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
Norwood
Payneham
& St Peters

13.3 EASTERN HEALTH AUTHORITY DRAFT 2025-2026 ANNUAL BUSINESS PLAN AND BUDGET

REPORT AUTHOR: General Manager, Governance & Civic Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: qA88432
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present to the Council, the Eastern Health Authority (EHA) Draft 2025-2026 Annual Business Plan and Budget for endorsement.

BACKGROUND

The Eastern Health Authority (EHA) is a Regional Subsidiary established pursuant to Section 43 of the *Local Government Act 1999*, for the purpose of providing environmental health services to the Constituent Councils. The other Constituent Councils are the Cities of Burnside, Campbelltown and Prospect and the Town of Walkerville.

Pursuant to Clause 8 of the Eastern Health Authority Charter (the Charter), EHA must prepare an Annual Business Plan which informs and supports the Authority's Annual Budget.

Upon completion of the draft Annual Business Plan and Budget, pursuant to Clause 8.1 (c) of the Charter, EHA must provide the draft Annual Plan to Constituent Councils for the purposes of obtaining consent from the Constituent Councils.

The Annual Business Plan and Budget can only be adopted by the EHA Board, with absolute majority approval of the Constituent Councils.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

As a Constituent Council, there are financial implications for the Council's Budget, emanating from the EHA Draft 2025-2026 Annual Business Plan and Budget.

As a receiver of services from EHA, the Council's Draft 2025-2026 Budget includes an annual fee of \$667,700 for the provision of the environmental health services which are provided by EHA. In addition, the Council must also account for its share of EHA's operating result.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

- **Elected Members**
Councillors Granozio and Moorhouse are the Council appointed Members to the Eastern Health Authority Board.
- **Community**
Not Applicable.
- **Staff**
Chief Financial Officer.
- **Other Agencies**
Not Applicable.

DISCUSSION

EHA's Draft 2025-2026 Annual Business Plan is based on the four (4) focus issues set out in the *Regional Public Health and Wellbeing Plan*, 'Better Living, Better Health', which encompass:

- Public and environmental health services;
- Immunisation;
- Food safety; and.
- Governance and organisational development.

EHA's main source of income to fund its operations is from contributions (ie fees for service), from its Constituent Councils. To deliver the 2025-2026 Annual Business Plan, EHA requires contributions of \$2,201,000 to fund its proposed operational expenditure.

The key assumptions that have been used to prepare EHA's Draft 2025-2026 Annual Business Plan, include the following:

- Enterprise Agreement increase of 4% and 0.5% increase for the Superannuation Guarantee; and
- no changes to the 2025-2026 School Immunisation Program.

The Council's Draft 2025-2026 Budget includes a funding allocation for the provision of environmental health services of \$667,000, compared to \$641,814 in 2024-2025.

EHA are forecasting a "break even" Operating Result for 2025-2026.

A copy of the Eastern Health Authority's Draft Annual Business Plan and Budget is contained in **Attachment A**.

OPTIONS

The Council can choose not to endorse the Environmental Health Authority's Draft 2025-2026 Annual Business Plan and Budget, however, there are no specific issues or activities which present a financial or risk management issue for this Council to take this course of action.

CONCLUSION

EHA's Annual Business Plan is consistent with its previous Annual Business Plans and is in-line with the objectives which are set out in its Charter. Whilst the Authority's Charter does not require the Constituent Councils to endorse the Draft Budget, by virtue of the endorsement of the Annual Business Plan, the Council is also ostensibly endorsing the EHA Draft Budget. The Draft Annual Business Plan, as contained in **Attachment A** does not present any specific issues or activities which would create a financial or risk management issue for this Council.

COMMENTS

Nil.

RECOMMENDATION

That the Eastern Health Authority be advised that pursuant to Clause 8 of the Charter, the Council has considered and hereby approves the Eastern Health Authority Draft 2025-2026 Annual Business Plan and Budget.

Attachments – Item 13.3

Attachment A

Eastern Health Authority Draft 2025-2026 Annual Business Plan and Budget



101 Payneham Road,
St Peters SA 5069

PO Box 275
Stepney SA 5069

T 8132 3600 / F 8132 3623
eha@eha.sa.gov.au

www.eha.sa.gov.au
ABN 52 535 526 438

Ref: AF25/31

28 March 2025

Mr Mario Barone
Chief Executive Officer
City of Norwood Payneham & St Peters
175 The Parade
Norwodo SA 5067

Dear Mario

RE: Eastern Health Authority (EHA) Draft Annual Business Plan and Budget for 2025/2026

In accordance with clause 7 of the EHA Charter, the EHA Board of Management has considered and endorsed a draft Eastern Health Authority Annual Business Plan and Budget for 2025/2026 (ABP) (a copy of the report and ABP is provided as attachment 1).

We have developed a series of strategic objectives, drawn from EHA's commitment to good governance under our Charter and our responsibilities under the *Regional Public Health and Wellbeing Plan 2020-2025*, which is prepared for and adopted by our Constituent Councils.

EHA is responsible for the 'Protection for Health' priorities in the Regional Public Health Plan, and this is reflected in our four key focus areas:

1. Public and environmental health services
2. Immunisation
3. Food safety
4. Governance and organisational development

We have prepared a Plan for the next 12 months that aligns to our strategic objectives within each focus area and guides the efficient and effective delivery of our day-to-day operations.

With the Regional Public Health and Wellbeing Plan 2020-2025 coming to the end of its timeframe, Constituent Councils have indicated that they intend to undertake a different approach in the next iteration of their public health planning. This may see them embedding their public health directions into their own Strategic Plans, rather than in a standalone regional plan. With this in mind, EHA has developed a Strategic Plan – “Towards 2033” to provide a strategic driver for EHA’s work beyond 2025. The plan will guide future versions of EHA’s Annual Business Plan.

The forecast for the 2025/2026 financial year is that EHA’s operating result will be a break-even result. A total of \$2,201,000 will be raised through contributions from our Constituent Councils. The component of income required from Constituent Councils to fund EHA operations is determined by a formula contained within the EHA Charter. Aside from a 5% nominal administrative component that is shared equally (1% per council), costs are shared on a proportional basis. The proportion is determined by the numbers of individual public health activities conducted by EHA on behalf of Constituent Councils.

Table 1 details the contribution required from each Constituent Council using the charter formula including a calculation of the change from the previous year. While there is a 5.1% overall increase in contributions, revised activity proportions have the effect of redistributing costs between constituent councils. The requested contribution from City of Norwood Payneham & St Peters for 2025/2026 is \$667,700 (increase of 4.03%).

Table 1: Constituent Council proportion and contributions for 2025/2026

2025/2026	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Contribution proportion 2025/2026	28.57%	26.24%	30.34%	11.04%	3.81%	100.00%
Expenditure	\$ 3,093,400					
Less General Receipts - Funding Statement D45	\$ 892,400					
Total Required Operating contributions	\$ 2,201,000					
Constituent Council Contribution proportion	28.57%	26.24%	30.34%	11.04%	3.81%	100.00%
Required Contribution 2025/2026	\$ 628,812	\$ 577,522	\$ 667,700	\$ 243,028	\$ 83,938	\$ 2,201,000
Change in Contribution from previous year (2024/2025)						
Contribution proportion 2024/2025	28.12%	25.33%	30.65%	11.89%	4.01%	100.00%
Actual Contribution 2024/2025	\$ 588,959	\$ 530,383	\$ 641,814	\$ 248,997	\$ 83,947	\$ 2,094,100
Change in Contribution Proportion from previous FY	0.44%	0.91%	-0.31%	-0.85%	-0.20%	
Change in Contribution (\$)	\$ 39,853	\$ 47,139	\$ 25,886	\$ (5,969)	\$ (9)	\$ 106,900
Change in contributions (%)	6.77%	8.89%	4.03%	-2.40%	-0.01%	5.10%

In relation to long-term contribution trends, Tables 2 & 3 demonstrates that the average annual increase in contributions requested for Constituent Councils collectively over the last 12 financial years has been 2.85% and for City of Norwood Payneham & St Peters, 2.73%.

Table 2: Global long-term increase in contributions requested from Constituent Councils.

Combined Council Requested Contributions	Net Cost	\$ change previous year	% Change previous year
2013/2014	\$ 1,576,207		
2014/2015	\$ 1,576,605	\$ 398	0.03%
2015/2016	\$ 1,609,308	\$ 32,703	2.07%
2016/2017	\$ 1,641,055	\$ 31,747	1.97%
2017/2018	\$ 1,680,870	\$ 39,815	2.43%
2018/2019	\$ 1,723,023	\$ 42,153	2.51%
2019/2020	\$ 1,757,120	\$ 34,097	1.98%
2020/2021	\$ 1,790,674	\$ 33,554	1.91%
2021/2022	\$ 1,828,263	\$ 37,589	2.10%
2022/2023	\$ 1,828,000	\$ (263)	-0.01%
2023/2024	\$ 1,970,200	\$ 142,200	7.78%
2024/2025	\$ 2,094,100	\$ 123,900	6.29%
2025/2026	\$ 2,201,000	\$ 106,900	5.10%
Average Annual Increase for 12 year period			2.85%

local councils working together to protect the health of the community

Table 3: Long-term contributions requested from City of Norwood Payneham & St Peters.

NPSP Requested Contributions	Net Cost	\$ change previous year	% Change previous year
2013/2014	\$ 485,199		
2014/2015	\$ 487,613	\$ 2,414	0.50%
2015/2016	\$ 490,646	\$ 3,033	0.62%
2016/2017	\$ 516,322	\$ 24,676	5.03%
2017/2018	\$ 512,052	\$ (3,270)	-0.63%
2018/2019	\$ 523,301	\$ 11,249	2.20%
2019/2020	\$ 659,954	\$ 36,653	7.00%
2020/2021	\$ 686,308	\$ 26,354	4.71%
2021/2022	\$ 571,786	\$ (14,522)	-2.48%
2022/2023	\$ 584,210	\$ 12,424	2.17%
2023/2024	\$ 623,601	\$ 39,391	6.74%
2024/2025	\$ 641,814	\$ 18,213	2.92%
2025/2026	\$ 667,700	\$ 25,886	4.03%
Average Annual Increase for 12 year period			2.73%

If possible, it would be appreciated if feedback in relation to the ABP is received by 30 May 2025 so that it can be considered by the Board of Management prior to its meeting to be held on 25 June 2025 when it adopts the Annual Business Plan and Budget for 2025/2026.

If you need any more information or would like to discuss this further, please contact me on telephone 8132 3611.

Yours sincerely



Michael Livori
Chief Executive Officer

1.0 DRAFT ANNUAL BUSINESS PLAN AND BUDGETED FINANCIAL STATEMENTS FOR 2025/2026

Author: Michael Livori
Ref: AF25/53

Summary

In accordance with the *Local Government Act 1999*, Schedule 2, Part 2 Section 25:

- (1) a regional subsidiary must have a budget for each financial year*
- (2) each budget of a regional subsidiary*
 - (a) must deal with each principal activity of the subsidiary on a separate basis; and*
 - (b) must be consistent with its business plan; and*
 - (c) must comply with standards and principles prescribed by the regulations; and*
 - (d) must be adopted after 31 May for the ensuing financial year, and before a date fixed by the constituent councils; and*
 - (e) must be provided to the constituent councils in accordance with the regulations.*

The Eastern Health Authority (EHA) Charter clause 8 states:

8.1 Contents of the Business Plan

- a) EHA must each year develop in accordance with this clause a business plan which supports and informs its annual budget.
- b) In addition to the requirements for the Business Plan set out in clause 24(6) of Schedule 2 to the Act, the Business Plan will include:
 - (a) a description of how EHA's functions relate to the delivery of the Regional Public Health Plan and the Business Plan;
 - (b) financial estimates of revenue and expenditure necessary for the delivery of the Regional Public Health Plan;
 - (c) performance targets which EHA is to pursue in respect of the Regional Public Health Plan.
- c) A draft of the Business Plan will be provided to the Constituent Councils on a date to be determined for the endorsement of the majority of those councils.
- d) The Board must provide a copy of the adopted annual Business Plan and budget to the Chief Executive Officers of each Constituent Council within five business days of its adoption.

Report

Development of the 2025/2026 EHA Annual Business Plan (ABP)

- On 5 March 2025, a Budget Workshop was held to provide Board Members with information in relation to the development of the 2025/2026 ABP and Budget.
- As per the agreed budget development process it is now necessary that a draft ABP and budget be formally endorsed by the Board of Management via a circular resolution, prior to being provided to Constituent Councils for consideration.

Content of the Draft Annual Business Plan 2025/2026

EHA is required to adopt an Annual Business Plan and Budget each year to outline our objectives and activities for the financial year, our financial requirements and how we will measure our performance.

We have developed a series of strategic objectives, drawn from EHA's commitment to good governance under our Charter and our responsibilities under the *Regional Public Health and Wellbeing Plan 2020-2025*, which is prepared for and adopted by our Constituent Councils.

EHA is currently responsible for the 'Protection for Health' priorities in the Regional Public Health Plan, and this is reflected in our four key focus areas:

1. Public and environmental health services
2. Immunisation
3. Food safety
4. Governance and organisational development

In consultation with our Constituent Councils, we have prepared an Annual Business Plan for the next 12 months that aligns to our strategic objectives within each focus area and guides the efficient and effective delivery of our day-to-day operations (provided as attachment 1).

With the Regional Public Health and Wellbeing Plan 2020-2025 coming to the end of its timeframe, Constituent Councils have determined to undertake a different approach in the next iteration of their public health planning. This may see them embedding their public health directions into their own Strategic Plans, rather than in a standalone regional plan. With this in mind, EHA has developed a Strategic Plan – "Towards 2033" to provide a strategic driver for EHA's work beyond 2025. The plan will guide future versions of EHA's Annual Business Plan.

Annual Business Plan Overview of Priorities

Focus Area	2025-26 Priorities
1. Public and Environmental Health Services	<ol style="list-style-type: none"> 1. Review EHA's wastewater register to allow communication of key information to relevant residents regarding service schedules and other requirements in accordance with the SA Public Health (Wastewater) Regulations 2013. 2. Develop an information pack for local high risk beauty businesses. 3. Interactive face to face information stalls to be held at various locations within EHA's Constituent Councils. 4. Continue to provide feedback to SA Health on the review of Public Health Regulations review as required.
2. Immunisation	<ol style="list-style-type: none"> 1. Increase awareness of EHA's public immunisation clinic program by leveraging the various communication channels including utilising social media platforms, community newsletters, local advertising, and the EHA website to reach a wider audience. 2. Continue to uphold strong governance and ensure the successful delivery of EHA's public clinic immunisation program, fully aligned with the National Immunisation Program (NIP) Schedule. 3. Continued focus on conducting thorough catch-up immunisation history assessments to ensure individuals are up to date with their immunisations. 4. Deliver the School Immunisation Program (SIP) in accordance with the SA Health Service Agreement contract. In partnership with SA Health, develop and distribute communication toolkits for schools and families to facilitate clear and effective information sharing. 5. Explore opportunities to introduce an online consent system for public clinics and workplace flu vaccinations. 6. Explore additional opportunities within the community to promote EHA's services, such as partnering with local organisations, attending community events, and utilising local media platforms. 7. Undertake a performance evaluation for all three immunisation services provided by EHA (Public Clinics, Flu Worksites and School Immunisation Program).

Focus Area	2025-26 Priorities
3. Food Safety	<ol style="list-style-type: none"> 1. Review and update the temporary events information pack for event organisers, stallholders and food vehicles. 2. Develop food safety posters with QR codes linking key websites. 3. Interactive face-to-face information stalls to be held at various locations within EHA's Constituent Councils.
4. Governance and Organisational Development	<ol style="list-style-type: none"> 1. Revise Annual Business Plan Structure to align with EHA Strategic Plan – Towards 2033. 2. Distribution of targeted quarterly performance reports for Constituent Councils to supplement Board reports. 3. Deliver upon request a presentation highlighting strengths and benefits of centralised service delivery model for Constituent Council Elected Members. 4. Workplace Health and Safety (WHS) Performance – Effectively identifying and mitigating workplace hazards to ensure the health, safety, and wellbeing of employees, with measurable outcomes.

Budget Overview

The forecast for the 2025/2026 financial year is that EHA's operating result will be a break even result. A total of \$2,201,000 will be raised through contributions from our Constituent Councils. This represents a 5.1% increase in overall collective contributions from the previous year.

Operating Activity	(\$'000s)
Total Income	\$3,093
Less	
Employee costs	\$2,196
Operating Expenditure	\$849
Depreciation	\$48
Net Surplus (Deficit)	(\$0) Break Even

The key assumptions that have been used to prepare the 2025-26 Budget are summarised below.

- Use of Contribution Formula which will have differing impacts on individual councils.
- Enterprise Agreement increase of 4% and 0.5% super guarantee increase.
- Delivery of Immunisation Service Contracts to Unley Council
- No Changes to the 2025 or 2026 School Immunisation Program.

Budgeted Financial Statements can be found in the ABP document and consist of a Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Equity.

Our performance against this Annual Business Plan will be reported in August 2025 and will be reflected in our Annual Report.

Funding the Business Plan and the Budget

The component of income required from Constituent Councils to fund EHA operations is determined by a formula contained within the EHA Charter. Aside for a 5% nominal administrative component that is shared equally (1% per council), costs are shared on a proportional basis, dependent upon the numbers of individual public health activities conducted by EHA on behalf of Constituent Councils.

As detailed previously, there is a 5.1% increase in overall collective contributions requested from Constituent Councils for 2025/2026. On a longer term perspective, and as seen in Table 1, the average increases in contributions requested for Constituent Councils over the last 12 financial years has been 2.85%.

Table 1: Annual increase in total contributions requested from Constituent Councils.

Combined Council Requested Contributions	Net Cost	\$ change previous year	% Change previous year
2013/2014	\$ 1,576,207		
2014/2015	\$ 1,576,605	\$ 398	0.03%
2015/2016	\$ 1,609,308	\$ 32,703	2.07%
2016/2017	\$ 1,641,055	\$ 31,747	1.97%
2017/2018	\$ 1,680,870	\$ 39,815	2.43%
2018/2019	\$ 1,723,023	\$ 42,153	2.51%
2019/2020	\$ 1,757,120	\$ 34,097	1.98%
2020/2021	\$ 1,790,674	\$ 33,554	1.91%
2021/2022	\$ 1,828,263	\$ 37,589	2.10%
2022/2023	\$ 1,828,000	\$ (263)	-0.01%
2023/2024	\$ 1,970,200	\$ 142,200	7.78%
2024/2025	\$ 2,094,100	\$ 123,900	6.29%
2025/2026	\$ 2,201,000	\$ 106,900	5.10%
Average Annual Increase for 12 year period			2.85%

Table 2 details the contribution required from each Constituent Council using the revised formula including the change from the previous year. While there is a 5.1% overall increase in contributions, the revised formula and changes to activity proportion has the effect of redistributing costs between constituent councils.

Table 2: Constituent Council proportion and contributions for 2025/2026

2025/2026		Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Contribution proportion 2025/2026		28.57%	26.24%	30.34%	11.04%	3.81%	100.00%
Expenditure	\$ 3,093,400						
Less General Receipts - Funding Statement D45	\$ 892,400						
Total Required Operating contributions	\$ 2,201,000						
Constituent Council Contribution proportion		28.57%	26.24%	30.34%	11.04%	3.81%	100.00%
Required Contribution 2025/2026		\$ 628,812	\$ 577,522	\$ 667,700	\$ 243,028	\$ 83,938	\$ 2,201,000

Change in Contribution from previous year (2024/2025)							
Contribution proportion 2024/2025		28.12%	25.33%	30.65%	11.89%	4.01%	100.00%
Actual Contribution 2024/2025		\$ 588,959	\$ 530,383	\$ 641,814	\$ 248,997	\$ 83,947	\$ 2,094,100
Change in Contribution Proportion from previous FY		0.44%	0.91%	-0.31%	-0.85%	-0.20%	
Change in Contribution (\$)		\$ 39,853	\$ 47,139	\$ 25,886	\$ (5,969)	\$ (9)	\$ 106,900
Change in contributions (%)		6.77%	8.89%	4.03%	-2.40%	-0.01%	5.10%

Process from here

- The Draft ABP and Budget will be provided to Constituent Councils requesting endorsement.
- Constituent Council feedback and a final budget will be considered for adoption at the Board of Management meeting to be held on 25 June 2025.
- A copy of the budget will be provided to the Chief Executive Officer of each Constituent Council within 5 days of its adoption.

RECOMMENDATION

That:

1. The Draft Annual Business Plan and Budgeted Financial Statements for 2025/2026 Report is received.
2. The Draft Annual Business Plan and Budgeted Financial Statements for 2025/2026 provided as attachment 1 to this report is endorsed.

EASTERN HEALTH AUTHORITY ANNUAL BUSINESS PLAN AND BUDGET 2025/2026



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Introduction

Keeping the community healthy – About Eastern Health Authority (EHA)

Eastern Health Authority (EHA) is a regional subsidiary established under the Local Government Act 1999 with the core purpose of “providing public and environmental health services to the communities of our Constituent Councils”, who currently comprise:

- City of Burnside
- Campbelltown City Council
- City of Norwood Payneham and St Peters
- City of Prospect
- Town of Walkerville.

Guided by the functions and powers outlined in the EHA Charter, EHA provides centralised service delivery and operates as the “combined environmental health department” of each council in the region.

EHA has a long and proud history of protecting the health, safety and wellbeing of these communities, located in Adelaide’s eastern and inner northern suburbs, and which currently total approximately 174,000 residents.

EHA’s success is built on our singular and dedicated focus on public and environmental health, specialist and passionate staff, strong and open relationships with our Constituent Councils, and our ability to effectively advocate on public health matters as a united regional voice. The approach represents outstanding value for money for ratepayers and means our communities enjoy the highest standards of environmental health services.

The services provided by EHA continue to evolve, but generally focus on:

- Inspection and regulation of food premises
- Immunisation
- Hygiene and sanitation control
- Monitoring and regulation of communicable and infectious disease
- Licencing and monitoring of Supported Residential Facilities (SRFs).

EHA’s services are delivered by a small and highly skilled staff team and overseen by a Board of Management comprised of two representatives from each of the Constituent Councils. EHA is funded by contributions from Constituent Council, service delivery income, and grant revenue.

Key Statistics

Population Served	171,470
Staffing	26 Staff (19 FTE)
Number of Inspections Undertaken	1,841
Number of Immunisations Administered	26,647
Total Budget	\$3,093K
Grant Funding Received	\$259K
User Income Generated	\$390K
Constituent Council Contributions	\$2,201K

Developing our 2025-26 Annual Business Plan

EHA is required to adopt an Annual Business Plan and Budget each year to outline our objectives and activities for the financial year, our financial requirements and how we will measure our performance.

We have developed a series of strategic objectives, drawn from EHA's commitment to good governance under our Charter and our responsibilities under the *Regional Public Health and Wellbeing Plan 2020-2025*, which is prepared for and adopted by our Constituent Councils.

EHA is currently responsible for the 'Protection for Health' priorities in the Regional Public Health Plan, and this is reflected in our four key focus areas:

1. Public and environmental health services
2. Immunisation
3. Food safety
4. Governance and organisational development

In consultation with our Constituent Councils, we have prepared an Annual Business Plan for the next 12 months that aligns to our strategic objectives within each focus area and guides the efficient and effective delivery of our day-to-day operations.

With the Regional Public Health and Wellbeing Plan 2020-2025 coming to the end of its timeframe, Constituent Councils have determined to undertake a different approach in the next iteration of their public health planning. This may see them embedding their public health directions into their own Strategic Plans, rather than in a standalone regional plan. With this in mind EHA has developed a Strategic Plan – "Towards 2033" to provide a strategic driver for EHA's work beyond 2025. The plan will guide future versions of EHA's Annual Business Plan.

Key influences in 2025-26

The environment in which EHA and our Constituent Councils operate in is always changing. In preparing our 2025-26 Annual Business Plan, EHA has considered the key influences that we need to be aware of and respond to throughout the next 12 months. The major external factors that we have taken into consideration in the preparation of our Plan are summarised below.

P POLITICAL	<ul style="list-style-type: none"> • <i>Changes in government / council policies</i> • <i>Revised Charter</i>
E ECONOMIC	<ul style="list-style-type: none"> • <i>Enterprise Agreement Labour Cost Increase</i> • <i>Continuation of Immunisation Service Provision Contract with City of Unley</i> • <i>Increase in Focus on Worksite Flu Program</i> • <i>No Changes to School Immunisation program for 2025 and 2026</i>
S SOCIAL	<ul style="list-style-type: none"> • <i>Community attitudes to vaccines</i> • <i>Community expectations of environmental health</i> • <i>Community attitude towards compliance</i> • <i>Changing customer / community expectations</i>
T TECHNOLOGICAL	<ul style="list-style-type: none"> • <i>Data collection and analysis</i> • <i>Smart technology</i> • <i>Online services / immunisation bookings / information provision</i> • <i>New ways of communicating</i> • <i>Increased functionality from enhanced Immunisation Database</i>
E ENVIRONMENTAL	<ul style="list-style-type: none"> • <i>Increased risk of emergency events</i> • <i>Environmental Health Impacts of climate change</i> • <i>Disease from pests</i>
L LEGAL	<ul style="list-style-type: none"> • <i>Revised public health regulations</i> • <i>Training and evidence requirements for Food Businesses</i> • <i>Lack of appropriate registration and licensing systems for food safety and public health matters</i> • <i>Review of Supported Residential Facility legislation.</i>

Annual Business Plan Overview

Our 2025-26 Priorities

Focus Area	2025-26 Priorities
1. Public and Environmental Health Services	<ol style="list-style-type: none"> 1. Review EHA's wastewater register to allow communication of key information to relevant residents regarding service schedules and other requirements in accordance with the SA Public Health (Wastewater) Regulations 2013. 2. Develop an information pack for local high risk beauty businesses. 3. Interactive face to face information stalls to be held at various locations within EHA's Constituent Councils. 4. Continue to provide feedback to SA Health on the review of Public Health Regulations review as required.
2. Immunisation	<ol style="list-style-type: none"> 1. Increase awareness of EHA's public immunisation clinic program by leveraging the various communication channels including utilising social media platforms, community newsletters, local advertising, and the EHA website to reach a wider audience. 2. Continue to uphold strong governance and ensure the successful delivery of EHA's public clinic immunisation program, fully aligned with the National Immunisation Program (NIP) Schedule. 3. Continued focus on conducting thorough catch-up immunisation history assessments to ensure individuals are up to date with their immunisations. 4. Deliver the School Immunisation Program (SIP) in accordance with the SA Health Service Agreement contract. In partnership with SA Health, develop and distribute communication toolkits for schools and families to facilitate clear and effective information sharing. 5. Explore opportunities to introduce an online consent system for public clinics and workplace flu vaccinations. 6. Explore additional opportunities within the community to promote EHA's services, such as partnering with local organisations, attending community events, and utilising local media platforms. 7. Undertake a performance evaluation for all three immunisation services provided by EHA (Public Clinics, Flu Worksites and School Immunisation Program).

Focus Area	2025-26 Priorities
3. Food Safety	<ol style="list-style-type: none"> 1. Review and update the temporary events information pack for event organisers, stallholders and food vehicles. 2. Develop food safety posters with QR codes linking key websites. 3. Interactive face-to-face information stalls to be held at various locations within EHA's Constituent Councils.
4. Governance and Organisational Development	<ol style="list-style-type: none"> 1. Revise Annual Business Plan Structure to align with EHA Strategic Plan – Towards 2033. 2. Distribution of targeted quarterly performance reports for Constituent Councils to supplement Board reports. 3. Deliver upon request a presentation highlighting strengths and benefits of centralised service delivery model for Constituent Council Elected Members. 4. Workplace Health and Safety (WHS) Performance – Effectively identifying and mitigating workplace hazards to ensure the health, safety, and wellbeing of employees, with measurable outcomes.

Focus Area 1 - Public and Environmental Health Services

Strategic Objectives

- 1.1 Provide services that protect and maintain the health of the community and reduce the incidence of disease, injury or disability.
- 1.2 Increase awareness and understanding of good public and environmental health through community and business education programs.
- 1.3 Promote a safe and home-like environment for residents by ensuring quality of care in supported residential facilities.
- 1.4 Facilitate community safety and resilience through the integration of public and environmental health in emergency management planning.

2025-2026 Priorities

Priority	Why this is important	Strategy
1. Review EHA's wastewater register to allow communication of key information to relevant residents regarding service schedules and other requirements in accordance with the SA Public Health (Wastewater) Regulations 2013.	New residents may not be aware of their obligations for servicing and maintenance of their wastewater systems. By reviewing the register and using data available from the Constituent Councils EHA will be able to ensure communication is made with the appropriate residents and provide guidance regarding maintenance and how to identify public health risks that arise from wastewater systems on their property.	1.1 1.2
2. Develop an information pack for local high risk beauty businesses.	EHA is responsible for administering the SA Public Health Act 2011 which includes preventing risk to public health. By providing high risk beauty businesses with information on how to prevent and control infection, specifically when undertaking skin penetration activities, EHA can increase awareness of best practice as stipulated within the Guidelines on the Safe and Hygienic Practice of Skin Penetration.	1.1 1.2

Priority	Why this is important	Strategy
3. Interactive face to face information stalls to be held at various locations within EHA's Constituent Councils.	<p>In collaboration with the Immunisation team, Environmental Health Officers will be available to interact face to face with the local businesses and community to provide information and answer questions relating to public health.</p> <p>This initiative will not only increase visibility of EHA but the awareness of good public health and environmental health practices to protect and maintain the health of the community to reduce the incidence of disease, injury or disability.</p>	1.1 1.2
4. Continue to provide feedback to SA Health on the review of Public Health Regulations review as required.	EHA's key responsibility is to administer the Public Health Act and its associated Regulations. Providing feedback to the review of the Regulations enables EHA to address what is working well and areas of change to enable these legislative tools to be effective to ensure residents are provided with a safe and healthy lifestyle.	1.1

Core services

EHA will continue to:

- Implement the elements of the Regional Public Health Plan 'Better Living, Better Health' as they apply to EHA.
- Comply with all relevant legislation and reporting requirements in undertaking assessments and investigating complaints to ensure appropriate standards are met in regulated premises:
 - Public swimming pools and spas
 - Cooling towers and warm water systems
 - Personal care and body art
 - Onsite wastewater management systems
- Respond to or coordinate multi-agency responses to public health enquiries and complaints within the built environment that give rise to public health risk.
- Provide information, advice and resources to households and businesses to assist with the management of public health risks.
- Contribute to and promote interagency management of residents impacted by hoarding and squalor.

- Develop, maintain, and distribute a comprehensive range of health education and promotion material to educate the community and promote good public health and also in particular areas of focus identified by SA Health.
- Assess applications under the Supported Residential Facilities legislation and undertake inspections and investigations to ensure residents receive an appropriate level of care.
- Liaise with Constituent Councils and Eastern Adelaide Zone Emergency Management Committee to ensure integration of emergency management arrangements.
- Provide public and environmental health information to the community and businesses during emergencies to minimise public health consequences of emergency events.
- Continue to actively collaborate and participate in the State Interagency Hoarding and Squalor group (SAHSN). EHA will continue to facilitate meetings once every year and will continue to support the group and assist in advocating for more effective resolutions, development, review and distribution of hoarding and squalor legislation, guidelines and procedures.

Key performance indicators

We will know that we are on track to achieve our strategic objectives if we meet these Key Performance Indicators.

Strategic Objectives	KPIs
1.1 Provide services that protect and maintain the health of the community and reduce the incidence of disease, injury or disability.	EHA is meeting all public and environmental inspection requirements as per relevant legislation (and / or) adopted service standards. All public health complaints are responded to within EHA's adopted service standards.
1.2 Increase awareness and understanding of good public and environmental health through community and business education programs.	Reduce the number of health inspections that require a follow up inspection to achieve compliance. All Constituent Councils are using EHA public health resources in their own communications. Participation in at least two proactive educational activities annually.

Strategic Objectives	KPIs
1.3 Promote a safe and home-like environment for residents by ensuring quality of care in supported residential facilities.	<p>Conduct unannounced audits of all single license / non-dual Support Residential Facilities annually.</p> <p>All licensing applications are processed within the legislated timeframes.</p>
1.4 Facilitate community safety and resilience through the integration of public and environmental health in emergency management planning.	<p>Attend and participate in all Eastern Adelaide Zone Emergency Management Committee meetings.</p> <p>Conduct or participate in at least one business continuity or emergency management plan exercise annually.</p>

Focus Area 2 - Immunisations

Strategic Objectives

- 2.1 Contribute to the effective control of preventable disease by delivering a high-quality public clinic immunisation service that complies with all relevant legislation and standards.
- 2.2 Increase number of adult and child clients and vaccinations through promotion and provision of accessible clinics, booking systems and appointment times.
- 2.3 Continue to be recognised as a trusted partner and sector leading immunisation provider of choice.
- 2.4 Advocate for appropriate funding to ensure that local government delivery of immunisation services is financially sustainable.

2025-26 Priorities

Priority	Why this is important	Strategy
1. Increase awareness of EHA's public immunisation clinic program by leveraging the various communication channels including utilising social media platforms, community newsletters, local advertising, and the EHA website to reach a wider audience.	<p>The development and distribution of promotional and informational materials within our community helps raise awareness of our services and the critical importance of immunisation.</p> <p>EHA's website serves as a powerful tool for communicating this information, as well as details about the various immunisation programs and projects being offered.</p> <p>Expanding EHA's social media presence through Constituent Council platforms will further enhance awareness of immunisation clinics and flu worksite programs.</p> <p>Educate clients about the clinic schedule options available, so they can take full advantage of EHA's free immunisation services offered by their local councils.</p>	<p>2.1</p> <p>2.2</p> <p>2.3</p>

Priority	Why this is important	Strategy
2. Continue to uphold strong governance and ensure the successful delivery of EHA's public clinic immunisation program, fully aligned with the National Immunisation Program (NIP) Schedule.	Immunisation is a safe and effective way to protect individuals from harmful diseases that can cause serious health issues. Through consistent and effective management and governance, our specialist immunisation nurses and customer service team ensure that the community receives high-quality, safe immunisation services. This ongoing commitment guarantees the program's reliability and provides the best care for our community.	2.1 2.2 2.3
3. Continued focus on conducting thorough catch-up immunisation history assessments to ensure individuals are up to date with their immunisations.	There will be an ongoing focus on conducting catch-up immunisation history assessments for newly arrived families and individuals with overseas immunisation records, ensuring they are aligned with the National Immunisation Program (NIP). EHA's Registered Nurses (RNs) perform these assessments and update immunisation records in the Australian Immunisation Register (AIR), leading to an increase in the number of vaccines administered at EHA clinics.	2.1 2.2 2.3
4. Deliver the School Immunisation Program (SIP) in accordance with the SA Health Service Agreement contract. In partnership with SA Health, develop and distribute communication toolkits for schools and families to facilitate clear and effective information sharing.	Building and maintaining a strong, ongoing relationship with SA Health and high schools in our area is crucial for the successful delivery of the program. Key components include collaborating closely with school coordinators and SA Health to implement and evaluate the program, fostering community engagement with schools, and submitting consent forms and statistics through IRIS and the Australian Immunisation Register (AIR).	2.1 2.3

Priority	Why this is important	Strategy
5. Explore opportunities to introduce an online consent system for public clinics and workplace flu vaccinations.	The introduction of an online booking system for public clinics and worksite vaccinations would offer a more efficient and convenient way for individuals to provide consent, reduce paperwork, and simplify the scheduling process. Additionally, an online system could enhance data management, improve accuracy, and potentially boost participation rates by making the consent process more accessible and user-friendly.	2.3
6. Explore additional opportunities within the community to promote EHA's services, such as partnering with local organisations, attending community events, and utilising local media platforms.	Engaging with schools, workplaces, and community centres offers valuable opportunities to raise awareness of EHA's services and expand its reach. EHA should explore options to participate in informational sessions, distribute materials, and host events to further build community trust and encourage participation. These initiatives will not only increase awareness but also provide individuals with easier access to essential services in environments that are convenient and familiar to them.	2.3
7. Undertake a performance evaluation for all three immunisation services provided by EHA (Public Clinics, Flu Worksites and School Immunisation Program).	The purpose of the evaluation is to identify limitations and opportunities to continually improve and maintain a high quality immunisation service that complied with all relevant legislation and contributes to the effective control of preventable disease.	2.1 2.2

Core services

EHA will continue to:

- Deliver the School Immunisation Program in alignment with the SA Health Service Agreement, ensuring the program meets all required standards and effectively serves the needs of students and the broader community.
- Ensure effective governance and delivery of a public health immunisation program in compliance with relevant legislation and EHA's adopted service standards.
- Promote and offer a professional Workplace Immunisation Program on a fee-for-service basis.
- Promote EHA's public immunisation clinic program in line with EHA's marketing strategies.
- Provide Constituent Councils with educational and promotional materials related to immunisation.
- Promote EHA's online booking system for immunisation appointments, improving accessibility and convenience for clients.
- Engage in discussions with SA Health and the Local Government Association regarding funding and support for the delivery of local government immunisation services.

Key performance indicators

We will know that we are on track to achieve our strategic objectives if we are meeting these Key Performance Indicators.

Strategic Objectives	KPIs
2.1 Contribute to the effective control of preventable disease by delivering a high-quality public clinic immunisation service that complies with all relevant legislation and standards	<p>Clinic performance evaluation completed.</p> <p>Submit all reports within the required timeframes.</p> <p>Annual Cold Chain audit and pharmaceutical refrigerator maintenance.</p>
2.2 Continue to increase number of adult and child clients and vaccinations through promotion and provision of accessible clinics, booking systems and appointment times.	<p>All eligible students are offered vaccinations through the School Immunisation Program.</p> <p>At least 75% of bookings will be made online, improving convenience for clients.</p> <p>Clinic Timetable reviewed and published by 30 November.</p>

2.3	Continue to be recognised as a trusted partner and sector leading immunisation provider of choice.	<p>Aim to maintain a renewal rate of at least 70% for the Workplace Immunisation Program, ensuring ongoing participation and engagement from businesses.</p> <p>All requirements of the SA Health Service Agreement contract will be fully satisfied, ensuring compliance with all relevant standards and expectations.</p>
2.4	Advocate for appropriate funding to ensure that local government delivery of immunisation services is financially sustainable.	No reduction in the level of State Government funding provided to EHA to deliver immunisation services.

Focus Area 3 - Food Safety

Strategic Objectives

- 3.1 Contribute to the effective control of preventable illness by monitoring and enforcing food safety standards and investigating food related complaints on behalf of Constituent Councils.
- 3.2 Be proactive in building positive relationships with food businesses and provide training and resources to encourage and support compliance with food safety standards.
- 3.3 Build community awareness of food safety issues by leading or participating in food safety education projects and partnerships.

2025-26 Priorities

Priority	Why this is important	Strategy
1. Review and update the temporary events information pack for event organisers, stallholders and food vehicles.	Providing businesses and event organisers with relevant information encourages compliance with food safety standards. EHA's inspections of temporary events within the Constituent Councils has revealed an opportunity for promotion of food safety specific to temporary events. An updated information pack can provide necessary information for event organisers, and mobile and temporary food businesses on food safety to ensure they are aware of relevant food safety standards prior to attending events.	3.2 3.3
2. Develop food safety posters with QR codes linking key websites.	Information regarding food safety can be found in multiple locations that may be difficult for the community to access. By developing posters and QR codes that link to key food safety information the community and business owners will have easy access to EHA's resources or other Government or non-Government materials. Posters in public locations and promotion on social media platforms will encourage compliance and build community awareness of food safety issues.	3.2 3.3

Priority	Why this is important	Strategy
3. Interactive face to face information stalls to be held at various locations within EHA's Constituent Councils.	<p>Hold information stalls at various locations throughout the year. In collaboration with the Immunisation Team, Environmental Health Officers will be available to interact face to face with the local businesses and community to provide information and an opportunity to answer questions relating to food safety; safe food practices; starting a food business including home based businesses; temporary events.</p> <p>This initiative will not only increase visibility of EHA but the awareness of safe food practices within requirements within food businesses and best practices within your home to contribute to the effective control of preventable food borne illness.</p>	<p>3.1</p> <p>3.2</p> <p>3.3</p>

Core services

EHA will continue to:

- Monitor and maintain a register of all food businesses operating within EHA's jurisdiction.
- Conduct routine food business assessments using an appropriate food safety rating tool to ensure compliance with the *Food Act 2001* and Food Safety Standards.
- Undertake enforcement action in relation to breaches of the *Food Act 2001* and Food Safety Standards and follow up actions to ensure compliance is achieved.
- Implement the voluntary SA Health Food Star Rating Scheme.
- Respond to food-related customer complaints in accordance with customer service standards and SA Health guidelines and maintain a register of all food related complaints.
- Respond to food recalls in accordance with SA Health recommendations.
- Engage with applicants and provide advice to Constituent Councils about development applications and the structural fit out of new food businesses.
- Assess risks, conduct safety assessments where required and provide educational materials for temporary food businesses and temporary events.
- Provide reports on food safety assessments investigations and actions to the Board, Constituent Councils and SA Health.
- Provide food safety training for food businesses within EHA's Constituent Council area.
- Collate food safety newsletters to be distributed to EHA's food businesses.

- Develop and maintain a comprehensive range of health education and promotion material on food safety related issues and in particular areas of focus identified by SA Health.

Key performance indicators

We will know that we are on track to achieve our strategic objectives if we meet these Key Performance Indicators.

Strategic Objectives	KPIs
3.1 Contribute to the effective control of preventable illness by monitoring and enforcing food safety standards and investigating food related complaints on behalf of Constituent Councils.	<p>EHA is meeting all food safety inspection requirements for higher risk food business determined by the SA Food Business Risk Classification Framework and performance of the food business.</p> <p>All food safety complaints are investigated in accordance with EHA service standards and SA Health instructions.</p>
3.2 EHA is proactive in building positive relationships with food businesses and provide training and resources to encourage and support compliance with food safety standards.	<p>Reduce the number of routine food premise inspections requiring a follow up inspection to address non-compliance.</p> <p>The average rating given under the SA Health Food Star Rating Scheme is increasing annually.</p> <p>All new food businesses receive an EHA Welcome Pack following notification.</p>
3.3 Build community awareness of food safety issues by leading or participating in food safety education projects and partnerships.	<p>Provide food safety training to at least 60 participants annually.</p> <p>All Constituent Councils are using EHA food safety education materials in their communications.</p>

Focus Area 4 - Governance and Organisational Development

Strategic Objectives

- 4.1 Achieve best practice standards of governance in accordance with the EHA Charter and relevant legislation.
- 4.2 Keep Constituent Councils informed of the services and actions performed by EHA on their behalf and the community outcomes being achieved.
- 4.3 Demonstrate leadership within the local government sector as an advocate for public health reforms that benefit the community and councils.
- 4.4 Provide a safe, healthy and rewarding working environment.

2025-26 Priorities

Priority	Why this is important	Strategy
1. Revise Annual Business Plan Structure to align with EHA Strategic Plan – Towards 2033.	Constituent Councils have determined to undertake a different approach in the next iteration of their public health planning. With this in mind EHA developed a Strategic Plan – “Towards 2033”. The plan will become the strategic driver for EHA’s work beyond 2025 when the Regional Public Health and Wellbeing Plan 2020-2025 comes to the end of its life.	4.1
2. Distribution of targeted quarterly performance reports for Constituent Councils to supplement Board reports.	The quarterly reports provide Constituent Councils with targeted, easily digestible performance reporting on a dashboard format, focusing on high-level EHA service provision which supplement more detailed Board reports.	4.2
3. Deliver upon request a presentation highlighting strengths and benefits of centralised service delivery model for Constituent Council Elected Members.	A presentation provided to Constituent Council Elected Members and/or Executive which highlight the benefits of EHA as a centralised service delivery model provider will assist with strategic council engagement and relationships.	4.2

Priority	Why this is important	Strategy
4. Workplace Health and Safety (WHS) Performance – Effectively identifying and mitigating workplace hazards to ensure the health, safety, and wellbeing of employees, with measurable outcomes.	<p>Effectively identifying and mitigating workplace hazards, will allow EHA to comply with legal requirements, avoid costly fines, and lower insurance premiums.</p> <p>Consistently measuring and improving WHS performance will demonstrate a commitment to safety, helping to build trust with employees, clients, and Constituent Council Elected Members.</p>	4.4

Core services

EHA will continue to:

- Achieve full compliance with the requirements of the EHA Charter and the Local Government Act 1999.
- Provide administrative assistance to the Public Health Plan Advisory Committee
- Prepare and monitor a Long-Term Financial Plan
- Prepare, monitor, and implement a Corporate Risk Plan
- Make submissions on public health reforms on behalf of Constituent Councils
- Compile and submit all periodic reports on EHAs activities required by legislation (Public Health Act, Food Act, Safe Drinking Water Act etc.)
- Explore the potential for the expansion of service provision to areas outside of current Constituent Councils
- Expand the functionality of Health Manager and Mobile Health to improve inspection, compliant and administrative efficiency, and reporting capabilities.
- Foster team cohesiveness and support effective teamwork.
- Provide systems for a safe working environment with appropriate Work Health and Safety (WHS) practices in place.
- Provide professional development opportunities for staff and encourage membership of relevant professional organisations.

Key performance indicators

We will know that we are on track to achieve our strategic objectives if we meet these Key Performance Indicators.

Strategic Objectives	KPIs
4.1 Achieve best practice standards of governance in accordance with the EHA Charter and relevant legislation.	No instances of non-compliance with the EHA Charter. No instances of non-compliance with the reporting requirements to external bodies required by legislation. Ongoing implementation of all risk controls in the EHA Corporate Risk Plan.
4.2 Keep Constituent Councils informed of the services and actions performed by EHA on their behalf and the community outcomes being achieved.	Meet with Constituent Council nominated contacts at least four times per year. Respond to all Constituent Council requests for information within 5 business days. Provide an Annual Report to Constituent Councils by 30 September. All Constituent Councils participate in EHA's Annual Business Plan and Budget setting process.
4.3 Demonstrate leadership within the local government sector as an advocate for public health reforms that benefit the community and councils.	Written submissions on public health reform proposals are endorsed by the Board. Attend meetings of the Environmental Managers Forum.
4.4 Create an environment where safety, well-being, and employee satisfaction are central to our operations	Review of the WHS systems and continually fostering a safe, healthy, and satisfying workplace. Regular monitoring to identify areas of improvement and measure the impact of safety and wellness initiatives, creating a positive and supportive environment for all employees.

Budget Overview

The forecast for the 2025/2026 financial year is that EHA's operating result will be a break-even result. A total of \$2,201,000 will be raised through contributions from our Constituent Councils.

This represents a 5.1% increase in overall collective contributions from the previous year.

Operating Activity	(\$'000s)
Total Income	\$3,093
Less	
Employee costs	\$2,196
Operating Expenditure	\$849
Depreciation	\$48
Net Surplus (Deficit)	\$0

The key assumptions that have been used to prepare the 2025-26 Budget are summarised below.

- Use of Contribution Formula which will have differing impacts on individual councils.
- Enterprise Agreement increase of 4% and 0.5% super guarantee increase.
- Delivery of Immunisation Service Contracts to Unley Council
- No Changes to the 2025 or 2026 School Immunisation Program.

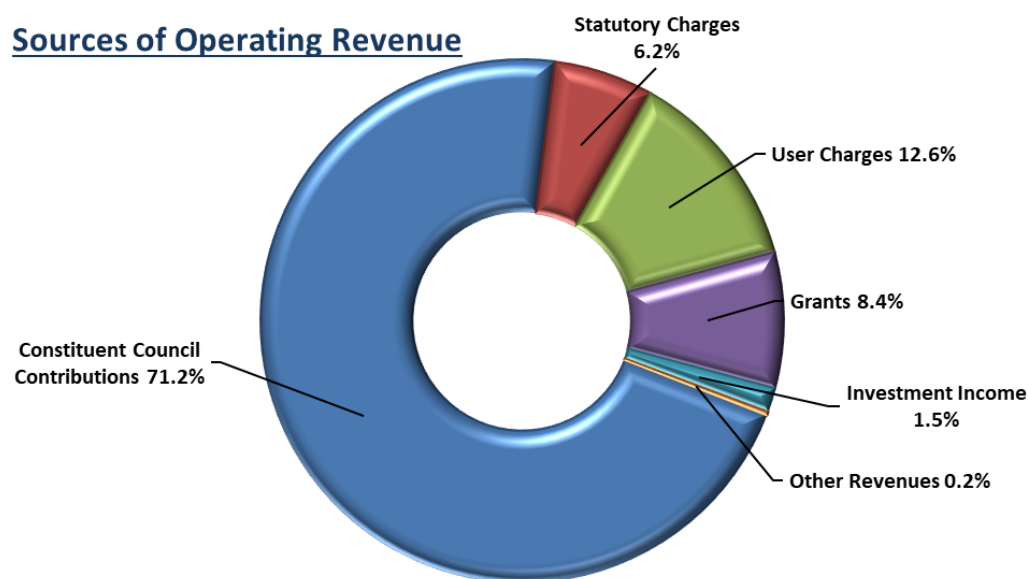
Budgeted Financial Statements can be found on pages 25-27 of the ABP document and consist of a Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Equity.

Our performance against this Annual Business Plan will be reported in our Annual Report, which will be provided to Constituent Councils by 30 September 2025.

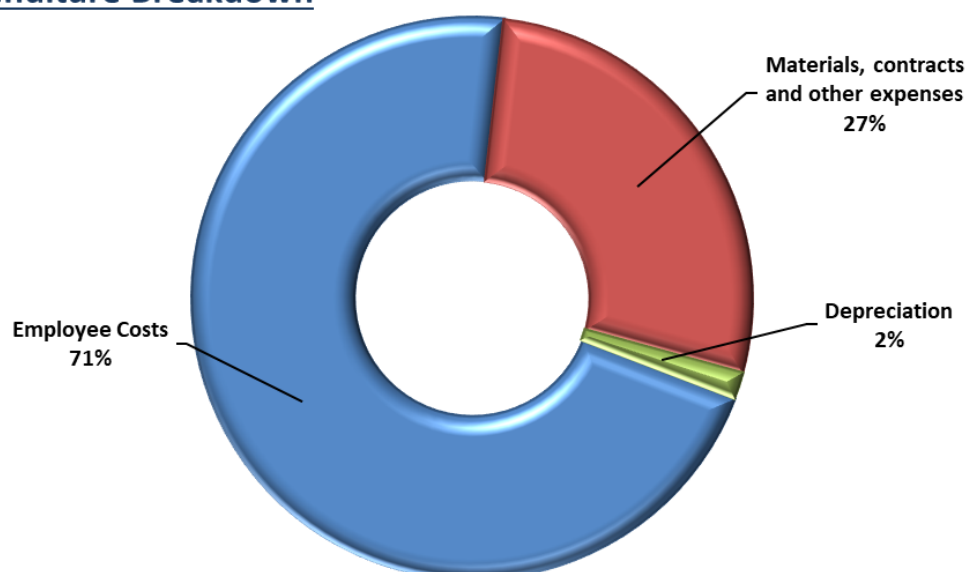
Funding the Annual Business Plan

The component of income required from Constituent Councils to fund EHA operations is determined by a formula contained within the EHA Charter. Aside for a 5% nominal administrative component that is shared equally (1% per council), costs are shared on a proportional basis, dependent upon the numbers of individual public health activities conducted by EHA on behalf of Constituent Councils.

Sources of Operating Revenue



Expenditure Breakdown



2025-26 Budget

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME		
FOR THE YEAR ENDING 30 June 2026		
ADOPTED BUDGET 2024/2025 as at 30 December 2024		DRAFT BUDGET 2025/2026
	INCOME	
2,094,100	Council Contributions	2,201,000
180,300	Statutory Charges	191,400
400,500	User Charges	390,000
249,000	Grants, subsidies and contributions	259,000
37,000	Investment Income	45,000
7,000	Other Income	7,000
2,967,900	TOTAL INCOME	3,093,400
	EXPENSES	
2,044,000	Employee Costs	2,196,000
875,900	Materials, contracts and other expenses	849,400
-	Finance Charges	-
48,000	Depreciation	48,000
2,967,900	TOTAL EXPENSES	3,093,400
-	Operating Surplus/(Deficit)	-
	Net gain (loss) on disposal of assets	-
-	Net Surplus/(Deficit)	-
-	Total Comprehensive Income	-

EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS		
FOR THE YEAR ENDING 30 June 2026		
ADOPTED BUDGET 2024/2025 as at 30 December 2024		DRAFT BUDGET 2025/2026
	CASHFLOWS FROM OPERATING ACTIVITIES	
	Receipts	
2,094,100	Council Contributions	2,201,000
180,300	Fees & other charges	191,400
400,500	User Charges	390,000
37,000	Investment Receipts	45,000
249,000	Grants utilised for operating purposes	259,000
7,000	Other	7,000
-	Payments	
(2,044,000)	Employee costs	(2,196,000)
(875,900)	Materials, contracts & other expenses	(849,400)
-	Finance Payments	-
48,000	Net Cash Provided/(Used) by Operating Activities	48,000
	CASH FLOWS FROM FINANCING ACTIVITIES	
-	Loans Received	-
-	Repayment of Borrowings	-
-	Repayment of Finance Lease Liabilities	-
-	Net Cash Provided/(Used) by Financing Activities	-
	CASH FLOWS FROM INVESTING ACTIVITIES	
-	Receipts	
-	Sale of Replaced Assets	-
-	Payments	
-	Expenditure on renewal / replacements of assets	-
-	Expenditure on new / upgraded assets	-
-	Distributions paid to constituent Councils	-
-	Net Cash Provided/(Used) by Investing Activities	-
48,000	NET INCREASE (DECREASE) IN CASH HELD	48,000
954,882	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	1,002,882
1,002,882	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	1,050,882

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION		
FOR THE YEAR ENDING 30 June 2026		
ADOPTED BUDGET 2024/2025 as at 30 December 2024		DRAFT BUDGET 2025/2026
	<u>CURRENT ASSETS</u>	
1,002,882	Cash and Cash Equivalents	1,050,882
187,908	Trade & Other Receivables	187,908
1,190,790	TOTAL CURRENT ASSETS	1,238,790
	<u>NON-CURRENT ASSETS</u>	
951,746	Infrastructure, property, plant and equipment	903,746
951,746	TOTAL NON-CURRENT ASSETS	903,746
2,142,536	TOTAL ASSETS	2,142,536
	<u>CURRENT LIABILITIES</u>	
198,870	Trade & Other Payables	198,870
289,788	Provisions	289,788
139,565	Borrowings	139,565
628,223	TOTAL CURRENT LIABILITIES	628,223
	<u>NON-CURRENT LIABILITIES</u>	
33,030	Provisions	33,030
782,210	Borrowings	782,210
815,240	TOTAL NON-CURRENT LIABILITIES	815,240
1,443,463	TOTAL LIABILITIES	1,443,463
562,567	NET CURRENT ASSETS/(CURRENT LIABILITIES)	610,567
699,073	NET ASSETS	699,073
	<u>EQUITY</u>	
699,073	Accumulated Surplus/(Deficit)	699,073
699,073	TOTAL EQUITY	699,073

EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY		
FOR THE YEAR ENDING 30 June 2026		
ADOPTED BUDGET 2024/2025 as at 30 December 2024		DRAFT BUDGET 2025/2026
	<u>ACCUMULATED SURPLUS</u>	
699,073	Balance at beginning of period	699,073
-	Net Surplus/(Deficit)	-
699,073 BALANCE AT END OF PERIOD		699,073
	<u>TOTAL EQUITY</u>	
699,073	Balance at beginning of period	699,073
-	Net Surplus/(Deficit)	-
699,073 BALANCE AT END OF PERIOD		699,073

13.4 EAST WASTE DRAFT 2025-2026 ANNUAL BUSINESS PLAN AND BUDGET

REPORT AUTHOR: General Manager, Governance & Civic Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: qA87860
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present to the Council the East Waste Draft 2025-2026 Annual Business Plan and Budget, for endorsement.

BACKGROUND

East Waste (the Authority) is a Regional Subsidiary established pursuant to Section 43 of the *Local Government Act 1999*, for the purpose of providing waste management services to Constituent Councils. The City of Norwood Payneham & St Peters, together with the Adelaide Hills Council, the City of Burnside, the City of Campbelltown, the City of Mitcham, the City of Prospect, the City of Unley and the Town of Walkerville, make up the Constituent Councils of East Waste.

Pursuant to Clause 51 of the East Waste Charter (the Charter), East Waste must prepare an Annual Business Plan which informs and supports the Authority's Annual Budget.

Upon completion of the Draft Annual Business Plan and Budget, pursuant to Clause 52.3 of the Charter, the Authority must provide the draft Plan to Constituent Councils for the purposes of obtaining approval from the Constituent Council's on or before 31 May.

The Annual Business Plan can only be adopted by the East Waste Board, with absolute majority approval of the Constituent Councils.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable

FINANCIAL AND BUDGET IMPLICATIONS

As a Constituent Council, there are financial implications for the Council's budget, emanating from the East Waste Draft Annual Business Plan (the Plan) and Budget and while Constituent Councils are not required, pursuant to the East Waste Charter, to approve the East Waste Budget, by virtue of the endorsement of the Plan, the Constituent Councils ostensibly endorse the Authority's Draft Budget.

The Authority's Draft Budget is based on a Common Fleet Costing methodology, with Common Fleet Costs, which predominately relate to collection costs, being charged to Constituent Councils based on the cost to undertake the collection of each Constituent Council's waste streams. The allocation of the Common Fleet Costs is based on the East Waste's GPS System.

In addition, where Constituent Councils utilise East Waste for other services such as Contract Management Services (Disposal and Resource processing) and Waste Bin Maintenance, these services are on-charged to the respective Councils at cost. That is, each Council bears the cost of these additional services that are requested from East Waste.

The Authority's Draft Budget has been prepared in accordance with East Waste's existing Budget Framework Policy, which includes a 1% Operating Surplus. As a result, the proposed 2025-2026 Common Fleet Cost charge, reflects an overall increase of 4.33% compared to the current financial year.

The Council's Draft Waste Management Budget, reflects that \$2,533.917 million (\$2,456.804 million in 2024-2025) will be charged for the collection of this Council's waste streams, which include Domestic waste, Green Organics, Recyclables, Reserve Litter Bins, Illegal Dumping and pre-booked Hard Rubbish Collection.

There are a number of factors which have influenced East Waste's Draft Annual Business Plan and Budget, which are highlighted in the Discussion Section of this report.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

- **Elected Members**
Cr Claire Clutterham is a Member of the East Waste Board.
- **Community**
Not Applicable.
- **Staff**
The Council's Chief Executive Officer is the Deputy Board Member.
- **Other Agencies**
Not Applicable.

DISCUSSION

The *East Waste 2030 Strategic Plan* is based on the following objectives:

- deliver cost-effective and efficient services facilities;
- maximise source separation and recycling;
- provide leading and innovative behaviour change and education;
- help develop a local circular economy; and
- provide leadership.

The 2025-2026 Draft Plan and Budget is based on progress the objectives of the *East Waste 2030 Strategic Plan*.

As stated previously, a number of factors have influenced the draft Plan and Budget, including the following:

- growth in collection services due to increases in population as a result of urban infill development;
- contractual and award-mandated increases in wages and associated costs;
- increases in the costs associated with fuel, tyres, and vehicle maintenance; and
- Consumer Price Index (CPI) adjustments applied to key contractual obligations.

A copy of the Draft 2025-2026 Annual Business Plan & Budget is contained in **Attachment A**.

For the 2025-2026 financial year, the City of Norwood Payneham & St Peters' Common Fleet Percentage has been set at 13.81%, representing a 0.16% decrease from the current financial year.

This reduction is a positive outcome and reflects East Waste's ongoing focus on improving efficiencies, particularly considering:

- East Waste recorded a 1.72% increase in the number of kerbside bins collected from 2023 to 2024; and
- there were 712 additional Hard Waste Collections in 2024 compared to 2023.

OPTIONS

The Council can choose not to endorse the draft 2025-2026 Annual Business Plan, however, there are no specific issues or activities which present a financial or risk management issue for this Council to take this course of action.

CONCLUSION

In line with the East Waste Charter, Constituent Councils are not required to endorse the draft Budget however by virtue of the endorsement of the Annual Plan, the Council is also ostensibly endorsing the East Waste Budget.

COMMENTS

Nil

RECOMMENDATION

That the Eastern Waste Management Authority Incorporated be advised that pursuant to Clause 52 of the Charter, the Council has considered and hereby approves the Authority's Draft 2025-2026 Annual Business Plan.

Attachments – Item 13.4

Attachment A

East Waste Draft 2025-2026 Annual Business Plan & Budget

EastWaste

ANNUAL PLAN

2025/2026

Vision: To be the Leading Waste Logistics Company in Australia...

OUR OBJECTIVES:

- Deliver Cost Effective & Efficient Services
- Maximise Source Separation & Recycling
- Provide Leading & innovative Behaviour Change & Education
- Help Develop a Local Circular Economy
- Provide Leadership



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Strategic Plan	6
2025/2026 Focus	7
2025/2026 Annual Plan Deliverables	9
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Financial Statements	14



Vision & Mission

VISION

The Destination

To be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services.

MISSION

The Vehicle

Delivering leading-edge solutions and services for a cleaner and sustainable future.

Executive Summary

The **2025/2026 financial year** marks a period of **strategic refinement and operational enhancement** for East Waste as we continue to deliver efficient and sustainable waste management services for our Member Councils. Building on the momentum of our **weekly FOGO (Food Organics, Green Organics) trials**, the upcoming year will focus on **expanding successful programs** and identifying best-practice approaches to drive higher resource recovery rates. However, the **regulatory landscape remains uncertain**, with ongoing reviews of waste-related policies likely to shape the feasibility and scope of these initiatives.

A **full-scale review of the East Waste's financial model and strategy** will be undertaken in the months leading up to FY2026 to ensure it aligns with both our evolving operational needs and the long-term sustainability goals of our Member Councils. This review will reinforce East Waste's position as a leader in **progressive and cost-effective waste management solutions** while adapting to emerging industry challenges and opportunities.

The **procurement of new contracts for co-mingled recycling, organics, and landfill services** remains a key focus for 2025/2026. Leveraging collective purchasing power, East Waste aims to secure **high-value, future-focused agreements** that maximise financial savings for participating Councils while **enhancing circular economy outcomes**. These efforts will be informed by **lessons learned from previous market engagements**, ensuring robust contract structures and improved service efficiency.

With a strong emphasis on **innovation, collaboration, and sustainability**, East Waste's **2025/2026 Annual Business Plan** is structured to **navigate evolving industry dynamics**, strengthen our **strategic direction**, and continue delivering **best-practice waste management solutions** for our communities.

Background

Eastern Waste Management Authority (East Waste) has been delivering waste collection services since its establishment in 1928. As a regional subsidiary, East Waste is owned by and operates on behalf of Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Norwood Payneham & St Peters, City of Mitcham, City of Prospect, City of Unley, and Town of Walkerville.

The Authority operates under a Charter, developed pursuant to Section 43 of the Local Government Act 1999, which sets out its governance, operational, and financial management framework. The East Waste Board, consisting of a director appointed by each Member Council and an Independent Chair, oversees the strategic direction and operational efficiency of the organisation.

Under Clause 51 of the Charter, the East Waste is required to develop an Annual Plan each financial year. This Plan supports and informs the budget and provides a clear outline of East Waste's objectives, key activities, and performance measures. Additionally, it details the financial requirements of the organisation and the mechanisms for cost recovery from Member Councils.

The Annual Plan aligns with and is informed by East Waste's broader strategic planning framework, including:

- **East Waste 2030 Strategic Plan** – setting long-term sustainability and operational targets.
- **Long-Term Financial Plan** – ensuring financial sustainability and cost-effective service delivery.
- **Risk Management Framework** – identifying and mitigating risks to service continuity.

Fleet Asset Management Plan – A newly developed standalone strategic document guiding the sustainable management, renewal, and investment in critical infrastructure and fleet.

As a regional subsidiary, East Waste remains committed to collaboration, efficiency, and innovation. Success in delivering the 2025/2026 Annual Plan is reliant on strong partnerships with Member Councils and key stakeholders. Through a flexible, responsive, and cost-efficient service model, East Waste continues to deliver value to Member Councils and their communities by providing high-quality waste collection services while navigating an evolving regulatory and environmental landscape.



East Waste 2030 Strategic Plan Vision, Objectives & Strategies

VISION

To be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services to our Member Councils & their Communities.

OBJECTIVES

- 1. Deliver cost-effective and efficient services facilities**
- 2. Maximise source separation and recycling**
- 3. Provide leading and innovative behaviour change and education**
- 4. Help develop a local circular economy**
- 5. Provide leadership**

STRATEGIES

- | | | | | |
|--|---|--|--|--|
| <ol style="list-style-type: none"> 1.1 Attract additional services and/or new councils where further economies of-scale can be achieved 1.2 Offer a single contract for the management of the residual waste to all member councils 1.3 Partner with other councils and organisations to achieve greater synergies and economies of scale in service delivery 1.4 Investigate and implement collection technologies and innovation 1.5 Provide a consistently high standard of Customer Service | <ol style="list-style-type: none"> 2.1 Provide more service choice and flexibility to residents on kerbside services to support them to increase their recycling levels 2.2 Provide a tailored 3-stream service to Multi-Unit Dwellings (MUDs) to support waste reduction and increased recycling 2.3 Pilot a tailored service delivery model across a business precinct(s) to support waste reduction and increased recycling | <ol style="list-style-type: none"> 3.1 Engage in research and projects delivering evidence-based data which increases behaviour change decision making 3.2 Develop an integrated and tailored long-term community behaviour change and education program 3.3 Identify and trial behaviour change programs aimed at reducing contamination 3.4 Encourage and support councils to introduce an incentive(s) to households to reduce their landfill volumes 3.5 Engage schools in behaviour change & waste education | <ol style="list-style-type: none"> 4.1 Support local reprocessing and procurement of recycled content products 4.2 Encourage and support councils to procure and use recycled content products 4.3 Support councils to implement sharing economy and reuse initiatives 4.4 Investigate options to process and extract the highest value from collected resources | <ol style="list-style-type: none"> 5.1 Implement best practice safety standards 5.2 Advocate on behalf of our Member Councils 5.3 Invest in our people 5.4 Quality and transparent Corporate (Governance & Financial) Activities |
|--|---|--|--|--|

KPIs

We will measure our success in reaching our objectives through the following KPIs...



2025/2026 Focus

As East Waste continues to evolve, the 2025/2026 Annual Plan places a stronger emphasis on operational efficiencies, safety, and service delivery while maintaining alignment with the objectives of the 2030 Strategic Plan. A review of the financial model and Strategic Plan remains ongoing, with expected updates to Key Performance Indicators (KPIs) to reflect East Waste's evolving priorities. However, the fundamental commitment to delivering cost-effective, high-quality services to Member Councils remains unchanged.

A key milestone for East Waste is expected to be the appointment of a new General Manager, with the recruitment process currently underway. The new General Manager is expected to commence early in 2025/2026, bringing fresh leadership and strategic direction to the organisation. This transition presents an opportunity to further enhance East Waste's operational effectiveness, governance, and long-term sustainability.

For 2025/2026, East Waste's key areas of focus include:

1. Enhancing Operational Efficiencies

- Optimising collection routes and fleet management to improve productivity and reduce costs.
- Implementing data-driven decision-making through real-time service tracking and performance monitoring.
- Strengthening contract management to ensure best-value outcomes for Member Councils.

2. Strengthening Safety and Compliance

- Expanding safety training programs for all operational staff to reduce workplace incidents.
- Investing in modern fleet technology, to enhance driver and public safety.
- Ensuring compliance with Work Health and Safety (WHS) regulations and industry best practices.

3. Improving Service Delivery and Member Council Support

- Refining customer service and complaint resolution processes to enhance community satisfaction.
- Providing tailored waste education and engagement initiatives to increase diversion rates and responsible disposal.
- Supporting Member Councils with policy and regulatory changes, including the evolving legislative landscape.

4. Driving Environmental and Circular Economy Outcomes

- Expanding Food Organics and Garden Organics (FOGO) programs, building on the success of previous trials.
- Leveraging East Waste's scale to secure cost-effective contracts for recycling, organics, and landfill services.
- Exploring new opportunities to reduce landfill dependency and improve resource recovery.

With a new leadership transition on the horizon, East Waste remains committed to delivering innovative, sustainable, and cost-effective waste management solutions. The 2025/2026 Annual Plan ensures that East Waste continues to provide high-quality, financially responsible services to its Member Councils while adapting to new opportunities and challenges.



2025/2026 Annual Plan Deliverables



NO.	ACTIVITY/PROJECT	OVERVIEW	OBJECTIVE	STRATEGY	MAIN KPI/TARGET	BUDGET
DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES						
1.	Continue & Expand Core services	East Waste optimisation will come from providing a full suite of services to Member Councils. Where this doesn't occur, East Waste will work with member Councils with an aim to provide a full suite of services to all member Councils.	Deliver Cost Effective and efficient services and facilities	1.1	Vision Target	Recurrent
2.	Investigate opportunities outside of existing Member Councils.	When potential opportunities arise, East Waste will investigate service provision to non-member Councils and subsidiaries where the benefit and/or the fostering of partnerships can drive value to Member Councils.	Deliver Cost Effective and efficient services and facilities	1.1	Vision Target	Recurrent
4.	Implement a Complaints Management/Ticket system to streamline customer service operations, enhance issue resolution efficiency, and improve stakeholder satisfaction	East Waste will implement a Complaints Management/Ticket system to enhance customer service efficiency, streamline issue tracking, and improve response times. This system will provide a structured approach to logging, monitoring, and resolving customer inquiries and complaints, ensuring accountability and transparency. The project aims to optimize workflows, reduce resolution time, and enhance overall customer satisfaction.	Deliver Cost Effective and efficient services and facilities	1.5	Vision Target	Recurrent + Service Initiative \$0.010M

MAXIMISE SOURCE SEPARATION & RECYCLING

5.	Advance trials and rollout of weekly organics collections	Through the success of current weekly organics trials (FOGO Trials) undertaken by East Waste and more broadly across metropolitan Adelaide, East Waste will work with member Councils to increase the trials/rollouts.	Maximise Source separation and recycling	2.1	<ul style="list-style-type: none"> At least 75% of kerbside material separately collected & recycled 100% of food waste separately collected and recycled. 	Recurrent + Service Initiative \$0.030M
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• PROVIDE LEADING AND INNOVATIVE BEHAVIOUR CHANGE AND EDUCATION

6.	Delivery of the “Why Waste It?” behaviour change program and associated social media.	Utilising the results of the reviews and biennial kerbside audits undertaken over the past 6 years, refine and deliver the ongoing successful “Why Waste It?” program, with a strong food waste separation focus.	Provide leading and innovative behaviour change and education	3.2	<ul style="list-style-type: none"> Vision Target 	Recurrent + Service Initiative \$0.205M
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HELP DRIVE A LOCAL CIRCULAR ECONOMY

7.	Develop and Procure high value processing contracts.	East Waste on behalf of engaged Member Councils will procure new long-term co-mingled recycling contracts with a focus on ensuring the collected material is processed in a manner which retains and utilises the material at its highest order and so far as possible, locally.	Help Drive a Local Circular Economy	4.4	Vision Target	Recurrent
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PROVIDE LEADERSHIP

8.	Fleet Replacement	In line with the Long-Term Financial Plan, undertake the replacement of six (6) collection vehicles.	Provide Leadership	5.4	Vision Target	Capital \$3.39M
9.	WHS System Responsibility and Accountability	Continuation of ongoing Risk Management and Work Health & Safety systems and processes to provide a safe and healthy workplace for all employees and those which interact with us.	Provide Leadership	5.1	Implement best practice safety standards	Recurrent

Budget Management

East Waste operates its waste collection services under a Common Fleet Costing methodology, ensuring that each Member Council is charged directly based on the proportionate time required to complete their respective collection services. This approach leverages a highly accurate, cloud-based GPS tracking system with real-time data and detailed reporting to allocate costs transparently and equitably. Minor variations in cost apportionment occur annually to reflect efficiencies, service demand changes, and operational cost fluctuations (e.g., housing infill, developments, fire ban days, and special events).

A key financial decision made by the East Waste Board when developing the 2024/2025 budget was to remove the application of the 1% operating surplus, atypical of East Waste's usual Budget Framework, as a means to keep annual increases to a minimum for Member Councils. While this decision lowered costs in the short term, the inclusion of the operating surplus in the 2025/2026 budget means the overall annual increase to Common Fleet fees reflects more than East Waste's expected increased annual operating costs alone. Given this, while developing the 2025/26 budget Administration committed to finding savings where possible, opting for a business as usual approach, with a focus on supporting core operational efficiencies and larger investments for new initiatives to be considered in future business planning. This approach aligns with East Waste's commitment to minimising costs while ensuring long-term financial sustainability.

Key Budget Considerations for 2025/2026

- **Labour, fuel, and fleet maintenance** continue to be the largest operational costs, comprising nearly **80% of common fleet costs**.
- **Labour market challenges** remain a key pressure, requiring ongoing efforts to attract and retain skilled drivers and operational staff.
- **Fuel cost volatility** continues to pose a risk, though recent trends have shown some stability.
- **Fleet replacement** is funded through **external loan borrowings**, ensuring East Waste maintains a modern, efficient, and environmentally responsible fleet.
- **Contracted resource processing services and bin maintenance** continue to be provided to Member Councils at **cost price**, delivering significant savings compared to traditional waste service contracts.

The Tables on the following page provide a detailed summary of the key business activities undertaken by East Waste on behalf of its Member Councils. Table 1 provides a summary of the operating and capital income and expenditure elements forecasted for waste collection activities for 2025/26. The most significant expenditure relates to the logistical requirements of servicing the kerbside collections across eight Councils and over 25% of Adelaide's residential population. Fleet replacement, which occurs on a cyclical annual basis, is currently funded via external loan borrowings.

As can be seen from Tables 2 and 3, one of the significant benefits of being an East Waste member being that no administrative, handling or on-costs are charged in relation to resource processing contracts held by East Waste or bin maintenance services. All are charged at-cost.

Service initiatives have been significantly scaled back from FY25 to minimise operating costs and ensure a cost-efficient service for our member Councils.

While the 2025/2026 budget reflects an increase marginally higher than predicted CPI, it remains below the projections in East Waste's Long-Term Financial Plan. The focus on operational efficiencies, improved service delivery, and safety initiatives will help to manage costs and maintain value for Member Councils.

The budget to deliver this Annual Plan, along with all East Waste's Services and legislative requirements is detailed in the following proposed 2025/26 Financial Papers (refer Attachment 1 – 5).

Table 1: 2025/26 Budget Summary - Waste Collection Services

	Income \$	Expenditure \$	Net Surplus /Deficit \$
Recurrent- Waste Collection	18,348,419	18,325,433	22,986
Recurrent - Corporate Administration	403,682	-	403,682
Service Initiatives	-	245,000	(245,000)
Capital Program	-	3,524,784	(3,524,784)
Total	18,752,100	22,095,217	(3,343,116)

Table 2: 2024/25 Budget Summary - Bin Maintenance Services

	Income \$	Expenditure \$	Net Surplus /Deficit \$
Recurrent	2,102,500	2,102,500	-
Service Initiatives	-	-	-
Capital Program	-	-	-
Total	2,102,500	2,102,500	-

Table 3: 2024/25 Budget Summary - Waste Processing Services

	Income \$	Expenditure \$	Net Surplus /Deficit \$
Recurrent	9,884,524	9,884,524	-
Service Initiatives	-	-	-
Capital Program	-	-	-
Total	9,884,524	9,884,524	-

Financial Statements

EAST WASTE

Projected Statement of Comprehensive Income (Budgeted)
for the financial year ending 30 June 2026

	FY25 Adopted Budget \$'000	FY25 BR2 \$'000	FY26 Proposed Budget \$'000
Income			
User Charges	23,704	25,360	28,531
Investment income	48	130	60
Grants, subsidies and contributions	-	-	-
Other	1,552	2,119	2,119
Total	25,304	27,609	30,710
Expenses			
Employee Costs	8,865	8,930	9,170
Materials, contracts & other expenses	13,118	15,324	17,833
Depreciation, amortisation & impairment	2,707	2,640	2,835
Finance costs	694	625	720
Total	25,384	27,519	30,558
Operating Surplus / (Deficit)	(80)	90	152
Asset disposals & fair value adjustments	80	42	30
Net Surplus / (Deficit)	-	132	182
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	132	182

EAST WASTE

Projected Balance Sheet (Budgeted)
for the financial year ending 30 June 2026

	FY25	FY25	FY26
	Adopted Budget	BR2	Proposed Budget
	\$'000	\$'000	\$'000
Assets			
Current			
Cash & Cash Equivalents	2,508	1,993	2,700
Trade & Other Receivables	746	1,413	1,413
Inventory	43	63	63
Total	3,297	3,469	4,176
Non-Current			
Infrastructure, Property, Plant & Equipment	13,721	13,283	13,973
Total	13,721	13,283	13,973
Total Assets	17,018	16,752	18,149
Liabilities			
Current			
Trade & Other Payables	1,227	1,565	1,588
Borrowings	2,285	2,485	2,285
Provisions	991	1,050	1,110
Total	4,503	5,100	4,983
Non-Current			
Borrowings	11,187	10,517	11,789
Provisions	256	109	169
Total	11,443	10,626	11,958
Total Liabilities	15,946	15,726	16,941
Net Assets	1,072	1,026	1,208
Equity			
Accumulated Surplus	1,072	1,026	1,208
Total Equity	1,072	1,026	1,208

EAST WASTE

Projected Statement of Cash Flows (Budgeted)
for the financial year ending 30 June 2026

	FY25 Adopted Budget \$'000	FY25 BR2 \$'000	FY26 Proposed Budget \$'000
Cash Flows from Operating Activities			
Receipts			
Operating Receipts	25,256	27,148	30,650
Investment Receipts	48	130	60
Payments			
Employee costs	(8,745)	(8,890)	(9,050)
Materials, contracts & other expenses	(13,118)	(14,993)	(17,833)
Interest Payments	(683)	(620)	(697)
Net Cash Flows from Operating Activities	2,758	2,775	3,130
Cash Flows from Investing Activities			
Receipts			
Sale of Replaced Assets	80	42	30
Payments			
Expenditure on Renewal/Replaced Assets	(2,249)	(2,297)	(3,390)
Expenditure of New/Upgraded Assets	(60)	(60)	(135)
Net Cash Flows from Investing Activities	(2,229)	(2,315)	(3,495)
Cash Flow from Financing Activities			
Receipts			
Proceeds from Borrowings	2,114	2,179	3,390
Payments			
Repayment of Lease Liabilities	(170)	(201)	(168)
Repayment of Borrowings	(2,065)	(2,079)	(2,150)
Net Cash Flow from Financing Activities	(121)	(101)	1,072
Net Increase (Decrease) in cash held	408	359	707
Cash & cash equivalents at beginning of period	2,100	1,634	1,993
Cash & cash equivalents at end of period	2,508	1,993	2,700

EAST WASTE

Projected Statement of Changes in Equity (Budgeted)
for the financial year ending 30 June 2026

	FY25	FY25	FY26
	Adopted	BR2	Proposed
	Budget		Budget
	\$'000	\$'000	\$'000
Balance at Start of Period - 1 July	1,072	894	1,026
Net Surplus / (Deficit) for Year	-	132	182
Contributed Equity	-	-	-
Distribution to Councils	-	-	-
Balance at End of Period - 30 June	1,072	1,026	1,208

EAST WASTE

Projected Uniform Presentation of Finances (Budgeted)
for the financial year ending 30 June 2026

	FY25	FY25	FY26
	Adopted Budget	BR2	Proposed Budget
	\$'000	\$'000	\$'000
Income			
<i>User Charges</i>	23,704	25,360	28,531
<i>Investment income</i>	48	130	60
<i>Grants, subsidies and contributions</i>	-	-	-
<i>Other</i>	1,552	2,119	2,119
	25,304	27,609	30,710
Expenses			
<i>Employee Costs</i>	8,865	8,930	9,170
<i>Materials, contracts & other expenses</i>	13,118	15,324	17,833
<i>Depreciation, amortisation & impairment</i>	2,707	2,640	2,835
<i>Finance costs</i>	694	625	720
	25,384	27,519	30,558
Operating Surplus / (Deficit)	(80)	90	152
Net Outlays on Existing Assets			
<i>Capital Expenditure on Renewal and Replacement of Existing Assets</i>	(2,249)	(2,297)	(3,390)
<i>Depreciation, Amortisation and Impairment</i>	2,707	2,640	2,835
<i>Proceeds from Sale of Replaced Assets</i>	80	42	30
	538	385	(525)
Net Outlays on New and Upgraded Assets			
<i>Capital Expenditure on New and Upgraded Assets</i>	(60)	(60)	(135)
<i>Amounts Specifically for New and Upgraded Assets</i>	-	-	-
<i>Proceeds from Sale of Surplus Assets</i>	-	-	-
	(60)	(60)	(135)
Annual Net Impact to Financing Activities (Surplus/(Deficit))	398	415	(508)

13.5 ERA WATER DRAFT 2025-2026 ANNUAL BUSINESS PLAN AND BUDGET

REPORT AUTHOR: General Manager, Governance & Civic Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: qA87866
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present to the Council, the ERA Water Draft 2025-2026 Annual Business Plan and Budget for endorsement.

BACKGROUND

ERA Water is a Regional Subsidiary which has been established pursuant to Section 43 of the *Local Government Act 1999*, for the primary purpose of implementing the Waterproofing Eastern Adelaide Project (the Scheme), which involves the establishment of wetland bio-filters, aquifer recharge and recovery, pipeline installations and water storage facilities. ERA Water manage the Scheme on behalf of the Constituent Councils and provide recycled stormwater for the irrigation of parks and reserves to Constituent Councils. The City of Norwood Payneham & St Peters, together with the City of Burnside and the Town of Walkerville make up the Constituent Councils of ERA Water.

Pursuant to Clause 5.1.1 of the ERA Water Charter (the Charter), ERA Water must prepare and submit the ERA Water Draft Annual Business Plan and Budget to the Constituent Councils for approval.

The Draft Budget can only be adopted by the ERA Water Board, following unanimous approval of the Constituent Councils.

Upon completion of the Draft Budget, pursuant to Clause 6.1 of the Charter, ERA Water must prepare and provide the draft Annual Business Plan to Constituent Councils. The Annual Business Plan can only be adopted by the ERA Water Board, once absolute majority is provided by the Constituent Councils.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The Draft 2025-2026 Budget is forecasting an Operating Deficit of \$659,180. This Council's share of the Operating Deficit, which will be required to be included in the Council's 2025-2026 Budget is \$219,704.

The Draft Budget includes water sales to this Council of \$233,973, which is based on water consumption of 76.7ML. The Council's Draft 2024-2025 Budget includes \$267,700, which includes water sourced from SA Water and ERA Water for the purposes of irrigating the City's reserves, parks, median streetscapes and sporting grounds and the ERA Water water security charge of \$95,000.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

- **Elected Members**
Cr Grant Piggott is a member of the ERA Water Board.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

The three (3) Constituent Councils have agreed to water supply arrangements based on a total of 204.7ML. This Council has agreed to a total of 76.7ML for 2025-2026, which is in line with the 2024-2025 arrangements.

The draft ERA Water Draft 2025-2026 Budget maintains its pricing policy for water that is sold to Constituent Councils at 90% of the SA Water price. The other water sales which are sold to third parties and Constituent Councils, (in excess of the take or pay allocation that is, whether Council uses its full allocation of water, it will still be required to pay for the set allocation), are assumed to also be sold at 90% of the SA Water price.

As Elected Members are aware, ERA Water has applied for grant funding as part of the Department Environment and Water's *Alternative Water Supply Efficiency Measure (AWSEM) Program* to improve water pressure and volume which will improve the delivery of harvested stormwater for irrigation purposes in the network for existing sites and to ensure additional sites can be connected to the network.

On this basis, no provision has been made as part of the ERA Water Draft 2025-2026 Budget for connections to new sites at this stage. However, if the funding application is successful, significant capital expenditure will be required. The ERA Water Board has resolved to undertake a Special Budget review when the outcome of the funding application is known.

Operating costs are forecast to be \$634,000 which includes mechanical and electrical operations and maintenance support provided by an external contractor, licence fees, water testing, utilities costs and administration costs such as insurances, audit fees and general administrative costs.

Depreciation costs have been based on the recent asset revaluation undertaken by Tonkin during 2024-2025.

A copy of the Draft 2025-2026 Annual Business Plan and Budget is contained in **Attachment A**.

OPTIONS

The Council can choose not to endorse the Draft 2024-2025 Annual Business Plan and Budget, however, there are no specific issues or activities which present a financial or risk management issue for the Council to take this course of action.

CONCLUSION

As with any forecast, the financial projections contained within the Budget are meant to provide an indication of the Scheme direction and financial capacity based on a set of assumptions. The achievement of the financial forecast is dependent on the assumptions holding true. The key assumption, in which ERA Water has limited influence on, is the level of rainfall which is received.

COMMENTS

Nil

RECOMMENDATION

The Council advises ERA Water that pursuant to Clause 5.1.1 of the ERA Water Charter, the Council has considered and hereby approves the Draft 2024-2025 Annual Business Plan and Budget, as contained in **Attachment A**.

Attachments – Item 13.5

Attachment A

ERA Water Draft 2025-2026 Annual Business Plan and Budget

DRAFT ANNUAL BUSINESS PLAN AND BUDGET 2025-26

1. INTRODUCTION

The Charter for ERA Water requires the adoption of an Annual Business Plan (clause 6.1) and Annual Budget (clause 5.1) approved by all Constituent Councils. A draft budget is to be provided to the Constituent Councils by 31 March for the coming financial year and a budget approved by all Constituent Councils is to be adopted by 30 June. No dates are specified in the Charter for adopting an Annual Business Plan. This document presents a draft combined Annual Business Plan and Budget for 2025-26.

2. STRATEGIC DIRECTION AND 2025-26 ACTIONS

The Board has approved a draft new Strategic Business Plan 2025-28 for consultation with the Constituent Councils. It is intended to replace the current Strategic Plan 2022-25 which expires on 30 June 2025.

The draft Strategic Business Plan 2025-28 identifies three areas of focus with priority actions for each which have provided the direction for framing the draft Annual Business Plan and Budget 2025-26. The Focus Areas and Priority Actions are shown in table 1 along with proposed actions for 2025-26.

Table 1: Focus areas and priority actions for 2025-28 and proposed actions for 2025-26

FOCUS AREA	PRIORITY ACTIONS	2025-26 ACTIONS
1. Improve supply capacity and pressure for existing irrigated sites and identify and connect additional sites to achieve financial sustainability.	<p>1.1 Identify and, subject to funding, implement improvements to the City of Burnside leg of the distribution network to address capacity and pressure problems.</p> <p>1.2 Work with the Constituent Councils to identify the potential for connecting additional sites.</p> <p>1.3 Continue to engage with other potential purchasers of our water.</p>	<p>A funding application has been submitted to the Department of Environment and Water (DEW) under the South Australian Alternative Water Supply Efficiency Measures (AWSEM) Program to enable priority actions 1.1 and 1.2 to be implemented. Details of projects for which funding has been sought is provided under section 3 of this document.</p> <p>Priority action 1.3 is ongoing and will continue during 2025-26 with regular updates to the Board.</p> <p>Subject to funding, focus area 1 will be the Board's priority for 2025-26.</p>
2. Optimise our business and administrative processes.	<p>2.1 Review and refine administrative and business processes to support our main focus being on the business of supplying water for irrigation purposes.</p> <p>2.2 Identify and implement the best path to manage business data in a more holistic way.</p> <p>2.3 Work with the Constituent Councils to implement and formalise arrangements for assistance with organisational processes.</p>	<p>Work has commenced on priority actions 2.1 and 2.2 and will accelerate in 2025-26.</p> <p>Administrative processes to support governance requirements are currently quite onerous given the single function of ERA Water.</p> <p>Priority action 2.3 is intended to provide more certainty about support for organisational processes.</p>
3. Enhance the security of supply of alternative water to potable water, recognising that harvested stormwater is only one part of a potential supply mix of alternative water for irrigation purposes.	<p>3.1 Adopt a target for the quantity of alternative water that can be accessed to distribute.</p> <p>3.2 Procure groundwater entitlements as part of our supply mix of water for distribution.</p> <p>3.3 Research and, if viable, seek to increase the supply of stormwater from Third and Fourth Creeks and the River Torrens as part of our supply mix of water for distribution.</p> <p>3.4 Pursue opportunities for collaboration with other organisations, including other councils and SA Water.</p>	<p>Priority actions 3.1 to 3.3 are important to pursue in 2025-26 and beyond to ensure there is sufficient water available for ERA Water to continue to meet the needs of existing and future customers.</p> <p>Priority action 3.4 relates to bigger questions of water security in South Australia. Harvested stormwater is one part of the overall picture of a more integrated approach to water management.</p>

3. BUDGET ASSUMPTIONS

3.1 Income assumptions

Water sold to Constituent Councils will be sold at 90% of the SA Water price (90% in FY2025).

The SA Water price in the budget is assumed to increase by 5.5% as at 1 July 2025 (being estimated CPI plus 3%) for both water supply charges and usage. This is below the maximum extent allowed in the current SA Water Pricing Order with annual price increases allowed of 3.5% above inflation for the regulatory approval period from July 2024 to June 2028.

The actual water price charged will be adjusted to reflect the announced 2025-26 SA Water price which is usually available close to 1 July of each year.

A water security charge of \$250k (2024-25 - \$250k) is proposed to be charged to the three Constituent Councils, split according to each council's estimated water usage based on the take or pay requirements.

The budget assumes that existing external customers are charged in accordance with their existing contractual arrangements.

In terms of volumes there is no change proposed to the water volume take or pay arrangements from the previous year of 204.7ML with a further anticipated demand of 36ML including the City of Burnside to take approximately 15ML more than its committed take or pay volumes, forecast.

As such, total connected demand for FY2025 is assumed in the budget at 241ML.

3.2 Expenditure assumptions

In relation to Materials, Contract & Other Costs as detailed in **Attachment 2 Appendix B**, CPI of 2.5% (being the December 2025 SA Annual CPI) has been factored into Contract Costs, security monitoring, subscriptions and licencing and testing for 2025-26. All other budget lines have remained at 2024-25 levels except for:

- Insurance where a 5% increase has been allowed in line with recent market increases;
- Electricity where the budget has taken into the new price from the new LGA Procurement (LGAP) contract for ERA Water's one large site and an estimate of the price for the remaining smaller sites where the process for procurement has just commenced by LGAP.

Depreciation is based on the recent asset revaluation undertaken by Tonkin during the 2024-25 financial year.

Interest expense forecast at \$632k has calculated based on indicative rates from the LGFA for those loans maturing before the end of the 2025-26 financial year as well as the existing fixed loan actual rates locked in for the budgeted financial year. There has been a marginal reduction in those interest rates over recent months.

3.3 Business growth

Consistent with the proposed focus areas 1 and 3 in the indicative Strategic Business Plan 2025-28, the Board has applied under the South Australian Alternative Water Supply Efficiency Measures (AWSEM) Program for funding to:

- address the capacity and pressure problems in the distribution network being experienced in parts of the City of Burnside and the City of Norwood Payneham & St Peters;
- connect further sites; and
- build storage capacity.

The funding application is for almost \$2.7m (of a total AWSEM Program fund of \$20m to replace the use of potable water with 'alternative' water). Details of the projects for which funding is being sought are provided in Attachment 2C.

There is no indication at this stage as to when applicants will be advised of the outcomes. Rather than speculate on application outcomes, no provision has been made in the draft budget for growth in connections to new sites. Rather, a special budget review will be undertaken when the outcomes of the funding application are known.

3.4 Capital Expenditure

As indicated above, no other new connections or network extensions have been assumed in the budget, notwithstanding that if funding is successful under the AWSEM Program, this will involve significant capital expenditure.

3.5 Recapitalisation

The budget assumes that the Town of Walkerville will provide a recapitalisation amount of \$200k consistent with the recapitalisation process agreed in FY2024 (being \$200k per annum towards its \$1 million capital contribution between FY23 and FY27 inclusive).

3.6 Borrowing

The budget forecasts an increase in borrowings of \$42k which takes into account the \$200k equity contribution from the Town of Walkerville.

As a result, the forecast closing borrowing level is \$13.3 million which is \$2 million below the existing debt cap of \$15.3 million.

4. BREAKDOWN OF FINANCIAL COMMITMENTS FOR CONSTITUENT COUNCILS

The following table shows the breakdown of income and commitments from each Constituent Council for the 2025-26.

2025-26 commitments	CoB	CoNPSP	ToW	Total
Take or Pay Sales	\$305,170	233,973	\$85,447	\$624,590
Water supply charges	\$7,629	\$6,302	\$2,654	\$16,585
Other forecast water sales	\$45,775	\$nil	\$nil	\$45,775
Water security charge	\$122,000	\$95,000	\$33,000	\$250,000
Capital contribution	\$nil	\$nil	\$200,000	\$200,000
Total	\$480,574	\$335,275	\$321,101	\$1,136,950

Some of these amounts are approximated and may be refined based on final SA Water Pricing which will be released on or around 30 June 2026.

Note: comparative information (2024-25 Revised Forecast) supplied in Attachment 2 Appendix A is based on the BR2 2024-25 Revised Forecast approved in January 2025

ATTACHMENTS

Attachment 2 A	2025-26 Draft Budget Statutory Financial Statements
Attachment 2 B	2025-25 Draft Budget Operating Costs
Attachment 2 C	Alternative Water Supply Efficiency Measure (AWSEM) Program Projects

ERA Water Regional Subsidiary
BUDGETED UNIFORM PRESENTATION OF FINANCES
2025-26 Draft Budget

2024-25 BR2 Revised Forecast		2025-26 Draft Budget
\$		\$
	INCOME	
1,096,200	User charges	1,004,600
-	Grants, subsidies and contributions -Operating	0
-	Investment income	0
49,300	Other income	20,000
<u>1,145,500</u>	Total Income	<u>1,024,600</u>
	EXPENSES	
20,600	Employee costs	0
647,610	Materials, contracts & other expenses	634,000
417,300	Depreciation, amortisation & impairment	417,300
696,000	Finance costs	632,480
<u>1,781,510</u>	Total Expenses	<u>1,683,780</u>
<u>(636,010)</u>	NET BUDGETED SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	<u>(659,180)</u>
	Net Outlays on Existing Assets	
0	Capital Expenditure on Renewal and Replacement of Existing Assets	0
0	Proceeds from Sale of Replaced Assets	0
417,300	Depreciation	417,300
<u>417,300</u>	NET OUTLAYS ON EXISTING ASSETS	<u>417,300</u>
	Net Outlays on New and Upgraded Assets	
(63,103)	Capital Expenditure on New and Upgraded Assets & Remediation costs	0
0	Capital Grants and Monetary Contributions for New and Upgraded Assets	0
0	Proceeds from Sale of Surplus Assets	0
<u>(63,103)</u>	NET OUTLAYS ON NEW AND UPGRADED ASSETS	<u>0</u>
<u>(281,813)</u>	NET LENDING/ (BORROWING) RESULT FOR FINANCIAL YEAR	<u>(241,880)</u>
(13,283,862)	Net Financial Liabilities at Beginning of Year	(13,365,675)
200,000	Contributions from Constituent Councils	200,000
<u>(13,365,675)</u>	Net Financial Liabilities at End of Year	<u>(13,407,555)</u>

In any one year, the financing transactions identified below are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result.

Financing Transactions

(281,813)	NET LENDING/ (BORROWING) RESULT FOR FINANCIAL YEAR	(241,880)
(187)	(Increase)/Decrease in Cash & Investments	(120)
-	(Increase)/Decrease in Working Capital	0
200,000	Contributions from Constituent Councils	200,000
<u>(82,000)</u>	Reduction in Borrowings/(New Borrowings) for Financial Year	<u>(42,000)</u>

ERA Water Regional Subsidiary

STATEMENT OF COMPREHENSIVE INCOME
2025-26 Draft Budget

2024-25 BR2 Revised Forecast \$		2025-26 Draft Budget \$
1,096,200	User charges	1,004,600
-	Grants, subsidies and contributions	-
-	Investment income	-
-	Reimbursements	-
49,300	Other income	20,000
1,145,500	Total Income	1,024,600
	EXPENSES	
20,600	Employee costs	-
647,610	Materials, contracts & other expenses	634,000
417,300	Depreciation, amortisation & impairment	417,300
696,000	Finance costs	632,480
1,781,510	Total Expenses	1,683,780
(636,010)	OPERATING SURPLUS / (DEFICIT)	(659,180)
	Asset disposal & fair value adjustments	-
-	Amounts received specifically for new or upgraded assets	-
(636,010)	NET SURPLUS / (DEFICIT)	(659,180)
	Changes in revaluation surplus - infrastructure, property, plant & equipment	-
	Other Comprehensive Income	-
-	Total Other Comprehensive Income	-
(636,010)	TOTAL COMPREHENSIVE INCOME	(659,180)
477,290	OPERATING SURPLUS / (DEFICIT) excluding depreciation and interest	390,600
(218,710)	OPERATING SURPLUS / (DEFICIT) excluding depreciation	(241,880)

ERA Water Regional Subsidiary
STATEMENT OF FINANCIAL POSITION
2025-26 Draft Budget

2024-25 BR2 Revised Forecast		2025-26 Draft Budget
\$	ASSETS	\$
	Current Assets	
88,939	Cash and cash equivalents	89,059
50,152	Trade & other receivables	50,152
<u>139,091</u>		<u>139,211</u>
-	Non-current Assets held for Sale	-
<u>139,091</u>	Total Current Assets	<u>139,211</u>
	Non-current Assets	
21,455,405	Infrastructure, property, plant & equipment	21,038,105
<u>21,455,405</u>	Total Non-current Assets	<u>21,038,105</u>
<u>21,594,496</u>	Total Assets	<u>21,177,316</u>
	LIABILITIES	
	Current Liabilities	
214,976	Trade & other payables	214,976
12,668	Provisions	12,668
<u>227,644</u>	Total Current Liabilities	<u>227,644</u>
	Non-current Liabilities	
13,277,122	Borrowings	13,319,122
	Provisions	-
<u>13,277,122</u>	Total Non-current Liabilities	<u>13,319,122</u>
<u>13,504,766</u>	Total Liabilities	<u>13,546,766</u>
<u>8,089,730</u>	NET ASSETS	<u>7,630,550</u>
	EQUITY	
2,991,398	Accumulated Surplus	2,332,218
2,498,332	Asset Revaluation Reserves	2,498,332
2,600,000	Capital Contributed - Constituent councils	2,800,000
<u>8,089,730</u>	TOTAL EQUITY	<u>7,630,550</u>
<u>13,365,675</u>	NET FINANCIAL LIABILITIES	<u>13,407,555</u>

ERA Water Regional Subsidiary

CASH FLOW STATEMENT
2025-26 Draft Budget

2024-25 BR2 Revised Forecast \$		2025-26 Draft Budget \$
	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
	<u>Receipts</u>	
1,096,200	User charges	1,004,600
-	Investments	-
-	Grants, subsidies and contributions -Operating	-
49,300	Other revenues	20,000
	<u>Payments</u>	
(20,600)	Employee costs	-
(647,610)	Materials, contracts & other expenses	(634,000)
(696,000)	Finance payments	(632,480)
(218,710)	NET CASH USED IN OPERATING ACTIVITIES	(241,880)
	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
	<u>Receipts</u>	
82,000	Proceeds from Borrowings	42,000
200,000	Contributions from Constituent Councils	200,000
	<u>Payments</u>	
-	Repayment of Borrowings	-
282,000	NET CASH USED IN FINANCING ACTIVITIES	242,000
	<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
	<u>Receipts</u>	
-	Grants for new or upgraded assets	-
	<u>Payments</u>	
(63,103)	Expenditure on new/ upgraded assets	-
-	Expenditure on renewal/ replacement of assets	-
(63,103)	NET CASH USED IN INVESTING ACTIVITIES	-
187	NET INCREASE / (DECREASE) IN CASH HELD	120
88,752	CASH AT BEGINNING OF YEAR	88,939
88,939	CASH AT END OF YEAR	89,059
88,939	Cash & Investments	89,059
88,939		89,059

ERA Water Regional Subsidiary

STATEMENT OF CHANGES IN EQUITY
2025-26 Draft Budget

	Accumulated Surplus	Asset Revaluation Reserve	Capital Contributed - Constituent councils	TOTAL EQUITY
2025-26	\$	\$	\$	\$
Balance at end of previous reporting period	2,991,398	2,498,332	2,600,000	8,089,730
Net Surplus / (Deficit) for Year	(659,180)	-	-	(659,180)
Capital Contribution			200,000	200,000
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-	-
Transfers between reserves		-		-
Balance at end of period	2,332,218	2,498,332	2,800,000	7,630,550
2024-25 BR2 Revised Forecast				
Balance at end of previous reporting period	3,627,408	2,498,332	2,400,000	8,525,740
Restated opening balance				
Net Surplus / (Deficit) for Year	(636,010)	-	-	(636,010)
Capital Contribution			200,000	200,000
Other Comprehensive Income				
Changes in revaluation surplus - infrastructure, property, plant & equipment	-	-	-	-
Transfers between reserves				-
Balance at end of period	2,991,398	2,498,332	2,600,000	8,089,730

ERA Water Regional Subsidiary

Appendix B Operating Costs
2025-26 Draft Budget**Employment Costs**

Total Employment Costs	-
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Materials, Contract & Other Costs**Scheme Costs**

Electricity	150,000
Licencing & Testing	10,250
Telecommunications & Scada	12,600
Maintenance and Operations	20,000
Repairs	25,000
Security Monitoring	2,800
Subscriptions	6,150
Insurance - Assets	28,500
Total Scheme Costs	255,300

Contract Costs

Finance and Accounting Services	41,000	
Governance and Admin Support	30,750	Chair + Audit & Risk + Corporate Governance + Administration
Management and Business Development	57,400	General Manager Role
Principal Operator	156,600	
Technical Services and Advice	30,750	
Total Contract Costs	316,500	

Administration Costs

ICT	500	
Insurance - Mutual Liability	30,600	
Legal Expenses	-	
Professional Services	20,000	Asset Management Plan Scoping & Monitoring Flow Advice
Audit Committee / Audit Fees	11,000	
Bank Charges	100	
Total Administration Costs	62,200	

Total Materials, Contract & Other	634,000
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Funding application: Alternative Water Supply Efficiency Measure (AWSEM) Program

Funding of \$2,694,310 has been sought from the AWSEM Program together with an ERA Water contribution of \$300,000 to cover the Projects costed at \$2,994,310 below:

PROJECT CATEGORIES & DETAILS	VOLUMES ML	EST COST
Projects to improve pressure and supply volumes in the distribution network for current sites and to provide for additional connections: <ul style="list-style-type: none"> • Booster pump • Langman bore upgrade • SCADA upgrade • Connection from Scales Reserve to Tenth Avenue, St Peters 	25 (for currently connected sites)	\$975,100
Connections to schools in conjunction with the Department for Education: <ul style="list-style-type: none"> • Marryatville High • Norwood International High • Burnside Primary • Linden Park Primary • Trinity Gardens Primary • Vale Park Primary 	60.7	\$630,000
Connections to parks and reserves: <ul style="list-style-type: none"> • Glenside area (City of Burnside) • The Gums Reserve (City of Campbelltown) 	20	\$317,000
Projects to underpin future supply: <ul style="list-style-type: none"> • Second uv unit (for treatment of harvested stormwater before it is injected into the aquifer) • Fitting out of sixth bore for harvesting (at Scales Reserve) 	N/A	\$800,000
SUB-TOTALS	105.7	\$2,722,100
CONTINGENCY 10%	N/A	\$272,210
TOTALS	105.7	\$2,994,310

Section 3 – Governance & General Reports

13.6 ERA WATER DRAFT STRATEGIC BUSINESS PLAN 2025-2028

REPORT AUTHOR: General Manager, Governance & Civic Affair
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: qA87866
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present ERA Water's draft *2022-2025 Strategic Plan* to the Council, for consideration and comment.

BACKGROUND

ERA Water is a Regional Subsidiary established under Section 43 of the *Local Government Act 1999*.

The Constituent Councils of ERA Water are the City of Burnside, the City of Norwood Payneham & St Peters and the Town of Walkerville.

The primary focus of the Constituent Councils in establishing ERA Water, is to construct and operate a stormwater harvesting and re-use system. The stormwater is treated to a standard that is suitable for the irrigation of open spaces and streetscapes.

Schedule 2 of the *Local Government Act 1999* (the Act), requires Regional Subsidiaries, in consultation with the Constituent Councils, to prepare and adopt a business plan (strategic plan).

The strategic plan must set out or include the performance targets that the Subsidiary will pursue, a statement of the financial and other resources, and internal processes, that will be required to achieve the subsidiary's performance targets, and the performance measures that are to be used to monitor and assess performance against targets.

In accordance with the Act, ERA Water has prepared a draft Strategic Plan to guide its activities over the next three (3) years.

The draft Strategic Plan reflects the directions which have been discussed by the Board and with the three (3) Constituent Councils over the last 12 months.

A copy of the draft ERA Water Strategic Business Plan 2025-2028 is contained in **Attachment A**.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

The draft *2025-2028 Strategic Business Plan* has been prepared to ensure ERA Water meets its legislative requirements in accordance with the *Local Government Act 1999*.

CONSULTATION

- **Elected Members**
Cr Piggott is a Member of the ERA Water Board.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

The draft Strategic Plan is structured in the following sections:

- purpose;
- the focus of ERA Water over the three (3) year period;
- performance targets and measures;
- resource requirements; and
- three (3) priority objectives and how these will be achieved through various priority actions.

The draft *2025-2028 Strategic Business Plan* has been prepared having regard to the *ERA Water Sustainability Review* report which was commissioned by the Town of Walkerville and City of Burnside.

The focus therefore of the draft *2025-2028 Strategic Business Plan*, is on improving supply capacity and pressure in the distribution network to assist in facilitating additional sales to improve financial sustainability, optimising administrative and business processes to allow an increased focus on business development and enhancing future supply of water.

At its meeting held in March 2025, following consideration of the draft *2025-2028 Strategic Business Plan*, the ERA Water Audit & Risk Committee recommended that as part of the draft *2025-2028 Strategic Business Plan*, consideration should be given to determining whether the ERA Water Scheme should be viewed as an ongoing infrastructure asset, similar to a road network, or as a transitional project towards a more integrated model of water management.

In addition, the ERA Water Audit & Risk Committee recommended that over the life of the *2025-2028 Strategic Business Plan*, it would be helpful to identify the value to the Constituent Councils of having greater control over irrigation water through ERA Water in times of drought.

In response to the ERA Water Audit & Risk Committee recommendations, the Board of ERA Water have advised that consideration regarding the classification of the ERA Water Scheme as an “asset” can be included as part of the preparation of an Asset Management Plan which is scheduled to commence in 2025-2026.

In respect to the second recommendation of the ERA Water Audit & Risk Committee, regarding the identification of the value to the Constituent Councils of having greater control over irrigation water through ERA Water in times of drought, ERA Water have included this as part of Priority Action 3 as set out in the draft *2025-2028 Strategic Business Plan*.

OPTIONS

The Council can either endorse the draft *2025-2028 Strategic Business Plan* as submitted or suggest any recommended changes which it believes are appropriate.

CONCLUSION

Nil.

COMMENTS

Nil.

RECOMMENDATION

That the Board of ERA Water be advised that the Council endorses the draft *2025-2028 Strategic Business Plan*.

Attachments – Item 13.6

Attachment A

**ERA Water
Draft Strategic Business Plan 2025-2028**



ERA WATER STRATEGIC BUSINESS PLAN 2025-28

<p>OUR PURPOSE</p> <p>Established in 2015 by the Constituent Councils of the City of Burnside, City of Norwood Payneham & St Peters, and the Town of Walkerville as a subsidiary body under s43 of the <i>Local Government Act 1999</i>, ERA Water exists to provide an alternative source of non-potable water to irrigate green open spaces in the eastern suburbs of Adelaide, regardless of weather conditions.</p>	<p>OUR THREE-YEAR FOCUS</p> <p>Our focus for the 2025 to 2028 period is to:</p> <ol style="list-style-type: none"> 1. Improve supply capacity and pressure for existing irrigated sites and identify and connect additional sites to achieve financial sustainability. 2. Optimise our business and administrative processes. 3. Enhance the security of supply of alternative water to potable water, recognising that harvested stormwater is only one part of a potential supply mix of alternative water for irrigation purposes.
<p>OUR PERFORMANCE TARGETS AND MEASURES</p> <p>Target: Achieve a net financial result in terms of additional revenue and cost savings within our control of \$60k to \$140k pa cumulatively for the three year period.</p> <p>Measure: Achievement of the target net financial result.</p>	
<p>RESOURCE REQUIREMENTS</p> <p>It is anticipated that ERA Water will continue to operate with external business partners and no or minimal employees.</p> <p>Resourcing requirements will be set out in the Long Term Financial Plan and annual budgets. Key to achieving the performance target will be success in obtaining grant funding to pursue the priority actions in column 1 below and the support of the Constituent Councils in relation to the priority actions in column 2 below.</p>	

OUR PRIORITY ACTIONS		
1.Improve supply capacity and pressure and connect additional sites to improve financial sustainability	2.Optimise administrative and business processes	3.Enhance security of supply
<p>1.1 Identify and, subject to funding, implement improvements to the distribution network to the City of Burnside and City of Norwood Payneham & St Peters to address capacity and pressure problems.</p> <p>1.2 Work with the Constituent Councils to identify the potential for connecting additional sites.</p> <p>1.3 Continue to engage with other potential purchasers of our water.</p>	<p>2.1 Review and refine administrative and business processes to support our main focus being on the business of supplying water for irrigation purposes.</p> <p>2.2 Identify and implement the best path to manage business data in a more holistic way.</p> <p>2.3 Work with the Constituent Councils to implement and formalise arrangements for assistance with organisational processes.</p>	<p>3.1 Adopt a target for the quantity of alternative water that can be accessed to distribute.</p> <p>3.2 Procure groundwater entitlements as part of our supply mix of water for distribution.</p> <p>3.3 Research and, if viable, seek to increase the supply of stormwater from Third and Fourth Creeks and the River Torrens as part of our supply mix of water for distribution.</p> <p>3.4 Pursue opportunities for collaboration with other organisations, including other councils and SA Water.</p>

13.7 2025 KENT TOWN ACTIVATION

REPORT AUTHOR: Coordinator, Place Activation & Economy
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4542
FILE REFERENCE:
ATTACHMENTS: Nil

PURPOSE OF REPORT

The purpose of this report is to advise the Council of an opportunity to activate Kent Town by partnering with local businesses to conduct a street activation.

BACKGROUND

At its meeting held on Tuesday 8 April 2024, the Council's Business & Economic Development Committee considered a report on a proposed street activation for Kent Town and resolved to recommend to the Council that the proposal be endorsed.

Situated on the edge of the Adelaide Central Business District and adjacent to the Adelaide Park Lands, Kent Town's reputation as a great place to live and do business continues to grow. Kent Town is home to approximately 13% of the City's businesses and continues to attract new developments, which add to the cosmopolitan lifestyle of the precinct and City.

With new hospitality businesses establishing and adding to the business mix, there is a growing desire to establish Kent Town as a destination during the day and evening. *The Kent Town Economic Growth Strategy 2020-2025* sets out the strategic framework to ensure Kent Town is a connected neighbourhood that offers a unique lifestyle.

Activations are a way of creating a shared identity for an area, building community and pride for where you live and work. With new, proactive businesses moving into Kent Town, an opportunity for street activation has been identified. Through engagement with businesses in King William Street, Kent Town, there is a desire for businesses to come together to activate the street on a Saturday afternoon in Spring. The key outcomes are to:

- promote the profile of Kent Town;
- bring businesses together to work towards a common goal;
- connect the community through a shared space with inclusive activities for all ages;
- showcase the local businesses – strengthening Kent Town's cultural appeal;
- introduce Kent Town to potential investors for the growth strategy outcomes; and
- potentially act as a pilot for ongoing future activations of the Kent Town area.

The proposed street activation would be a partnership between the Council and local Kent Town businesses. It would be a strategic initiative to elevate Kent Town's reputation as a vibrant business and cultural area and will help lay the foundation for future investor growth. This activation can be facilitated through current resourcing and the proposed Economic Development Budget for 2025-2026.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The relevant Objectives and Strategies contained in *CityPlan2030* are outlined below:

Outcome 3: Economic Prosperity

A dynamic and thriving centre for business and services.

- **Objective 3.1 A diverse range of businesses and services.**
 - *Strategy 3.1.1*
Support and encourage local small, specialty, independent and family-owned businesses.

- **Objective 3.2 Cosmopolitan business precincts contributing to the prosperity of the City.**
 - Strategy 3.2.1
Retain, enhance and promote the unique character of all our City's business precincts.
 - Strategy 3.2.3
Promote the City as a visitor destination.
- **Objective 3.5 A local economy supporting and supported by its community.**
 - Strategy 3.5.1
Support opportunities for people to collaborate and interact in business precincts.
 - Strategy 3.5.2
Retain accessible local shopping and services.

The relevant Strategies contained in the 2021-2026 Economic Development Strategy are outlined below:

Dynamic & Diverse City

A City with thriving and resilient business sectors that drive employment and deliver growth.

- **Objective: Support the growth and viability of the City's business sectors that drive employment and deliver growth.**
 - Strategy 1.3
Identify emerging trends and support opportunities for economic growth.
 - Strategy 1.4
Promote opportunity and collaboration across the sectors.
 - Strategy 1.5
Identify and promote local competitive advantage.

Destination City

A destination with dynamic, cultural, vibrant and attractive precincts.

- **Objective: Increase the number of people who live, work and visit the City and enhance the community well-being of existing residents, workers and visitors.**
 - Strategy 2.1
Showcase and promote the City's attractions and events to facilitate growth and visitation.
 - Strategy 2.3
Facilitate the activation of key spaces and precinct in the City.
 - Strategy 2.4
Work with local business operators to strengthen the viability of precincts and enhance the customer experience.

Innovative City

An innovative City that supports business and attracts investment.

- **Objective: Attract and maintain competitive businesses with the capacity for resilience and ongoing sustainability, innovation and growth.**
 - Strategy 3.2
Recognise businesses and business sectors that make a significant contribution to the City.

Business Friendly City

A City that understands the needs of business.

- **Objective: Remove barriers and make it easy for business owner to start, run and grow a business.**
 - Strategy 1.3 - Foster a local evening/night-time economy

The relevant Strategies contained in the Kent Town Economic Growth Strategy 2020 -2025 are outlined below:

Attract Investment

- **Objective: Attract investment opportunities that build on the existing strengths of Kent Town and drive business and residential population growth**
 - Strategy 4.1
Ensure that Council processes are business friendly and contribute to a well-functioning City.

Support Growth

- **Objective: To facilitate growth and equip businesses to thrive by providing support and facilitating relationships and connections that are linked to the broader well-being of the community.**
 - Strategy 2.1
Promote local businesses
 - Strategy 2.3
Build an engaged business community

Create Prosperity

- **Objective: To maximise the economic potential of Kent Town by creating a supportive business environment and a vibrant and liveable community.**
 - Strategy 3.1
Build a 'sense of place'

FINANCIAL AND BUDGET IMPLICATIONS

The street activation is proposed to be a partnership between the Council and the businesses primarily located in King William Street, Kent Town. This partnership should result in costs being shared between both the Council and participating business which will reduce the impact on the Council's budget.

The estimated costs to the Council will be \$7,500, which is based on similar sized Council events and includes, road closure, liquor license and some marketing and infrastructure support.

The Council's contribution for this activation will be capped at \$7,500 and will be funded from the proposed budget allocation for 2025-2026. Should the proposed budget allocation not be endorsed as part of the 2025-2026 Draft Budget, then this initiative will not proceed.

SOCIAL ISSUES

The street activation would be held on a Saturday or Sunday to limit the impact on businesses within the closure zone and would not impact access to off-street residential parking.

RESOURCE ISSUES

The street activation can be delivered within existing Council resources with no impact on other projects or the delivery of events.

- **Elected Members**
Not Applicable.
- **Community**
Initial conversations have been held with three (3) King William Street businesses, to gauge interest and level of business investment, both from a time and financial perspective. All businesses have indicated a strong desire to be involved in the initiative and the value it would add to the Kent Town precinct and positioning.
- **Staff**
The Council's Events staff have been consulted on the feasibility of the street activation and no issues have been raised.
- **Other Agencies**
Not Applicable.

DISCUSSION

Following the Business & Economic Development Advisory Committee (BEDAC) meeting held 18 February 2025, the Council's Place Activation & Economy staff considered various options to position, promote and brand Kent Town.

Through discussions with three (3) Kent Town businesses including, new café, Henry's, and thriving wine bar, Khou, the opportunity to host a street activation in partnership with the local businesses was discussed.

The proposed street activation would:

- activate Kent Town and promote the businesses;
- celebrate the profile of Kent Town as a City-fringe destination;
- activate all businesses sectors including health, food and children's activities;
- bring food and beverage businesses from Kent Town together to create a 'sense of place';
- create a casual setting with food, drinks, music and friends;
- be held in Spring (likely September); and
- close the road to create a community area and have the businesses trade into the street. Neighbouring businesses would be invited to be part of the event.

Kent Town has been identified as a key growth area for the City. With its City-fringe location and ongoing private investment, it is an opportune time to start branding the 'sense of place' and foster better collaboration with the local business community.

Over the years, the Council has successfully worked with other areas within the City to establish well known destinations including The Parade, Magill Road, Glynde and Stepney.

The proposed street activation aligns with the Council's 2020-2025 Kent Town Economic Growth Strategy to:

- foster a local evening / night-time economy;
- promote local businesses;
- build an engaged business community; and
- build a 'sense of place'.

OPTIONS

The Council has the following options in respect to this initiative:

1. support the Kent Town street activation investment capped at \$7,500;
2. support the Kent Town street activation with an alternate financial investment; or
3. not support the Kent Town street activation.

On the basis that the proposed activation is an opportunity to work with local businesses and promote Kent Town as a key City-fringe destination in line with Council's 2020-2025 Kent Town Economic Growth Strategy, Option 1 is recommended.

CONCLUSION

The Kent Town street activation provides an excellent opportunity to bring together businesses in Kent Town, to promote Kent Town as a key City-fringe destination and create a 'sense of place' while also stimulating the Kent Town Economy by strengthening the areas commercial appeal.

COMMENTS

Nil

RECOMMENDATION

That the proposed Kent Town street activation, as set out in this report, be endorsed.

13.8 REPORT OF THE AUDIT & RISK COMMITTEE

REPORT AUTHOR: Manager Governance
GENERAL MANAGER: General Manager, Governance & Civic Affairs
CONTACT NUMBER: 8366 4593
FILE REFERENCE: qA162025
ATTACHMENTS: A - B

PURPOSE OF REPORT

The purpose of this report is to present the Council with the report and Minutes of the meeting of the Audit & Risk Committee held on 14 April 2025.

BACKGROUND

Section 126(8)(a) of the Act requires that a Council Audit & Risk Committee must:

‘provide a report to the council after each meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting’.

To implement the above requirement and noting that the Council's Audit & Risk Committee (the Committee) undertakes its work during its meetings, the Committee has resolved that the Committee's Work Plan will form the basis for such reports to the Council.

In addition to the above, this report also presents the Committee Meeting Minutes to the Council for noting and provides the opportunity for Council decisions based on recommendations from the Committee, where the matter has not been dealt with by way of a separate report to the Council.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RISK MANAGEMENT

The provision of this report to the Council ensures compliance with the Council's legislative obligations. Supporting the Committee to meet its legislated purpose, functions and activities will provide the required independent assurance and advice to the Council.

CONSULTATION

- **Elected Members**
Elected Members receive the Agenda and Minutes of the Audit & Risk Committee and consider recommendations made by the Audit & Risk Committee to the Council at Council meetings.
- **Community**
Not Applicable.
- **Staff**
The preparation of the Work Plan which informs this report and the Committee Meeting Agenda (with reports), is informed by collaboration between staff from across the organisation as required.
- **Other Agencies**
Not Applicable.

DISCUSSION

a. General Report

The current Work Plan of the Committee is contained within **Attachment A**.

A summary of items that were considered by the Committee at its meeting held on 14 April 2025, is provided below.

As it was the first meeting of the new Committee, following the appointment of all Members by the Council at the Council Meeting that was held on 3 March 2025, two presentations were provided to the Committee on the legislative framework for Local Government financial management and how these requirements are practically applied at the Council.

The first presentation was provided by Mr Mark Booth of BRM Advisory who provided a summary of Local Government Financial Management and the overall integrated strategic management planning. This high-level summary highlighted and confirmed how the Council's practices are in accordance with the requirements.

Mr Booth's presentation built on the general information that was received in the Induction Training held with Committee Members on 17 March 2025. The presentation provided an opportunity for general discussion on the practical application of the legislative requirements by the Council. Interesting points were raised in terms of the treatment of assets particularly with respect to those not always considered from an asset management perspective such as Information Technology and tree assets.

The second presentation was provided by the Council's Chief Financial Officer on the Council's Draft 2025-2026 Budget. This presentation provided Committee Members with a summary of the Budget components and the assumptions underpinning the development of the draft Budget. The presentation also served to provide Committee Members with a summary of the interrelationship of the Council's Annual Business Plan and Budget with the Council's Long Term Financial Plan (LTFP).

Both of the presentations were very well received by the Committee as the presentations provided an opportunity for a 'deeper dive' into the Council's Budget components, as well as an understanding of how the process the Council has in place when constructing and monitoring the budget assists to achieve the long-term goals that the Council is aiming to achieve. The Chief Financial Officer was also able to deal with specific queries raised by Committee Members on key projects including the Payneham Memorial Swimming Pool operational costs.

The Committee's Work Plan identified that an update on the Council's projects was scheduled to be provided to the Committee. Accordingly, a third presentation had been scheduled for the Meeting held on 14 April, however, due to unforeseen circumstances, the presentation could not be provided by the General Manager, Infrastructure & Major Projects and it has therefore been rescheduled to the Committee's next meeting to be held on 14 July 2025.

Both of the presentations that were provided, supported the Committee's consideration of a report on the Draft Annual Business Plan and Draft 2025-2026 Budget. The Committee's review of the Draft Annual Business Plan and 2025-2026 Budget is an important opportunity for the Committee to provide financial management assurance to the Council. In addition, Section 126(4)(b) of the Act requires the Committee propose, and provide information relevant to, a review of the Council's strategic management plans or annual business plan, and therefore this report had been scheduled as per the Committee's Work Plan.

The Committee considered the report on the Draft Annual Business Plan and Draft 2025-2026 Budget and following informed discussion resolved to receive and note the report and to recommend to the Council the following: *that it notes the projected Operating Surplus for the draft 2025-2026 Budget is lower than the figure identified in the Council's Long-Term Financial Plan and that the Operating Costs associated with the Payneham Memorial Swimming Centre, expected to be incurred between April 2026 and June 2026, have yet to be quantified and may further impact on the draft 2025-2026 Adopted Budget.*

The above recommendation has been included in the separate report to the Council on the Draft Annual Business Plan and Budget that is included in the Agenda for this meeting. During discussions, an undertaking was provided to distribute a copy of the Draft 2025-2026 Annual Business Plan and Budget to Committee Members once the Council has resolved to release for community consultation.

The Committee received a report which provided both an update on the Council's Internal Audit function and the opportunity for the Committee to endorse the Council's *Internal Audit Plan 2025-2027* (Internal Audit Plan). This report was provided to support compliance with Section 126(4)(g)(i) of the Act which requires the Committee to provide oversight of the planning and scoping of the Internal Audit Work Plan.

As advised to the Committee, the foundational work being done on the Council's Strategic and Operational Risk Management Framework, will influence the alignment of the Internal Audit Work Plan in the future. Noting this is a work in progress, the current Internal Audit Plan had been reviewed with a focus on fundamental aspects of the Council's operation and well recognised risks across Local Government (eg contractor management).

The Committee were also informed of the proposed approach to ensure that the Committee can meet its legislative function required by Section 126(4)(c) of the Act, which requires that the Committee monitor the Council's responsiveness to recommendations for improvement based on previous audits.

Following consideration of the Internal Audit Report, the Committee unanimously endorsed the *Internal Audit Plan 2025-2027*.

The final report to the Committee provided an update on Risk Management. The Committee received and noted a report which summarised the progress that has been made through participation in the Strategic Risk Services Program (the Program) being facilitated by Local Government Risk Services.

This report was presented to the Committee to support compliance with Section 126(4)(h) of the Act which requires that the Committee review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis. This requirement aligns with the other risk management function related changes to the Act for the Council and the Chief Executive Officer, which commenced on 30 November 2023.

The Committee was informed that the Program participation process to date, has provided an excellent opportunity for the Council's Executive Leadership Team and key staff, to collaborate and collectively consider strategic risk management in a practical and relevant way. An Enterprise Risk Management workshop based on that undertaken by staff, will be facilitated with Elected Members on 12 May 2025.

As reported to the Committee, in addition to participation in the Program and noting that Climate Change adaptation is a strategic risk, the Council will shortly be participating in the National Local Government Vulnerability Program (NLGVP), that is being provided through the Council's membership of the LGA Asset Mutual Fund, again with no additional cost to the Council.

The focus of the NLGVP is to measure the Council's vulnerability in respect to disaster risks which, as Members would be aware, are constantly evolving. From a risk management perspective, this exercise is important to assist the Council to understand the vulnerabilities based on the impact of disasters on the built, natural, social/community and financial environments.

The NLGVP information is being captured from across Australia to ensure a consistent approach for Local Government, in respect to identifying and quantifying disaster risks to support funding to assist in mitigation strategies. Specifically, for this Council, the information can be incorporated into the Risk Management Framework and inform strategic and operational planning and decisions.

During the 'Other Business' agenda item of the Committee Meeting, the value in the Committee receiving a presentation on Rate Modelling, the Council's Rating Policy and further detail on the LTFP was discussed. An undertaking was provided to deliver these to the October meeting of the Committee in preparation for the draft 2026-2027 Budget.

b. Minutes of the Audit & Risk Committee Meeting

The Minutes of the Committee Meeting held on 14 April 2025, including the reports presented are contained in **Attachment B**.

c. Recommendations to the Council

At the Meeting held on 14 April 2025, the Committee made a recommendation to the Council in relation to the Draft Annual Business plan and Draft 2025-2026 Budget, recommending to the Council the following: *that it notes the projected Operating Surplus for the draft 2025-2026 Budget is lower than the figure identified in the Council's Long-Term Financial Plan and that the Operating Costs associated with the Payneham Memorial Swimming Centre, expected to be incurred between April 2026 and June 2026, have yet to be quantified and may further impact on the draft 2025-2026 Adopted Budget.*

This recommendation has been included in the report on the Draft 2025-2026 Annual Business Plan and Budget which is contained in the Agenda for the Council Meeting being held on 5 May 2025.

RECOMMENDATION

That the report be received and noted.

Attachments – Item 13.8

Attachment A

Report of the Audit & Risk Committee

Audit and Risk Committee Work Plan 2024-2025

Function and activity	LG Act Reference	Responsibility for agenda item	Supporting documents	Meetings			
				Feb-25	Apr-25	Jul-25	Oct-25
Annual Financial Statements and External Audit							
Review Annual Financial Statements to ensure that they present fairly the state of affairs of the Council	126(4)(a)	Finance	Audited Financial Statements				✓
Liaise with the Council's Auditor in accordance with legislated requirements and Terms of Reference.	126(4)(e) & Regulation 17B, LG (Financial Management) Regulations	Finance	Meet with Council's Auditor at least once in confidence.				✓
Recommend appointment of Council's Auditor to Council	128(2)	Finance	Timing TBC - current contract ends 2027				
Monitor responsiveness to recommendations for improvement based on previous External Audits and matters raised by the External Auditor	126(4)(c)	Finance	Report on actions arising	✓			✓
Strategic Management and Business Plans							
Review of City Plan against legislated requirements - <i>Council to review every 4 years (within 2 years of Local Government Election)</i>		TBD	City Plan Review - as required				
Review of Long Term Financial Plan (LTFP) against legislated requirements - <i>annual review required by Council (Section 122(4)(a))</i>		Finance	LTFP		✓		
Review of Annual Business Plan against legislated requirements - <i>reviewed prior to Council endorsement for consultation; budget attached based on draft ABP</i>		Finance	Draft Annual Business Plan and Budget		✓		
Review of Infrastructure and Asset Management Plan(s) (IAMPs) against legislated requirements		Infrastructure	Draft IAMPs		✓		✓
Adequacy of Financial Management Systems							
Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis							
• Internal Financial Controls report	126(4)(f)	Finance				✓	
• Report following Budget Review reports	126(4)(f)	Finance		✓			✓
• Review of relevant Council policies prior to Council adoption	126(4)(f)	Governance	As required				
Risk Management							
Review and evaluate the effectiveness of strategic, financial and operational risks	126(4)(h)	Governance	Based on Council's RM framework (in development)	✓	✓	✓	✓
Monitor responsiveness to recommendations for improvement based on previous risk assessments.	126(4)(c)	Governance	Incorporated into regular reporting on strategic, financial and operation risks	✓	✓	✓	✓
Internal Audit							
Oversight of planning and scoping of Internal Audit Work Plan	126(4)(g)(i)(A)	Office of CEO	Draft Internal Audit Work Plan - timing TBC				
Review Economic Development Strategy Internal Audit Report	126(4)(g)(i)(B)	Office of CEO	Internal Audit reports - timing TBC				
Annual Report of CEO on internal audit processes 99(1)(b)	99(1)(ib)					✓	
Monitor responsiveness to recommendations for improvement based on previous Internal Audits	126(4)(c)	Office of CEO	Report on actions arising	✓		✓	
Audit & Risk Committee Performance							
Report to Council after each meeting	126(8)(a)	Governance	Draft report to Council	✓	✓	✓	✓
Report annually to Council	128(8)(b)	Governance	Draft report			✓	
Development/review of Annual Work Plan (based on calendar year)		Governance	Draft Work Plan				✓
Review of Terms of Reference / self-assessment		Governance		✓			
Meeting Dates for upcoming calendar year		Governance					✓
Other Matters							
Service Reviews		Office of CEO	As scheduled, timing TBC				
Review any report obtained by Council under Section 48(1) of the LG Act	126(4)(i)	Finance	As required				
Project status updates		Infrastructure	Twice per year - presentation based on information provided to Ems		✓		✓
Review any reports prepared due to section 130A examinations (investigations)	126(4)(d)	TBD	As required				

Attachment B

Report of the Audit & Risk Committee

Audit & Risk Committee Minutes

14 April 2025

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

City of Norwood Payneham & St Peters
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Socials [f /cityofnpsp](https://www.facebook.com/cityofnpsp) [@cityofnpsp](https://www.instagram.com/cityofnpsp)



City of
Norwood
Payneham
& St Peters

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VENUE Mayors Parlour, Norwood Town Hall

HOUR 7.00pm

PRESENT

Committee Members Ms Cate Hart (Independent Member) (Presiding Member)
Mayor Robert Bria
Ms Tami Norman (Independent Member)
Mr Kym Holman (Independent Member)

Staff Mario Barone (Chief Executive Officer)
Jenny McFeat (Manager, Governance)
Natalia Axenova (Chief Financial Officer)
Marina Fischetti (Governance Officer)

APOLOGIES Cr Grant Piggott

ABSENT Nil

1. CONFIRMATION OF MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 10 FEBRUARY 2025

Mayor Bria moved that the Minutes of the Audit & Risk Committee meeting held on 10 February 2025 be taken as read and confirmed. Seconded by Ms Tami Norman and carried unanimously.

2. PRESIDING MEMBER'S COMMUNICATION
Nil

3. COMMITTEE MEMBER DECLARATION OF INTEREST
Nil

4. PRESENTATIONS

- 4.1 Mark Booth of BRM Advisory provided a presentation to the Committee on Local Government Financial Management (refer to **Attachment A**).
- 4.2 The Chief Financial Officer provided a presentation to the Committee on the Council's Draft 2025-2026 Budget (refer to **Attachment B**).

Attachment A

**Presentation
BRM Advisory**



Local Government Financial Management

City of Norwood Payneham and St Peters

Audit and Risk Committee

14 April 2025

Agenda

B2

NPSP | Audit and Risk Committee

Purpose

Functions of a Council

Strategic Management Plans

Long Term Financial Plan

Infrastructure and Asset Management Plan

Annual Business Plan and Budget

Annual Report

ESCOSA

Purpose

Financial Management Framework

Integrated strategic management planning and performance reporting

- What is integrated strategic management planning in local government
- What is the purpose of each of the key strategic management plans identified in the Act
- What mechanisms are in place to report performance against these plans

Functions of a council

Section 7 LG Act

- Plan for the local and regional area
- Provide services and facilities
- Determine the appropriate financial contribution to be made by ratepayers
- Provide for the welfare, well-being and interests of individuals and groups in the community
- Take measures to protect the area
- Manage, develop, protect, enhance and conserve the environment in an ecological sustainable manner and improve amenity
- Provide infrastructure for its community
- Promote its area for business, commerce, industry and tourism
- Establish or support organisations or programs that benefit people in its area
- Manage and develop public areas held by council
- Manage, improve and develop resources available to council
- Undertake other functions and activities under other Acts

Strategic Management Plans

Section 122 of the Act

Council's must develop and adopt strategic management plans which:

- identify council's objectives over a period of at least 4 years
- provide an assessment of the sustainability of council's financial performance and position
- identify financial and non-financial performance measures
- proposals with respect to debt levels
- anticipated changes in factors that make a significant contribution to the cost of council's activities
- include a long-term financial plan and an infrastructure and asset management plan for a 10 year period

Integrated strategic management planning^{B6}

Section 122 of the Act

- A continuous cycle of consultation and engagement with the community and other stakeholders to inform council in the development of goals, objectives and activities
- Reflected in strategic management plans
 - Strategic or Community Plan (at least 4 years)
 - Long Term Financial Plan (at least 10 years)
 - Infrastructure and Asset Management Plan (at least 10 years)
 - Annual Business Plan and Budget (1 year)

The Audit and Risk Committee is consulted on the development of the strategic management plans

Strategic Management Plans

Section 122 (1) of the Act

A Council must develop and adopt plans for the management of its local area which:

- Identify the Council's objectives for at least four years*
- Identify the principal activities that will achieve the objectives*
- Provide assessments relating to:*
 - Financial sustainability*
 - Level of services*
 - Infrastructure needs*
 - Other matters (area changes, cost impacts, debt proposals)*

State the measures to be used to monitor performance

CityPlan2030 | Shaping our Future

B8

Strategic Management Plan



The long-term strategic management plan

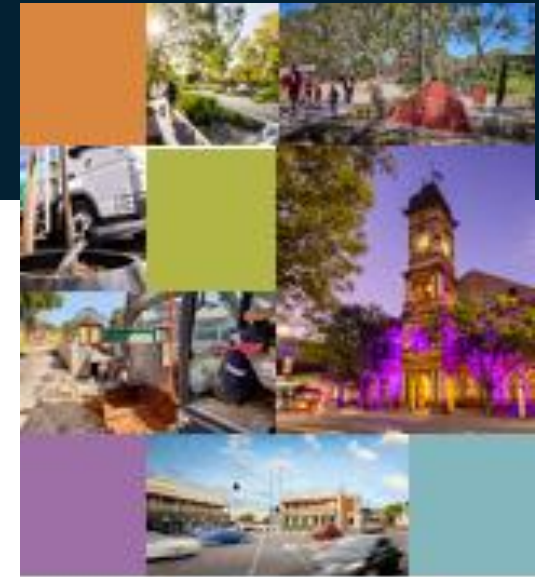
- First adopted in 2008 and updated in 2024
- Reviewed every four years
- Sets out the strategic direction for NPSP
- Subject to public consultation
- Provides the overarching planning framework for Council's decision making



Long Term Financial Plan

Section 122 (1a-b) of the Act

A Council must in conjunction with the plans under S122(1) develop and adopt a Long Term Financial Plan of at least 10 years (including a funding plan-6/23).



Long-term Financial Plan
2023-2024 to 2033-2034



An indication of Council's direction and financial capacity

Long Term Financial Plan

Section 122 of the Act

- Supports the delivery of the strategic plan and other relevant plans
- Reflects the long-term aspirations of council and tests this against financial realities
 - Minimum of 10 years
 - Includes a funding plan
 - Projects total revenue for the period
 - Sets out the intended sources of revenue
 - Be consistent with the infrastructure and asset management plan

A council's long term financial position is sustainable when planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services

Long Term Financial Plan

Key indicators

Regulation 5, Local Government (Financial Management) Regulations 2011

- A LTFP must include a summary of operating and capital investment activities and **estimates and targets** for the following ratios
 - Operating surplus ratio
 - Net financial liabilities ratio
 - Asset renewal funding ratio



Long Term Financial Plan

Section 122 of the Act

- Financial Goal - A City that delivers on our Strategic Outcomes by managing our financial resources in a sustainable and equitable manner
- Four outcomes
 1. A Balanced Budget - Operating Ratio between 0% and 10%
 2. Rate Stability - Rate revenue increases between 4% and 8%
 3. Infrastructure and Asset Management - Asset Renewal Funding Ratio between 90% and 110% on 3 year rolling average
 4. Debt management - Net Financial Liabilities ratio of less than 100%
- The outcomes are forecast throughout the LTFP

Long Term Financial Plan

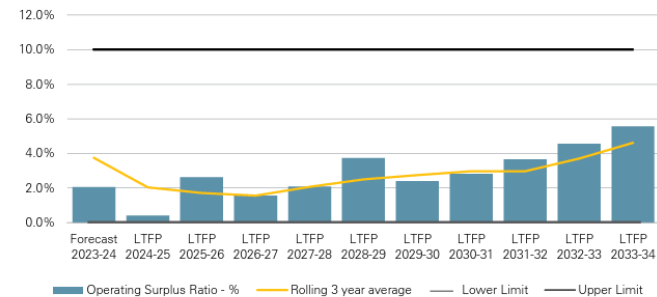
B13

Key indicators

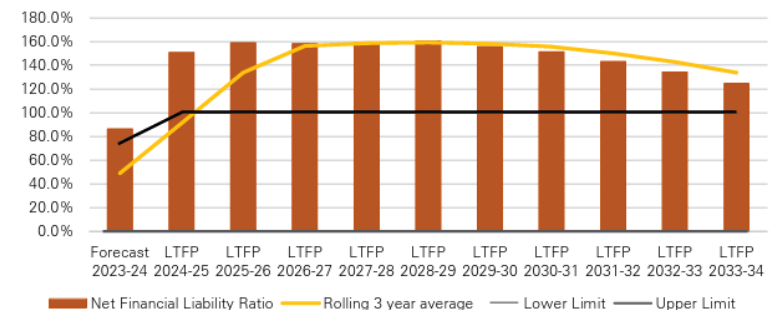
- Operating surplus ratio
 - Measures whether operating income is exceeding expenditure
 - If the ratio is positive then a council is likely to be operating sustainably
 - 0% to 10% target
- Net financial liabilities ratio
 - Measures the liabilities owed such as debt, creditors and provisions less financial assets such as cash, investments and debtors
 - If the ratio is falling over time it means that the council's ability to meet its future obligations is strengthening

Operating Surplus Ratio

Target between 0% and 10%



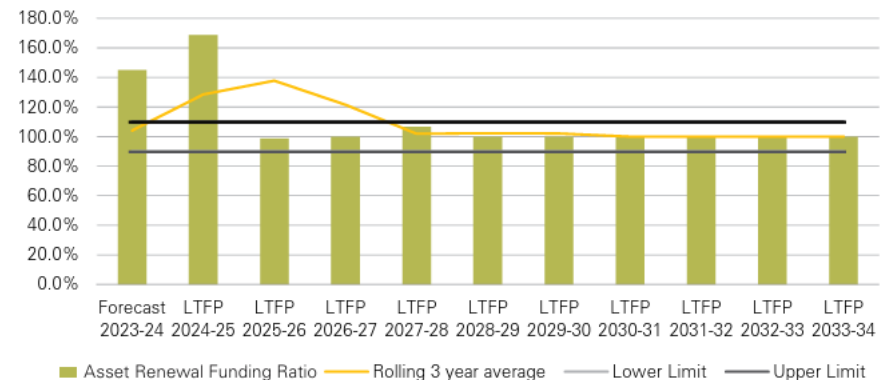
Net Financial Liability Ratio



Key indicators

- Asset Renewal Funding ratio
 - Measures whether a council is meeting its asset renewal commitments as measured by its IAMP
 - If the ratio is less than 100% over an extended period it may mean that assets are not being renewed as planned leading to increased maintenance costs or asset failure

Asset Renewal Funding Ratio
Target between 90% and 110%



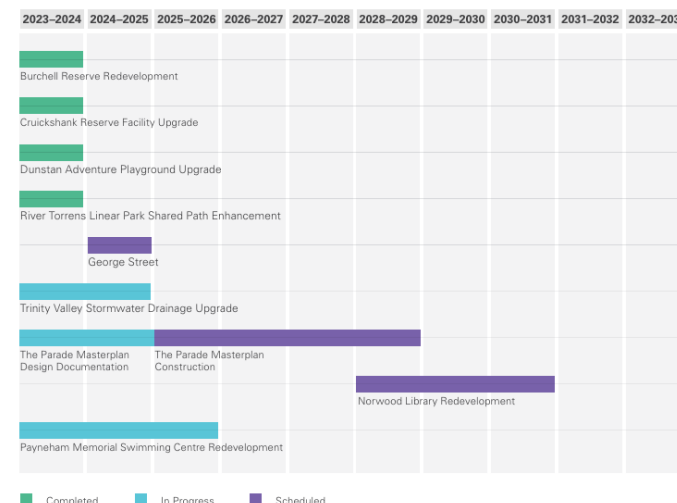
Long Term Financial Plan

B15

Section 122 of the Act

- Strategic Projects
- Financial Statements
 - Statement of Comprehensive Income
 - Statement of Financial Position
 - Statement of Cash Flows
 - Statement of Changes in Equity
 - Uniform Presentation of Finances
- CEO's Statement on Financial Sustainability
- Financial Indicators

Capital Projects Timeline



City of Norwood Payneham & St Peters
10 Year Financial Plan for the Years ending 30 June 2034
FINANCIAL PERFORMANCE INDICATORS - GENERAL FUND

	Current Year	Projected Years									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Operating Surplus Ratio	2.1%	0.4%	2.6%	1.6%	2.1%	3.7%	2.4%	2.8%	3.7%	4.6%	5.6%
Net Financial Liabilities Ratio	86.3%	150.9%	160.5%	158.2%	158.3%	159.7%	154.7%	150.0%	141.6%	132.5%	122.6%
Asset Renewal Funding Ratio	145.1%	170.1%	98.7%	100.0%	106.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest Cover Ratio	0.6%	4.0%	5.8%	6.4%	6.6%	6.7%	6.9%	6.8%	6.5%	6.1%	5.6%
Debt Servicing Ratio	3.3%	7.2%	8.5%	13.6%	13.9%	13.4%	16.3%	16.3%	16.0%	15.6%	15.0%

A Council must in conjunction with the plans under S122(1) develop and adopt an Infrastructure and Asset Management Plan, relating to the management and development of infrastructure and major assets for a period of at least 10 years

- Supports the delivery of the strategic plan and other relevant plans with regard to the assets used to deliver services to the community
 - Recognises the consumption of existing assets
 - Determines likely future asset maintenance and renewal needs
 - Identifies the need for new assets to meet community expectations

The purpose of the IAMP is to ensure that assets are acquired, maintained, renewed, and replaced in a manner that meets the service needs of their community

- NPSP has four Asset Management Plans
 - building infrastructure
 - civil infrastructure
 - stormwater infrastructure
 - recreation and open space infrastructure



Asset Management Plan
Building Infrastructure
2025-2034



Asset Management Plan
Civil Infrastructure
2025-2034



Asset Management Plan
Stormwater Management Infrastructure
2025-2034



Asset Management Plan
Recreation and Open Space Infrastructure
2025-2034



Annual Business Plan and Budget

B19

Section 123 of the Act

A Council must have for each financial year an annual plan and a budget. The annual business plan must:

- include a summary of a council's long-term objectives set out in the strategic management plans
- include an outline of the objectives for the year, the activities to achieve the objectives and the measures to assess performance
- Set out a summary of proposed operating expenditure, capital expenditure and sources of revenue
- Set out the rates structure and policies
- Take into account the LTFP and IAMP's
- Be subject to public consultation
- The budget must be consistent with the annual business plan

Annual Business Plan and Budget

B20

Section 122 (1a) of the Act

The Annual Business Plan and Budget is council's annual statement of intended programs, activities and outcomes for the year and links the CityPlan 2030 and council's annual budget and allocation of resources for the year

The purpose of the APBB is to describe the activities and resource allocations required to finance a council's operations for that financial year

Annual Report

Section 131 of the Act

A council must on or before 30 November each year, prepare and adopt an annual report for the financial year ending on the preceding 30 June. It must include:

- Legal costs incurred
- Copy of the audited financial statements
- Performance in implementing strategic management plans during the financial year
- Performance against its annual business plan
- Report on the financial results
- Other prescribed matters

Annual Report

Section 131 of the Act

- The Annual Report is a key mechanism of accountability and transparency back to the community and key stakeholders.

The Annual Report is the scorecard to track achievement of the ABPB and CityPlan2030

Strategic Management Plans

B23

Section 122 of the Act



Section 122 (1c-k) of the Act

A Council must, once in every prescribed period (not less than 3 years) provide information relating to its LTFP and IAMP to ESCOSA. This includes:

- Material amendments made/proposed to a council's LTFP and IAMP including reasons
- Revenue sources outlined in the funding plan
- Other matters prescribed by the Regulations

ESCOSA must on or before 28 February provide advice on the appropriateness of the relevant matters or any other aspects in the LTFP and IAMP



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Attachment B

**Presentation
Chief Financial Officer**

CITY OF NORWOOD PAYNEHAM & ST PETERS



City of
Norwood
Payneham
& St Peters

Draft 2025-2026 Budget

The purpose of this presentation is to provide an overview of the draft Budget to enable the delivery of the annual objectives and activities in the 2025-2026 financial year.

The Budget presentation covers the components of the Recurring Budget, Operating Projects Budget & New/Renewal Capital Projects Budget.

It is important to note, however, that the costs may change from those contained in tonight's presentation as the budget process progresses.

Long Term Financial Plan (LTFP)

YEAR 1

10 YEARS

ANNUAL BUDGET

Operating Budget

Capital Budget

Recurrent

Business as Usual

*Continuing Council Services
Funded by Rates revenue, Other
revenue such as fees & charges as
well as grants*

Operating Projects

New Initiatives, Services, Programs

*One off, non-recurring Council
Services Funded by Rates
revenue, Other revenue such as
fees & charges as well as grants*

Renewal Capital Projects

Infrastructure Renewal Program as per Asset Management Plan

*Funded mainly by rates
(depreciation) and grants*

New Capital Projects

Building of a new facilities or Major Upgrade redesign of existing assets

*Funded by grants and
borrowings*

ANNUAL BUSINESS PLAN (ABP)

Community Well-being is...

Social Equity

Cultural Vitality

Economic Prosperity

Environmental Sustainability



City of
Norwood
Payneham
& St Peters

2025-2035 LTFP Targets

Outcome	Measure	Target
A balanced Budget	Operating Surplus Ratio <i>Measures the Councils Operating result, whether that be a surplus or deficit as a percentage of operating revenues</i>	Between 0% and 10%
Rate Stability	Rate Revenue Increase <i>The annual increase in revenue generated from general rates</i>	Between 4% and 8%
Infrastructure & Asset Management	Asset Renewal Funding Ratio <i>Measures the rate at which the Councils assets are being renewed or replaced against the Infrastructure & Asset Management Plan</i>	Between 90% and 110% on a rolling three (3) year average
Debt Management	Net Financial Liabilities Ratio <i>Measures the percentage operating revenues that would be required to settle the net amount owed by the Council</i>	Less than 100%
	Debt Servicing Ratio <i>Measures the Councils commitment to interest costs and debt repayments are met by general rate revenue</i>	Less than 15%

2025-2026 Budget Parameters

Budget	LTFP	Budget Parameters
Rate Revenue Increase	8%	8% <i>Includes:</i> <ul style="list-style-type: none"> • Indexation factor • Growth in New assessments • Funding for new Capital Projects
User Fees & Charges	3%	3%
Wages & Salaries	3.1%	MOA – 3% LGE – 3.5% from 01 July 2025 to 31 October 2025 LGE – 3% from 01 November 2025 to June 2026
Materials, Contracts & Other Expenses	3%	3%

Draft 2025-2026 Budget proposal

KEY PERFORMANCE INDICATORS

Outcome	Measure	2025/26 As included in LTFP	2025-26 Draft Budget Proposed
A balanced Budget	Operating Surplus Ratio - \$'000 Operating Ratio - %	1,647 2.6%	906 1.5%
Rate Stability	Rate Revenue Increase - %	8%	8%
Infrastructure & Asset Management	Asset Renewal Funding Ratio	98.7%	96.2%
Debt Management	*Net Financial Liabilities Ratio - % Debt Servicing Ratio - %	160.5% 8.5%	148.0% 5.06%

** Net Financial Liabilities includes Borrowings*

Draft 2025-2026 Budget Assumptions: Recurrent

The Recurrent Operating Budget is and has for the Draft 2025-2026 Budget been prepared on a “business as usual” basis. This means:

- No new services are proposed to be introduced as part of current Draft Budget
- Includes increases to the services that are currently provided as approved by the Council during 2024-2025
- Revision of the existing budgets to identify any savings, including indexation not being applied to some budget lines to reflect pattern of actual costs incurred in the past couple of years.
- Includes expected savings, in line with process changes where relevant (for e.g. \$130k reduction in electricity cost for the sites that were included in Long Term Procurement Project for renewable energy; \$30k reduction in printing, postage and bank charges in relation to rates paid via ‘Payble’ platform)
- Includes an assumption that the Payneham Memorial Swimming Centre will not be operational in 2025-2026 however includes relevant recurring costs for the period between construction completion and expected opening of the centre. This period is from April 2026 to June 2026. Assumed costs are water, electricity, insurance, security, maintenance charges for 3 months. It does not include any allocation for the promotion or opening of the centre
- Budget does not include any additional costs that may be required as a result of Service reviews that took place in 2024/2025 (such as Library or Information Technology strategies).

Draft 2025-2026 Budget Assumptions: Recurrent

Comparatives of the % in CPI, Budget Parameters & Approved/Draft Budgets over the last 5 financial years

BUDGET	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Average of Adelaide CPI & LGPI	4.2%	7.2%	4.6%	3.2%	3.0%
CPI in Budget Parametres					
Material, Contracts & Other Expenses	1.5%	2.3%	8.0%	3.3%	3.0%
Expenditure					
Materials, Contracts & Other Expenses	17,965,725	18,421,188	18,997,650	20,789,523	21,911,405
year on year change %	2.6%	2.5%	3.1%	9.4%	5.4%

LGPI = The Local Government Price Index

Draft 2025-2026 Budget Funding Submissions B39

Operating Projects

The following Operating Projects were approved by the Executive Leadership Team for presentation to the Council for consideration.

Operating Project Name	\$1,319,300
Urban Greening Program	\$ 10,000
Urban Tree Canopy Regional Mapping Contribution	\$ 10,000
Traffic Management at Ninth Avenue Christmas Lights Display	\$ 50,000
On-Street Parking Policy Implementation in Norwood and Kensington Precincts	\$ 40,000
Further Development of Tree Inventory	\$ 20,000
Public Consultation for Traffic Management Concept Designs for Payneham South, Firle and Trinity Gardens	\$ 40,000
40kph speed limit implementation in Kensington and Felixstow	\$ 45,000
William Street Bikeway Street Lighting Upgrade	\$ 115,000
Street Lighting Upgrade & Renewal	\$ 15,000
Authority upgrade (main IT System used throughout most Business Units)	\$ 516,000

Draft 2025-2026 Budget Funding Submissions B40

Operating Projects

The following Operating Projects were approved by the Executive Leadership Team for presentation to the Council for consideration (continued)

Operating Project Name	\$1,319,300 (continued)
Tour Down Under Stage 2026	\$ 55,000
Raising the Bar	\$ 38,000
Eastside Business Awards	\$ 50,000
2026 AFL Gather Round	\$ 200,000
Public Health Plan	\$ 13,000
Firstival 2025	\$ 4,000
Culturally Diverse Early Literacy Project	\$ 3,300
Arts and Culture Plan Year 2 Implementation	\$ 25,000
Library Services Catalogue and Program Review	\$ 50,000
Verge Upgrade Program	\$ 20,000

Draft 2025-2026 Budget

Recurrent/Operating Budget

Draft Budget

Type	High level	2024-2025	2025-2026	Movement	Movement %	Comments
INCOME	Rates	- 47,195,360	- 50,904,915	- 3,709,555	7.9%	
	Grant Subsidies, Contributions	- 3,121,068	- 3,704,627	- 583,559	18.7%	
	Statutory Charges	- 2,180,953	- 2,239,311	- 58,358	2.7%	
	User Charges	- 4,006,054	- 4,370,061	- 364,007	9.1%	mainly due to Concert Hall, Child Care
	Investment Income	- 77,965	55,000	22,965	-29.5%	reduction in bank interest due to lower balance
	Other Income	- 479,085	- 504,086	- 25,001	5.2%	
	Reimbursements	- 17,078	- 17,590	- 512	3.0%	
INCOME Total		- 57,077,563	- 61,795,590	- 4,718,027	8.3%	
EXPENSE	Employee Expenses	19,430,699	20,313,052	882,353	4.5%	Approved additional role, salary increases
	Materials, Contracts & Other Expenses	20,789,523	21,911,405	1,121,882	5.4%	mainly addition of PMSC maintenance
	Depreciation, amortisation & impairment	13,078,887	13,696,916	618,029	4.7%	
	Finance Costs	2,375,037	3,386,245	1,011,208	42.6%	Increase in Loan borrowings
	Net Loss - Joint Ventures & Associates	262,666	262,666	-	0.0%	
EXPENSE Total		55,936,812	59,570,284	3,633,472	6.5%	
Surplus on Recurrent Operations		- 1,140,751	- 2,225,306	- 1,132,055	103.5%	
Proposed Operating Projects		911,672	1,319,300	407,628	44.7%	
(Surplus) / Deficit		(229,079)	(906,006)	(724,427)	316.2%	

Draft 2025-2026 Budget Capital Works

\$25.96 million

\$11.97 million - New Capital Projects Scheduled

\$12.88 million - Renewal Capital Projects Scheduled

\$ 1.11 million - Capitalised Salaries *(staff who are involved in the delivery of Capital Projects, the cost will be capitalised as part of the asset in accordance with time spent on relevant project)*

Draft 2025-2026 Budget

New Capital Projects

Total New Capital Initiatives (\$11.97 million)

Major Public Art Project (\$279,000)

Adey Reserve Playground Shade Sail Structure (\$60,000)

St Peters Childcare Centre Shade Sail Structure (\$60,000)

Kent Town Public Realm Upgrade (\$400,000)

Building Accessibility Improvements (\$100,000)

Payneham Memorial Swimming Centre Upgrade (\$11,071,956)

Community Well-being is...

Social Equity

Cultural Vitality

Economic Prosperity

Environmental Sustainability



City of
Norwood
Payneham
& St Peters

Draft 2025-2026 Budget Renewal Capital Projects

Renewal Program Works (\$12.88 million)

• Building Works program	\$2.6million
• Stormwater Drainage Program	\$2.1 million
• Civil Infrastructure	\$6.6 million
• Recreation and Open Space	\$1.0 million
• Plant & Depot Equipment replacement *	\$346,688
• Other assets (Library Books, IT Equipment, Furniture & Equipment)	\$263,000

** Replacement of Twelve (12) Seater Community Bus (cost included in above Plant replacement budget)*

Capitalised Salaries (\$1.109 million)

Draft 2025-2026 Budget

Next Steps

Key Steps	Dates
Budget process, parameters and objectives adopted	COMPLETED (Council Meeting)
Fees and charges adopted in principle by the Council	COMPLETED (Council Meeting)
Budget Workshop with Elected Members	COMPLETED Tuesday 11 March 2025
Budget Council Meeting <ul style="list-style-type: none"> <i>Draft Recurrent Budget considered</i> <i>Operating and Capital Projects considered</i> 	COMPLETED Monday 7 April 2025 (Council Meeting)
Draft Annual Business Plan considered by the Audit & Risk Committee	Tuesday 14 April 2025
Draft Annual Business Plan, rating model and projects carried forward and Infrastructure Whole of Life endorsed for public consultation	Monday 5 May 2025 (Council Meeting)
Draft Annual Business Plan available for viewing by the public	Friday 9 May 2025
Meeting to receive public submissions on the Annual Business Plan	Monday 26 May 2025
Consideration of public submissions	Tuesday 10 June 2025 (Special Council Meeting)
Adoption of Annual Business Plan and Budget	Monday 7 July 2025 (Council Meeting)

5. STAFF REPORTS

5.1 DRAFT ANNUAL BUSINESS PLAN & DRAFT 2025-2026 BUDGET

REPORT AUTHOR: Senior Finance Business Partner
GENERAL MANAGER: Chief Financial Officer
CONTACT NUMBER: 8366 4548
FILE REFERENCE:
ATTACHMENTS: A – D

PURPOSE OF REPORT

The purpose of the report is to present the Draft 2025-2026 Annual Business Plan and draft 2025-2026 Budget to the Audit & Risk Committee for review prior to the Council's endorsement the draft 2025-2026 Annual Business Plan and draft 2025-2026 Budget for public consultation.

BACKGROUND

Section 123 of the *Local Government Act 1999* requires that the Council is required to prepare an Annual Business Plan and Budget in each financial year. The Annual Business Plan and Budget are required to be adopted by the Council after 31 May for the ensuing financial year and except in a case involving extraordinary administrative difficulty, before 15 August for the financial year.

Pursuant to Section 123(2) of the *Local Government Act* and in *Regulation 6 of the Local Government (Financial Management) Regulations 2011*, each Annual Business Plan of a Council must:

- (a) include a summary of the Council's long-term objectives (as set out in its strategic management plans); and
- (b) include an outline of—
 - i. the Council's objectives for the financial year; and
 - ii. the activities that the Council intends to undertake to achieve those objectives; and
 - iii. the measures (financial and non-financial) that the Council intends to use to assess the performance of the Council against its objectives over the financial year; and
 - iv. assess the financial requirements of the Council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue; and
- (c) set out the rates structure and policies for the financial year; and
- (d) assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the Council; and
- (e) take into account the Council's Long-Term Financial Plan and relevant issues relating to the management and development of infrastructure and major assets by the Council; and
- (f) address or include any other matter prescribed by the Regulations.

Following the Council's '*in principle*' adoption of the objectives and parameters which would apply to the development of the 2025-2026 Annual Business Plan and Budget, the Audit & Risk Committee received and noted a report on these objectives and parameters at its meeting held on 10 February 2025.

The objectives and parameters which were adopted '*in principle*' guided the staff in preparing the respective budget estimates and submissions. To further inform the preparation of the Budget component of the Draft 2025 ABP and Budget, a workshop was held with Elected Members on 11 March 2025 which provided an opportunity to undertake a comprehensive review of the proposed 2025-2026 Recurrent Budget and Operating Projects.

The Draft 2025-2026 Budget was subsequently prepared comprising the following:

- The Recurrent Budget, which incorporates the revenue and expenditure which is required to provide the "*Business as Usual*" services.

- The Operating Projects Budget which encompasses services, programs and activities that are outside the “*Business as Usual*” services and are considered discretionary in nature, the Council is under no obligation to provide the services, activities or programs or if required to undertake the activity. Operating Projects generally include one off activities or programs, an expansion of an existing service or program or proposals to introduce a new service or program. Operating Projects are funded from Rate Revenue or a fee for service charge.
- The Capital Works Budget which encompasses projects which renew, upgrade or create new infrastructure assets. Examples of some projects are the Civil Infrastructure Whole-of-Life Program (referred to as renewals), Playground/Reserve Redevelopment (referred to as upgrades). Renewal Capital Projects are funded through Rate Revenue, via the depreciation charge, with new or upgrade works funded through borrowings or cash reserves.

The above components for the 2025-2026 Draft Budget are contained in the attachments to this report as follows:

- Operating Projects are contained in **Attachment A**;
- Capital Projects are contained in **Attachment B**; and
- the Recurrent Budget by Outcome is contained within **Attachment C**.

The draft 2025-2026 Budget, set out in the Financial Statements is contained within **Attachment D**.

At its meeting held on 7 April 2025, the Council considered the Draft 2025-2026 Budget and resolved the following:

1. *That the proposed Operating and Capital Projects as set out in Attachments A and B be endorsed “in principle”, as amended to include:*
 - *the suburbs of Payneham, Glynde & St Morris as part of the project, Public Consultation for Traffic Management concept designs for Payneham South, Firle and Trinity Gardens (A3); and*
 - *the suburbs of Payneham, Glynde & St Morris as part of the project, Public Consultation for Traffic Management concept designs for Payneham South, Firle and Trinity Gardens (D26).*
2. *That the Draft 2025-2026 Budget, set out in the Financial Statements contained in Attachment E, which incorporates the proposed Operating and Capital Projects contained in Attachments A and B, be endorsed “in principle”.*
3. *The Council notes that a report on the adoption of the Draft 2025-2026 Annual Business Plan and Budget, which includes the 2025-2026 Rating Strategy, will be prepared for the Council's consideration at its meeting to be held on 5 May 2025.*

This report is to now presented to the Audit & Risk Committee, for the purposes of reviewing the Draft 2025-2026 Budget and consider whether to make any recommendations to the Council to inform the Council's consideration of the Draft 2025-2026 Annual Business Plan and Budget, at its meeting to be held on 5 May 2025.

In this respect, at the Council Meeting to be held on 5 May 2025, the Council will consider endorsing the 2025-2026 Annual Business Plan and Budget for public consultation in accordance with the legislative requirements.

RELEVANT POLICIES & STRATEGIC DIRECTIONS

The Council's long-term strategic direction is outlined in its Strategic Management Plan *City Plan 2030: Shaping our Future*. The Draft 2025-2026 Annual Business Plan and supporting Draft 2025-2026 Budget, set out the proposed services and programs and explains how the Council intends to finance its continuing and new activities which are proposed to be undertaken during the year.

The Council's Long-Term Financial Plan (LTFP), is a key document in the Council's Planning Framework. It is the primary financial management tool which links the Council's Strategic Plan, *City Plan 2030: Shaping our Future*, Whole-of-Life Assets Management Plans and the Annual Business Plan and Budget.

Financial sustainability underpins the Council's Financial Goals and Outcomes, which are set out in the Long-Term Financial Plan. In general terms, financial sustainability is ensuring that the Council has the financial resources to meet the long-term service and infrastructure needs of the community, without any severe increases in rate revenue or cuts in service provision and standards.

From an operational perspective, financial sustainability is being able to manage the conflict between keeping rate revenues increases to a reasonable level, maintaining existing service standards and financing new services and major capital investments.

The Draft 2025-2026 Budget has been developed on the basis of ensuring that it will assist in delivering on the Council's Long-Term Strategic direction and financial objectives set out in the LTFP.

FINANCIAL AND BUDGET IMPLICATIONS

For the 2025-2026 Financial Year, the Draft Budget estimates an Operating Surplus of \$906,006 based on a Rate Revenue increase of 8%. The Long-Term Financial Plan has since been updated in line with the Draft 2025-2026 Draft Operating Surplus.

To ensure that the Council can deliver on its financial objectives as set out in the Council's Long-Term Financial Plan, the Draft Recurrent Budget has been prepared taking into account the budget parameters which were adopted by the Council at its meeting held on 20 January 2025.

At the time of writing this report, the Rate increase for the average residential ratepayer is not available (noting that the Rate Revenue increase of 8% as contained in the LTFP, does not necessarily translate to the same percentage increase in the average rate for property owners).

EXTERNAL ECONOMIC IMPLICATIONS

As the national economy continues to be impacted by high inflation, the South Australian economy has continued to perform well in a number of economic indicators, as the State took the lead in real economic growth (measured using real state demand plus real net trade in goods and services) and ranked second on two of the key economic indicators compared to other Australian States and Territories (i.e. in Unemployment and Construction work). South Australia's unemployment rate fell to 3.7% in February, down 0.4% points from January and 0.4% points below the national average of 4.1%. However, the pace of economic growth appears to be moderating, influenced by both global and domestic factors. The subdued economic growth forecast should therefore, balance demand and supply of goods and services.

The outlook for inflation has been revised downwards, as it is expected to eventually decline to the Reserve Bank of Australia's (RBA) target range of 2%–3% in 2025 and reach the midpoint of 2.5% in 2026. The Adelaide Consumer Price Index (CPI) fell 0.1% in the December Quarter, led by the 2024-25 Commonwealth Energy Relief Fund rebates resulting in a fall in electricity prices this quarter.

SOCIAL ISSUES

No Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

The Draft 2025-2026 Budget will be impacted upon by the decisions made by the Federal Government and State Government in their respective budgets. No information regarding these budgets is available at the time of preparation of this report.

As a result, the Draft 2025-2026 Budget presented in this report, has been developed on the following assumptions:

The Recurrent Operating Budget is and has for the Draft 2025-2026 Budget, been prepared on a “*business as usual*” basis. This means:

- no new services are proposed to be introduced as part of Draft Budget;
- includes increases to the services that are currently provided as approved by the Council during 2024-2025;
- incorporates revisions to the existing budgets to identify any savings, including indexation not being applied to some budget lines to reflect the pattern of actual costs incurred in the past couple of years;
- includes expected savings, in line with process changes where relevant (for e.g. \$130k reduction in electricity cost for the sites that were included in Long-Term Procurement Project for renewable energy; \$30k reduction in printing, postage and bank charges in relation to rates paid via ‘Payble’ platform);
- the Payneham Memorial Swimming Centre will not be operational during 2025-2026 financial year however the relevant recurring costs for the period between construction completion and the expected opening of the centre have been factored into the draft Budget. This period is anticipated to be from April 2026 to June 2026. The assumed costs are water, electricity, insurance, security and maintenance charges for the aforementioned three (3) month period. It does not, however, include any allocation for the promotion or opening of the centre;
- does not include any additional costs that may be required as a result of Service Reviews that took place during the current financial year 2024-2025 (such as the Libraries Review or the Information Technology Strategy, noting that the Council IT system, The Authority system, will be upgraded during 2025-2026 and \$516,000 has been factored into the draft Budget as an Operating Project).

Any adjustments to the Draft Budget arising from the State Budget will be incorporated into the Council’s 2025-2026 Budget when this information becomes available.

Notwithstanding this, the preparation of the Draft 2025-2026 Annual Business Plan and Budget has been prepared to ensure the Council meets its legislative responsibility in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

CONSULTATION

• Elected Members

An overview of the Draft 2025-2026 Recurrent Budget, Capital Works program and Operating Projects was provided to Elected Members at the Budget Workshop held on 11 March 2025. The draft 2025-2026 Budget was considered by the Council at its meeting held on 7 April 2025.

• Community

The community will be consulted on the Draft ABP and Budget following the Council Meeting to be held on 5 May 2025 in accordance with legislative consultation requirements prescribed by Sections 123(3)(b)(6) of the *Local Government Act 1999* and the Council’s Community Consultation Policy.

• Staff

The preparation of the Draft 2025-2026 Budget has been completed with the involvement of the Chief Executive Officer, Executive Leadership Team, and staff responsible for management of the Budget.

• Other Agencies

Not Applicable.

DISCUSSION

The Draft 2025-2026 Budget is based on the continuation of existing services and priorities, as determined by the Council, being appropriately resourced and that the Council can maintain the service standards for its existing services to support the delivery of the Strategic Objectives outlined in *CityPlan 2030: Shaping our Future* and that those services receive appropriate funding.

The key objective therefore, is to develop a Budget that not only contributes to the Council's broader strategic objectives of achieving *Community Well-being*, but also ensures that the Council is managing its financial resources in a sustainable, prudent and equitable manner and to ensure that future financial impacts can either be avoided or managed in a measured way, so that the funding requirements are balanced with ensuring that the community does not face unreasonable increases in their annual rates contribution.

Budget Parameters/Assumptions

In developing the Draft 2025-2026 Budget, the following principles and assumptions have been applied:

- the Recurrent Budget is based on the provision of existing services, programs and activities;
- the cost escalation for Material, Contracts and Other Expenses has been set at a 3%; with some material and contractor costs adjusted to reflect the real increases in market prices greater than 3% (such as Energy prices, Construction materials etc); and
- Wages and Salaries increases are based on the Council's Enterprise Agreements i.e. the Municipal Officers Agreement (MOA) budgeted at 3% (for inside staff) and the Local Government Employees Award (LGE) budgeted at its current rate increase at 3.5% (field staff) for the period from 1 November 2024 to 31 October 2025 and 3% annually after.

Budget Overview

Table 1 below sets out the Draft Budget, based on the LTFP recommended Rate Revenue increase of 8% which is estimated to deliver an Operating Surplus of \$906,006.

Following further information, post the Elected Members Budget Workshop that was held on 11 March 2025, there were number of adjustments made which improved the Operating surplus by \$672,990. These adjustments are:

- \$470,990 - Timing reallocation of Federal Government "Road to Recovery" Grant from 2024-2025 (was planned to be included in Third Budget Review) to 2025-2026;
- \$50,000 – Increase in User Charges Income; and
- \$152,000 – Reduction in Finance Costs as a result of better information on the timing of Capital Projects

The Recurrent Budget and programs, which incorporates the revenues and expenditure required to provide the "*Business as Usual*" services, provides a surplus of \$2.225 million, which will be used to fund the delivery of the proposed Operating Projects, which are set out in **Attachment A**, and additional interest costs to cover the additional finance costs associated with borrowings required to fund the delivery of the proposed Capital Works Program, which is contained in **Attachment B**.

The value of Operating Expenditure is \$59.570 million, with \$42.487 million (71%) being influenced by the decisions made as part of the budget preparation process while the remaining \$17.083 million (29%) of expenditure relates to the depreciation of existing and new assets, as well as finance costs.

It should be noted that while the cost to finalise any carry forward Operating Projects from 2024-2025 are not included in the Draft 2025-2026 Operating Surplus, the funding to undertake these projects will be sourced from cash reserves.

At this stage, the Draft Budgets of the Regional Subsidiaries have not been incorporated into the Council's Draft Operating result for 2025-2026, as the Council is yet to receive the finalised budgets from the Regional Subsidiaries. The Council is required to report its share of the Regional Subsidiaries operating results and while this will have an impact on the Council's reported Operating Result, this is a non-cash transaction that does not have an impact on the Council's cash position.

TABLE 1: 2025-2026 PROPOSED STATEMENT OF COMPREHENSIVE INCOME

	Recurrent Budget	Operating Projects	Proposed Budget
	2025-2026	2025-2026	2025-2026
	\$	\$	\$
INCOME			
Rates	50,904,915		50,904,915
Statutory Charges	2,239,311		2,239,311
User Charges	4,370,061		4,370,061
Grant Subsidies, Contributions	3,124,948		3,124,948
Grants, Subsidies and Contributions - capital	579,679		579,679
Investment Income	55,000		55,000
Other Income	521,676		521,676
Net gain - equity accounted Council businesses	-		-
Total Income	61,795,590	-	61,795,590
EXPENSES			
Employee Expenses	20,313,052	-	20,313,052
Materials, Contracts & Other Expenses	21,911,405	1,319,300	23,230,705
Depreciation, Amortisation & Impairment	13,696,916	-	13,696,916
Finance Costs	3,386,245	-	3,386,245
Net Loss - Joint Ventures & Associates	262,666	-	262,666
Total Expenses	59,570,284	1,319,300	60,889,584
OPERATING SURPLUS / (DEFICIT)	2,225,306	(1,319,300)	906,006
Net gain (loss) on disposal or revaluation of assets	36,792		36,792
Amounts specifically for new or upgraded assets	2,800,000		2,800,000
NET SURPLUS (DEFICIT)	5,062,098	(1,319,300)	3,742,798

Table 2 below sets out additional information on the Recurrent Operating Budget by functional area.

The services, programs and activities which make up each element of the draft Recurrent Budget is contained in Table 2 below and **Attachment C**.

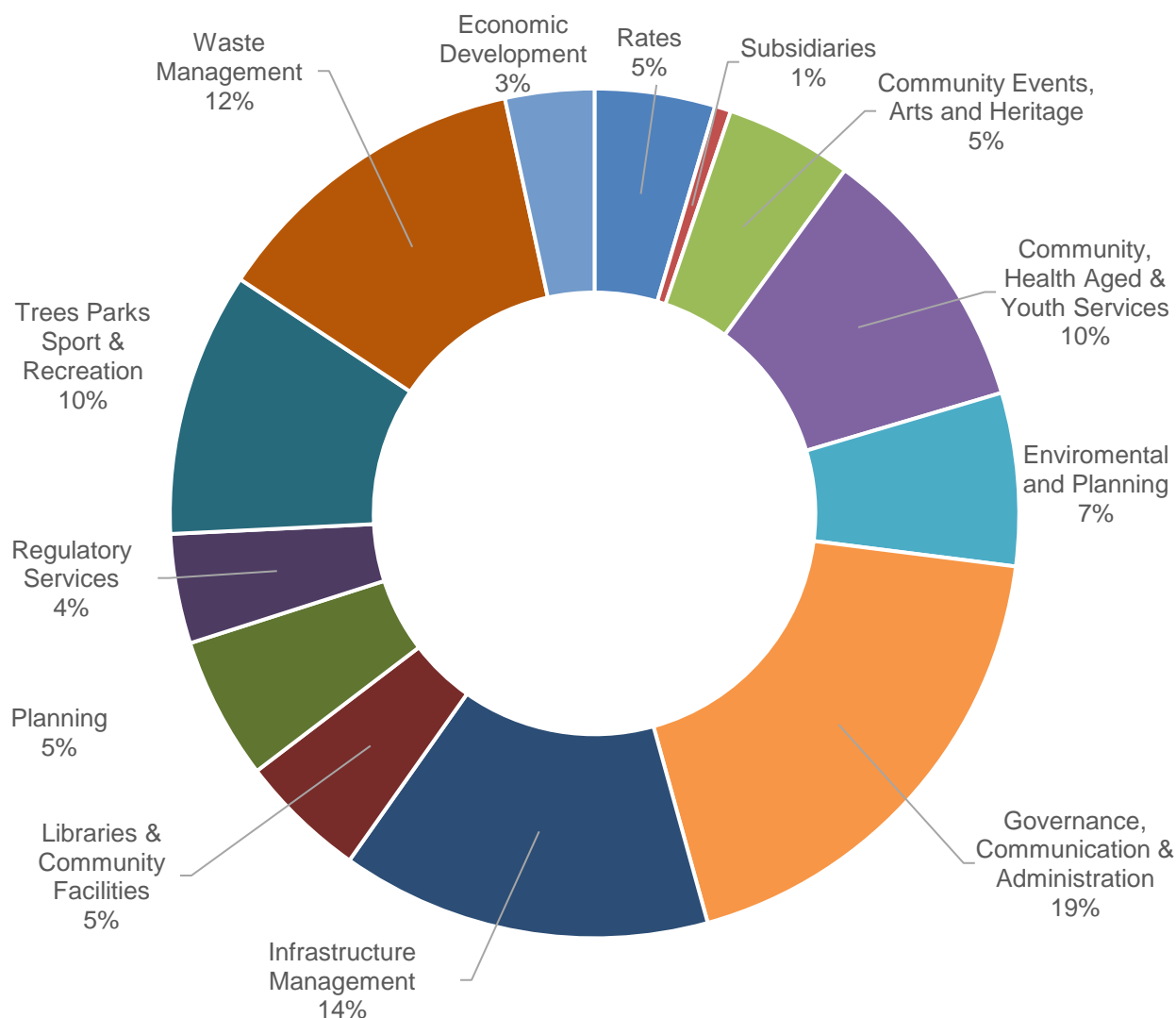
TABLE 2: DRAFT 2025-2026 RECURRENT BUDGET BY OUTCOME

OUTCOME	Income	Expense	Net Operating Surplus/ (Deficit)
Rates	50,679,915	1,955,131	48,724,784
Cultural Vitality	2,226,777	10,735,274	(8,508,497)
Libraries & Community Facilities	635,352	2,064,642	(1,429,290)
Community Events, Arts and Heritage	600,677	2,063,462	(1,462,785)
Trees Parks Sport & Recreation	302,162	4,291,929	(3,989,767)
Planning	688,586	2,315,241	(1,626,655)
Economic Prosperity	225,000	1,445,667	(1,220,667)
Economic Development	225,000	1,445,667	(1,220,667)
Environmental Sustainability	43,200	8,061,621	(8,018,421)
Environmental and Planning	2,000	2,806,274	(2,804,274)
Waste & Recycling Services	41,200	5,255,347	(5,214,147)
Social Equity	7,263,698	12,478,267	(5,214,569)
Regulatory Services	1,437,025	1,778,750	(341,725)
Community, Health Aged & Youth Services	4,220,554	4,427,293	(206,739)
Subsidiaries	-	262,666	(262,666)
Infrastructure Management	1,606,119	6,009,558	(4,403,439)
Corporate Management	1,357,000	24,894,324	(23,537,324)
Governance, Communication & Administration	1,307,000	7,811,163	(6,504,163)
Financing	50,000	3,386,245	(3,336,245)
Depreciation	-	13,696,916	(13,696,916)
Total	61,795,590	59,570,284	2,225,306

DRAFT RECURRENT BUDGET: COST ELEMENTS

As set out in Figure 1 below, services, programs and activities that are delivered through the Recurrent Budget (excluding Operating Projects), represent the range of services, programs and infrastructure to meet the needs and expectations of the community. A number of these services are the responsibility of the Council by virtue of the requirements set out in the *Local Government Act 1999* and other relevant legislation. These services, programs and activities are supported by the Council's *Governance, Communication and Administration* structure which represents 19% (\$7.8m) of the draft Recurrent Budget, excluding Depreciation and Finance costs.

**FIGURE 1: COMPONENTS OF THE DRAFT 2025-2026 RECURRENT EXPENDITURE BUDGET \$42.66M
(Excluding Depreciation and Finance costs)**



Employee Expenses

The increase of 4.3% from 2024-2025 Budget, is a result of impacts from Wages and salaries increases in line with Enterprise Agreements, increase in Superannuation employee contributions to 12% (by 0.5% from the previous year) and one additional role for Development Officer, Building in the Urban Planning & Environment Department as approved by the Council at its meeting on 20 January 2025. Budget assumes all current established positions are filled.

Materials, Contracts and Other Expenses

Material, Contracts and Other Expenses year-on-year increase is set at CPI (3%) however in some areas the increase is noticeably higher due to real increase on the market prices (such as Power, Construction materials etc). Therefore, the cost increase compared to the 2024-2025 Budget is 5.4%. Staff made an effort to review and release unused budgets in attempt to partially offset higher than anticipated cost increases.

Finance Costs

Finance costs included in the Draft Budget are based on existing loan repayments and banking transaction costs. Finance costs have increased by 42.5% compared to the 2024-2025 Budget. This increase is in line with the additional borrowing requirements to fund Major Capital Projects as outlined in Long-Term Financial Plan and Draft Budget, anticipated impact of Carry Forward projects from 2024-2025 (i.e. the Payneham Memorial Swimming Centre & the Trinity Valley Stormwater Drainage) and commencement of the Parade Master Plan from 2026-2027. This is coupled with the reduction in LGFA Interest rates by 0.4% (an 'out of cycle' rate reduction on LGFA Variable Cash Advance Debentures facilities of 0.15% announced in January

2025 and 0.25% following the Reserve Bank of Australia (RBA) decision to lower the cash rate in February 2025).

It is planned to convert at the appropriate time part of borrowing from Cash Advance Debenture to a Fixed rate Loan to reduce exposure to variable rates and secure lower than Cash Advance interest rate.

The Recurrent Expenditure Budget (excluding Depreciation and finance costs) based on the *CityPlan 2030* outcomes are shown in Table 3 below.

TABLE 3: BREAKDOWN OF DRAFT 2025-2026 RECURRENT EXPENDITURE BUDGET BY OUTCOME
(excludes Depreciation and Finance Costs)

Cultural Vitality	Economic Prosperity	Environmental Sustainability	Social Equity	Corporate Management	Costs associated with Rates
\$10.735M	\$1.446K	\$8.062M	\$12.478M	\$7.982M	\$1.955M
Community Events, Arts and Heritage	Economic Development	Environmental and Planning	Community, Health Aged & Youth Services	Governance, Communication & Administration	*Rates
Libraries & Community Facilities		Waste Management	Infrastructure Management		
Planning			Regulatory Services		
Trees Parks Sport & Recreation			Subsidiaries		

- Costs associated with rates represents preparation, printing, mailing of rates invoices, Value General dealing as well as Natural Resource Management recharge from Green Adelaide.

DRAFT RECURRENT BUDGET: INCOME ELEMENTS

Rate Revenue is the Council's major source of income and funds in the order of 84% of the Council's Operating Expenditure. The balance is funded from non-rate revenue. Non-rate revenue is predominately made up of **User Charges** (represents 40% of Non-rate income) which incorporate fees from the St Peters Child Care Centre & Pre-school, Swimming Centre charges, Hire and Lease fees associated with Council facilities, HACC Services; **Grants, Subsidies and Contributions** that are received by the Council (represents 34% of Non-rate income) and **Statutory Charges** (which represents 21% of Non-rate income) which incorporates Dog Registration fees, Parking Infringements, Residential Parking permits, Planning & Development fees, Hoarding Licenses, Outdoor Dining permits.

Rates Income

The Rate revenue increase in the Draft Budget is in line with the increase of 8% as contained in the LTFP. The Draft Budget includes the continuation of Separate Rate for The Parade Precinct (\$225,000) as approved by Council. The Draft Budget incorporates increase in Regional Landscapes Levy is in line with the State Government's 'Green Adelaide'. This is pass through income for the Council and has no impact on the Budget except for a small additional charge of \$10,000 that the Council receives from the State Government.

Grant, Subsidies and Contributions

The Draft Budget is prepared under the assumption is that Federal Government *Financial Assistance Grants* to continue to be received in advance. The Draft Budget also includes the *Road to Recovery Grant* (Federal Government) and other grants such as the *Commonwealth Home Support Program Grant*, *Public Library Services Grant*, etc.

Statutory Charges

Statutory charges increased by 2.7% compared to the 2024-2025 Budget. Parking Infringements, Dog & Cat Registrations and Planning & Development fees have been all increased in line with the Fees & Charges schedule that have been endorsed in '*in principle*' by the Council. Reduction in Permit Income in

Sustainability due to exclusion of e-scooters permit income for operation of e-scooters in the City until further decisions made.

User Charges

User Charges increased by 9.1% compared to the 2024-2025 Budget. Some Fees and charges are not set by legislation and therefore, have been increased by 3.0% at a minimum with benchmarking where applicable. For instance, the childcare Centre fees have increased by 4.8% based on benchmark of other Centres in the area.

Investment Income

Investment income which consists of interest income on the Council's cash deposit decreased by 29.5% compared to the 2024-2025 Budget. The Reduced Investment Income is in line with the expectation of cash balances being at a minimum to fulfill cashflow requirements for the Major Capital Projects, as well as reduction in LGFA cash deposit interest rate by 0.25% following the Reserve Bank of Australia (RBA) Board decision to lower the cash rate.

Other Income

In line with previous years, other income incorporates insurance rebate and other sundry income.

Non-rate revenue represents 18% of the Council's total revenue, with \$10.891 million being factored into the draft Recurrent Budget, an increase of 10.2% compared to the 2024-2025 Budget. The increase is mainly due to increase in Grants as a result of the inclusion of the *Roads to Recovery Grant* allocation for 2024-2025 from the Federal Government in the 2025-2026 Draft Budget as construction is anticipated to be completed in financial year 2025-2026.

FIGURE 2: BREAKDOWN OF NON-RATE REVENUE \$10.89M

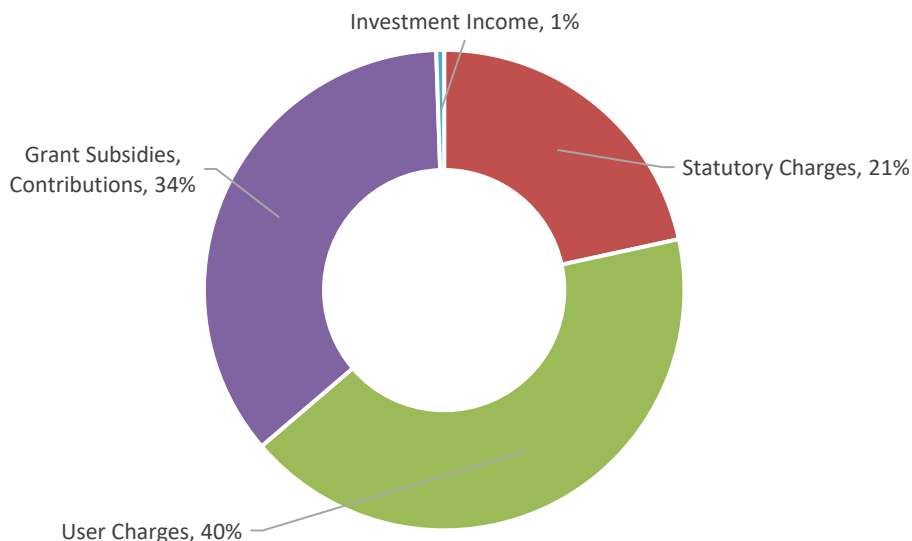


TABLE 4: BREAKDOWN OF NON-RATE REVENUE BY OUTCOME

Cultural Vitality	Environmental Sustainability	Social Equity	Corporate Management	Rates and Financing
\$2.227M	\$43.2K	\$7.264M	\$1.207M	\$150K
Community Events, Arts and Heritage	Environmental and Planning	Community, Health Aged & Youth Services	Governance, Communication & Administration	Financing
Libraries & Community Facilities	Waste Management	Infrastructure Management		*Governance, Communication & Administration
Planning		Regulatory Services		
Trees Parks Sport & Recreation				

**Revenue under Rate and Financing includes Rates search income, Natural Resource Management admin fee and Bank Interest income.*

DRAFT BUDGET: 2025-2026 PROPOSED OPERATING PROJECTS

The Council's Executive Leadership Team have recommended an allocation of \$1,319,300 for the approved Funding Submissions for Operating Projects and there have been, included into the Draft 2025-2026 Budget, noting that it is at the Council's discretion as to whether it agrees with the submissions that have been received for funding,

The Draft Budget as set out in Table 1, incorporates funding allocation for new Operating Projects to the value of \$1,319,300.

The proposed Operating Projects for 2025-2026 have been broken down by individual project as detailed in Table 5 below:

TABLE 5: OPERATING PROJECTS 2025-2026

Operating Projects	\$
Authority Upgrade	516,000
2026 AFL Gather Round	200,000
William Street Bikeway - Street Lighting Upgrade	115,000
Participation in 2026 Tour Down Under Stage	55,000
Traffic Management at Ninth Avenue Christmas Lights Display	50,000
Eastside Business Awards	50,000
Library Services Catalogue and Program Review	50,000
40kph speed limit implementation in Kensington and Felixstow	45,000
On-Street Parking Policy Implementation in Norwood and Kensington Precincts	40,000
Public Consultation for traffic Management Concept Designs for Payneham South, Firlie and Trinity Gardens	40,000
Raising the Bar	38,000
Arts and Culture Plan Year 2 Implementation	25,000
Development of Tree Inventory	20,000
Verge Upgrade Program	20,000
Street Lighting Upgrade & Renewal	15,000
Public Health Plan	13,000
Urban Greening Program	10,000
Urban Tree Canopy Regional Mapping Contribution	10,000
Firstival 2025	4,000
Culturally Diverse Early Literacy Project	3,300
Total Operating Projects Expenditure	1,319,300

A review of the 2024-2025 Operating Projects is in progress and hence, the 2024-2025 Operating Projects to be carried forward into the Draft 2025-2026 Budget, have not been included. However, any Operating Projects carried forward will be funded by cash reserves from Income collected in 2024-2025.

Operating Projects that were recommended for approval are contained in **Attachment A**.

DRAFT BUDGET: 2025-2026 PROPOSED CAPITAL PROJECTS

The Draft 2025-2026 Budget, as presented, incorporates Capital Projects to the value of \$23.167 million (which is the net of Grant funding and total expenditure required). It also includes staff costs of \$1.109 million which are to be capitalised (i.e. staff involved in the delivery of the projects involving physical assets).

The proposed Capital Projects for 2025-2026, have been broken down into a number of categories as set out Table 6 below.

TABLE 6: CAPITAL PROJECT CATEGORIES

Capital Expenditure Project	\$
Whole-of-Life Capital Works Program	
* Road Resealing	3,511,262
* Footpath Reconstruction	1,214,561
* Kerb Reconstruction	1,495,505
* Stormwater Drainage Program	2,100,000
* Building	2,590,000
* Other Infrastructure Asset Renewal	1,975,688
Payneham Memorial Swimming Centre – Year 3	11,071,956
Sail Shades (Adey Reserve & St Peters Child Care Centre)	120,000
Quadrennial Art Project	279,000
Kent Town Public Realm Upgrade	400,000
Building Accessibility Improvements	100,000
Capitalisation of Salaries (existing staff)	1,108,999
Total Capital Projects Expenditure	25,966,971
Grant Funding	2,800,000
Net Cost	23,166,971

A review of the Capital Projects for the current year (2024-2025) is still currently being undertaken based on year to date expenditure and project timelines to evaluate if any project will need to be carried forward and included as part of the Budget, and not included in the Draft Budget at this point in time.

Borrowings

Capital expenditure of \$25.967 million, as set out in **Attachment B**, is proposed to be funded as shown in Table 7 below:

TABLE 7: CAPITAL PROJECTS FUNDING

Use of depreciation recovered through Rate Revenue	\$13,996,015
Grant Funding	\$2,800,000
Borrowings	\$9,170,956
TOTAL	\$25,966,971

In determining the timing and the level of borrowings that are required to fund the proposed Capital Program, consideration has been given to the cash flow requirements and to intergenerational equity between current and future ratepayers (that is, an asset is funded from loan borrowings which is paid off over the life of the asset rather than raising rate revenue from current rate payers to pay for the asset).

The Council has an option in respect to its borrowing arrangements using financial instruments such as Cash Advance Debenture (CAD) or Traditional Loan (Loan) provided by the Local Government Financing Authority

(LGFA). It is important that borrowing decisions are made strategically, considering factors such as cost, risk, and suitability to the Council's financial objectives and for its ongoing financial sustainability.

Following consideration of the above mentioned borrowing options, and conducting a thorough assessment of the financial needs as part of the Draft 2025-2026 Budget, in order to minimise the interest costs and debt servicing needs, it is anticipated that the Council will convert part of the CAD Facilities in 2025-2026 into Traditional Loan. A debenture loan option will provide lower interest rates and a longer repayment period which may become more viable in the future as the interest rate environment stabilises.

DRAFT UPDATE LONG-TERM FINANCIAL PLAN

Pursuant to Section 122 4 a(1) of the *Local Government Act 1999*, the Council must undertake a review of its Long-Term Financial Plan (LTFP) on an annual basis. To meet this legislative requirement, a review of the LTFP financial targets, which takes into account the Draft 2025-2026 Budget, as presented in this report and its impact on the financial projections set out in the Long-Term Financial Plan, has been undertaken.

Presented in Figure 3 is the forecasted timeline for Capital projects to be undertaken by the Council in the next 10 years, and which are incorporated into the Draft LTFP.

FIGURE 3: CAPITAL PROJECTS TIMELINE

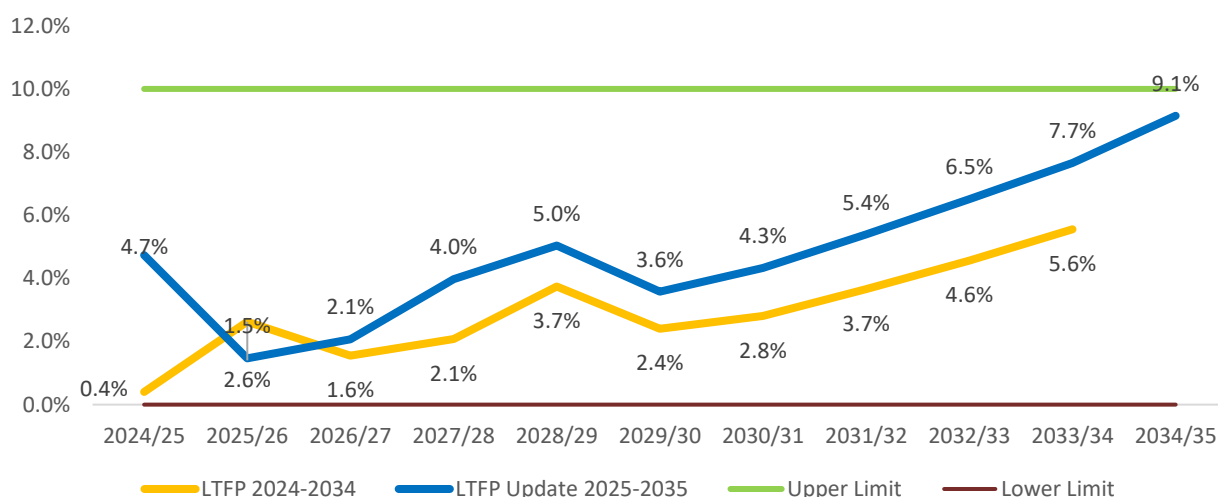
PROJECTS IN LTFP	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031	2031/ 2032	2032/ 2033	2033/ 2034	2034/ 2035
QUADRENNIAL ART PROJECT										
IMPLEMENTATION PARADE MASTER PLAN										
PAYNEHAM MEMORIAL SWIMMING CENTRE UPGRADE										
ADEY RESERVE PLAYGROUND SHADE SAIL STRUCTURE										
ST PETERS CHILDCARE CENTRE SHADE SAIL STRUCTURE										
KENT TOWN PUBLIC REALM UPGRADE										
BUILDING ACCESSABILITY IMPROVEMENTS										
TRAFFIC MANAGEMENT IN PAYNEHAM SOUTH, FIRLE AND TRINITY GARDENS - CO										
NORWOOD LIBRARY REDEVELOPMENT										

Outcome 1: A Balanced Budget

Council's services and programs, including depreciation of infrastructure and assets, is fully funded and the costs are shared equitably between current and future ratepayers.

The Council's long-term sustainability is dependent upon ensuring that on average, over time, the Operating Expenses are less than the associated revenues. The Council's performance in respect to this indication is measured by the Operating Ratio which measures the Council's Operating Result, whether that is a surplus or a deficit, as a percentage of operating revenues.

FIGURE 4: OPERATING SURPLUS RATIO



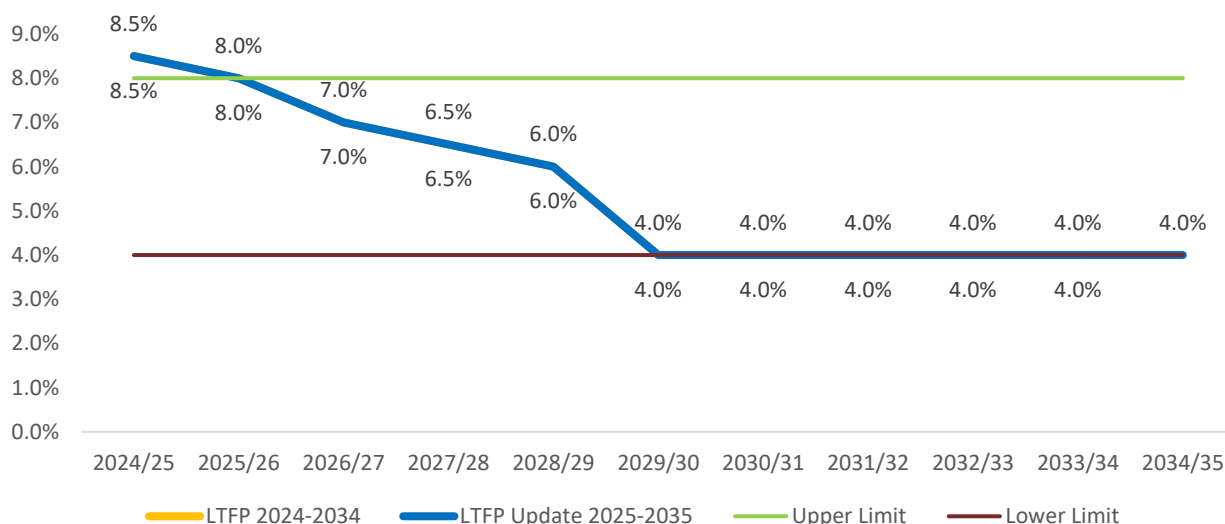
For 2025-2026, the Draft Budget has been prepared on the basis of a Rate Revenue increase of 8%, which results in an Operating Surplus ratio of 1.5%.

Outcome 2: Rate Stability

Annual rate collections are fair and equitable for our residents and ratepayers with the aim to keep rate revenue increases stable over the medium term.

Rate Revenue is a major component of the Council's revenue base. The Council's objective is to have a Long-Term Financial Plan that is based on consistent Rate Revenue increases which meet the increased cost of the base level services and programs that are provided by the Council but also reflect growth in the number of assessments (i.e. properties) and increased service levels. The benchmark target hat has been set by the Council is between 4% and 8%. The Rate Revenue increase in line with the increase in CPI, Development Growth and growth in Capital Initiatives.

FIGURE 5: RATE REVENUE INCREASE



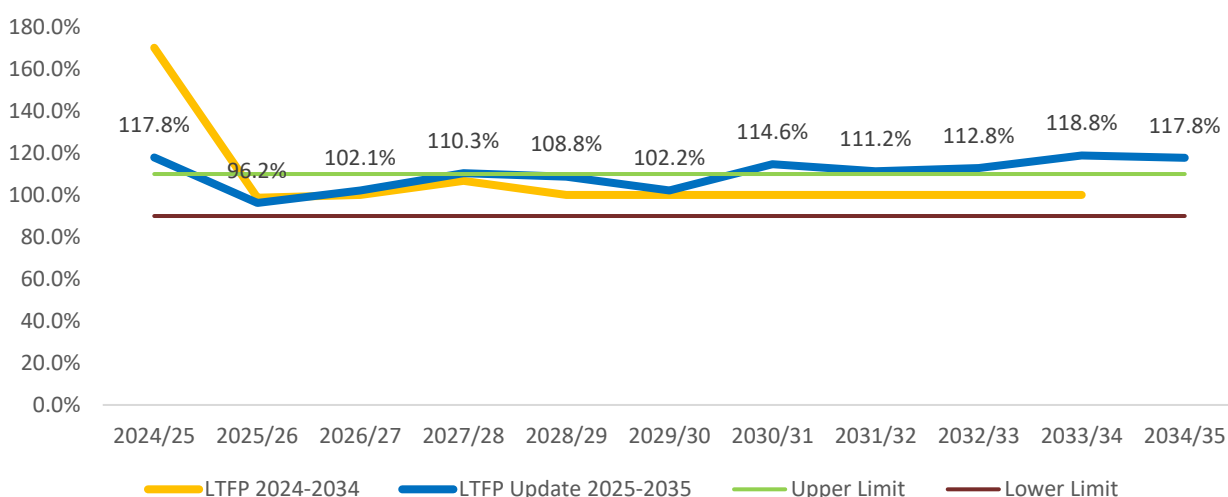
The Draft 2025-2026 Budget is based on a Rate Revenue increase of 8%, which is an increase in Rate Revenue from 2024-2025, of \$3,710,000. At the time of writing this report, the initial rate modelling of the impact of the Rate Revenue increase of 8% for the average residential ratepayer, was not available.

Outcome 3: Infrastructure and Asset Management

Maintain Infrastructure and Assets in line with the Council's Whole of Life Infrastructure framework to achieve the outcomes and objectives, as set out in City Plan 2030.

The Council will measure its performance in achieving this outcome through the Asset Renewal Funding Ratio. The Asset Renewal Funding Ratio measures how well the Council is performing in respect to the renewal or replacement of existing physical assets, such as roads, footpaths, kerbing, buildings, council plant etc. The ratio is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the planned spend outlined in the Council's Asset Management Plans. Ideally, physical assets should be renewed or replaced at the same rate the stock of assets is wearing out, however it is recognised that there may be some instances that require that the Council to either accelerate or decelerate the renewal or replacement of its existing asset base.

FIGURE 6: ASSET RENEWAL FUNDING RATIO



The Asset Renewal Funding Ratio in 2025-2026 is reflective of the renewal expenditure associated with Open Space and Recreation, Civil works, Drainage as well as Buildings capital maintenance renewals. It is expected that renewal spend will be at the level of rate collection expectations (in the form of depreciation) until the next Asset Management Plan is developed.

Outcome 4: Debt Management

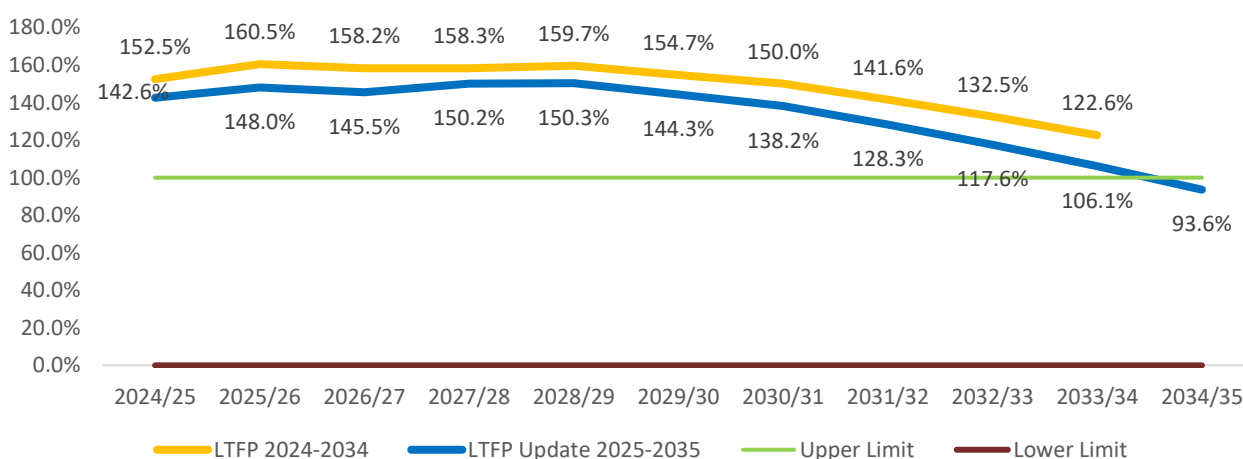
Prudent use of debt to invest in new long-term assets to ensure intergenerational equity between current and future users.

Prudent debt management is the process of establishing and executing a strategy for managing a Council debt in order to raise the required amount of funding to achieve its capital investment objectives. It is important that the use of debt is balanced with other funding sources, such as grants and cash reserves, to ensure that the members of the community that receive the benefits from the investment, share the cost. In addition, the Council must ensure that it has the capacity to service its debt.

Net Financial Liabilities

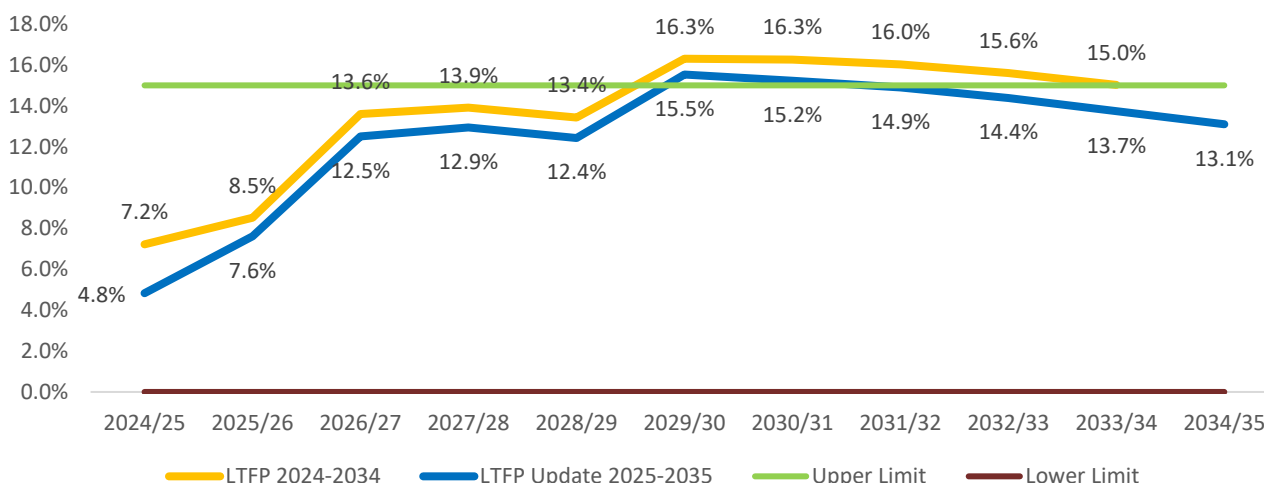
The Net Financial Liabilities Ratio measures the extent of the Council's indebtedness as a percentage of operating revenue. If the ratio falls over time, this indicates that the Council's capacity to meet its financial obligations from operating income is strengthening.

FIGURE 7: NET FINANCIAL LIABILITY RATIO



As a result of the increase in the Long-Term Borrowings as projected in the Long-Term Financial Plan, the Net Financial Liabilities are projected to be over 100% from 2024-2025 and eventually reduce to the desired below 100% target by 2035.

FIGURE 8: DEBT SERVICING RATIO



The Debt Servicing Ratio measures the extent of rate revenue that is used to meet interest and principal loan repayments.

OPTIONS

Not Applicable. This report is presented to the Audit & Risk Committee for information purposes only.

CONCLUSION

The Draft 2025-2026 Budget is based on the Council continuing to deliver its existing services, programs and activities, at the existing endorsed standard.

To ensure that a responsible budget is set by the Council, a series of Budget Parameters have been adopted by the Council to guide staff in preparing the respective budget estimates and submissions. As detailed in this report, the Draft 2025-2026 Recurrent Budget has been prepared with reference to these guidelines and where the parameters have not been achieved, the reasons for the departure have been provided.

Financial sustainability underpins the Council's Financial Goals and Outcomes, which are set out in the Draft Long-Term Financial Plan. In general terms, financial sustainability is about ensuring that the Council has the financial resources to meet the long-term service and infrastructure needs of the community, without any sharp increases in rate revenue or cuts in service provision and standards.

From an operational perspective, financial sustainability is being able to manage the conflict between keeping Rate Revenues increases to a reasonable level and without significant fluctuation, maintaining existing service standards and expenditure on new services and major capital investments that are required to ensure that the objective of Community well-being is achieved.

As previously advised, decisions regarding the Draft 2025-2026, need to take into account the impact on the Council's ability to continue to meet its operational and financial outcomes in the future.

With reference to the financial targets set out in the Draft Long-Term Financial Plan, Table 8 sets out the performance of the Draft 2025-2026 Budget, as set out in this report, against the LTFP Financial Outcomes.

TABLE 8: LONG-TERM FINANCIAL PLAN TARGETS

Outcome	Measure	Target	Draft Budget
A Balanced budget	Operating Ratio <i>Measures the Councils Operating result, whether that be a surplus or deficit as a percentage of operating revenues.</i>	Between 0% and 10%	1.5%
Rate Stability	Rate Revenue Increase <i>The annual increase in revenue generated from general rates.</i>	Between 4% and 8%	8.0%
Infrastructure and Asset Management	Asset Renewal Funding Ratio <i>Measures the rate at which the Councils assets are being renewed or replaced against the Infrastructure & Asset Management Plan.</i>	Between 90% and 110% on a rolling three (3) year average	96.2%
Debt Management	Net Financial Liabilities Ratio <i>Measures the percentage operating revenues that would be required to settle the net amount owed by the Council.</i>	Less than 100%	148.0%
	Debt Servicing Ratio <i>Measures the Council's commitment to interest costs and debt repayments are met by general rate revenue.</i>	less than 15%	7.6%

DRAFT BUDGET: MATTERS TO CONSIDER FURTHER**Payneham Memorial Swimming Centre**

The current Budget draft includes the operational model as outlined in the existing Long-Term Financial Plan (LTFP). However, a separate report will be presented to the Council at a Special Meeting of the Council prior to endorsing the 2025-2026 Annual Business Plan and 2025-2026 Budget for public consultation, which will introduce additional considerations that may impact the 2025-2026 draft Budget.

COMMENTS

Nil.

RECOMMENDATION

The report be received and noted.

Mayor Bria moved:

- 1. The report be received and noted; and*
- 2. That the Audit & Risk Committee recommend to the Council, that it notes the projected Operating Surplus for the draft 2025-2026 Budget is lower than the figure identified in the Council's Long-Term Financial Plan and that the Operating Costs associated with the Payneham Memorial Swimming Centre, expected to be incurred between April 2026 and June 2026, have yet to be quantified and may further impact on the draft 2025-2026 Adopted Budget.*

Seconded by Mr Kym Holman and carried unanimously.

5.2 INTERNAL AUDIT REPORT

REPORT AUTHOR: Manager, Governance
GENERAL MANAGER: General Manager, Governance & Civic Affairs
CONTACT NUMBER: 8366 4593
FILE REFERENCE: qA162025
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to provide an update on recent activities to assist the Audit & Risk Committee meet its statutory role in relation to the Council's Internal Audit function.

BACKGROUND

The *Statutes Amendment (Local Government Review) Act 2021* (Reform Act) contains the most significant reform to the legislative framework for Local Government since the commencement of the *Local Government Act 1999* (the Act).

Several amendments to the Act (and Regulations), which were contained within the Reform Act, commenced on 30 November 2023. This suite of financial and governance accountability changes to the Act, included mandatory requirements for Council Chief Executive Officers and Council Audit & Risk Committees in relation to the Internal Audit function.

The Council has been reviewing and embedding process improvements across the Council to ensure these changed mandatory requirements can be fulfilled on a sustained basis.

One of the key process improvements which has been undertaken to ensure that these mandatory requirements can continue to be met is the review of the Council's Internal Audit function and associated Internal Audit Plan.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Nil.

RISK MANAGEMENT

Supporting the Audit & Risk Committee in meeting its legislated purpose, functions and activities, will provide the required independent assurance and advice to the Council.

CONSULTATION

- **Committee Members**
Elected Members receive the Minutes from the Audit & Risk Committee Meetings and consider any recommendations that are made by the Audit & Risk Committee to the Council.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

Section 125A(1) of the *Local Government Act 1999* (the Act) states:

The chief executive officer of a council that has an internal audit function must, before appointing a person to be primarily responsible for the internal audit function, or assigning such responsibility to an employee of the council, consult with the relevant audit and risk committee on the appointment or assignment of responsibility.

At its meeting held on 10 February 2025, the Audit & Risk Committee (the Committee) noted that the primary responsibility for the Council's Internal Audit Function has been assigned by the Chief Executive Officer to the General Manager, Governance & Civic Affairs. Primary responsibility for the Internal Audit function to Governance & Civic Affairs, enables a better alignment to the role and functions of the Audit & Risk Committee and organisational structure.

Supported by the Manager, Governance, the General Manager, Governance & Civic Affairs takes responsibility for the management of the Internal Audit program and liaising with Bentleys (SA) Pty Ltd who have been engaged since 2022 to conduct Internal Audit services for the Council.

The current agreement in place with Bentleys (SA) Pty Ltd expires on 31 April 2025 and includes an option for a further two (2) year extension. Negotiations will therefore be held with Bentleys regarding this extension to ensure continuity of the Internal Audit Plan.

Internal Audit Plan

Section 126(4)(g)(i) of the Act provides that if the Council has an Internal Audit function, the Committee will provide oversight of the planning and scoping of the Internal Audit Work Plan.

The Internal Audit Plan is based on a Strategic Internal Audit Plan that was prepared by Bentleys and based on the risks identified through the Assurance Mapping process undertaken by Bentleys in September 2022.

As reported to the Committee at its Meeting held on 28 October 2024, the Council is currently participating in the Strategic Risk Management Services Program (the Program) with Local Government Risk Services. As part of this transition phase, the current Internal Audit Plan has been reviewed based on what was already included within the Plan and with a focus on fundamental aspects of the Council's operation and well recognised risks across Local Government (eg contractor management).

While the Committee will be provided with regular updates on the implementation of the Program and regular reports on strategic, financial and operational risks, it is expected that the risk management profile of the Council, will also be used to inform the future Internal Audit Plan as overseen by the Committee.

The Internal Audit Plan will be reviewed regularly by the Committee and adjustments can be made as needed within the resourcing available.

The *Internal Audit Plan 2025-2027* (the Internal Audit Plan) is contained in **Attachment A**.

During discussions with Bentleys on the current Internal Audit Plan, the concept of a *Service Efficiency Review Framework* (SERF) was raised. The value of the SERF is to develop a consistent framework to prioritise future Service Reviews. In addition, these discussions with Bentleys have focused on making the clear distinction between what is an Internal Audit and what is a Service Review. Previously, this has not always been clear with Bentleys providing both services.

While there is no specific legislated role for the Committee in terms of Service Reviews, given these are the remit of the Chief Executive Officer and are separate from any investigations that are undertaken in accordance with Section 130A of the Act, there is still value in the Committee receiving the findings of Service Reviews.

Given the SERF is a foundational process to help inform the prioritisation of other work, it was scheduled to be undertaken in the current financial year, therefore only one (1) Internal Audit in relation to the Council's '*Business Continuity Management*' has been scheduled for the remainder of the 2024-2025 financial year.

The process for the development of the SERF is nearing completion and it has proven to be a valuable exercise so far with staff contributing to the discussions on the current services that the Council provides and the preparation of a practical and useful tool based on these initial discussions.

Internal Audit Reports and Actions

Sections 125A(2) and 126(4)(g)(i)(B) of the Act, requires the Committee to review any Internal Audit Reports prepared which has been occurring to date. There are no Internal Audit Reports for review by the Committee at this time.

Prior to the Governance Unit managing the Internal Audit Plan, the report of each Internal Audit was presented to the Committee with responses on subsequent actions included in the cover report and/or a subsequent report on the matter. At that time the recommendations for improvement arising from Internal Audits was not consolidated.

Given Section 126(4)(c) of the Act requires the Committee to monitor the Council's responsiveness to recommendations for improvement based on previous audits, such recommendations will now be consolidated and this monitoring will be facilitated through a report to the February and July meetings of the Committee to show the progress of actions.

OPTIONS

Not Applicable. The Committee must endorse the Internal Audit Work Plan to ensure its legislative responsibilities are met.

CONCLUSION

The *2025-2027 Internal Audit Work Plan* was presented to the Committee at its meeting on 10 February 2025. While the Committee's endorsement of the Internal Audit Plan was sought, the Committee noted the Plan with the intention the Plan would be presented to the next meeting of the Committee on 14 April 2025 which will be the first meeting of the new Committee.

COMMENTS

Nil

RECOMMENDATION

That the *2025-2027 Internal Audit Plan*, as contained in Attachment A., be endorsed.

Ms Tami Norman moved:

That the 2025-2027 Internal Audit Plan, as contained in Attachment A, be endorsed.

Seconded by Mr Kym Holman and carried unanimously.

5.3 RISK MANAGEMENT UPDATE

REPORT AUTHOR: Manager Governance
GENERAL MANAGER: General Manager, Governance & Civic Affairs
CONTACT NUMBER: 8366 4593
FILE REFERENCE: qA162025
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to provide an update to the Audit & Risk Committee on the Council's Risk Management Framework.

BACKGROUND

The *Statutes Amendment (Local Government Review) Act 2021* (Reform Act), contains the most significant reform to the legislative framework for Local Government since the commencement of the *Local Government Act 1999* (the Act).

Several amendments to the Act and Regulations, which were contained within the Reform Act, commenced on 30 November 2023. This suite of financial and governance accountability changes to the Act, included mandatory risk management related functions for Councils, Council Chief Executive Officers and Council Audit & Risk Committees.

The Council has been working towards ensuring there are appropriate and sustainable processes in place to provide a clear and consistent approach to the management of risk which are then embedded across all areas of the Council. This important foundational work will improve practices and support compliance with the legislative requirements and inform reporting to the Executive Leadership Team, the Audit & Risk Committee and the Council as required.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Supporting the Audit & Risk Committee to meet its legislated purpose, functions and activities will ensure the required independent assurance and advice to the Council.

CONSULTATION

- **Elected Members**
 Elected Members receive the Minutes from the Audit & Risk Committee Meetings and consider recommendations made by the Audit & Risk Committee to the Council.
- **Community**
 Not Applicable.
- **Staff**
 Staff from across the organisation have been involved in the implementation of the Program and will continue to be engaged to assist with embedding effective risk management processes to support the Council, the Chief Executive Officer and the Audit & Risk Committee, to achieve their mandatory roles in relation to risk management.
- **Other Agencies**
 Not Applicable.

DISCUSSION

Section 126 (4)(h) of the Act provides that one of the functions of a Council's Audit & Risk Committee includes:

'reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis'.

This requirement aligns with the other risk management functions related changes to the Act which commenced on 30 November 2023. These changes mandate risk management obligations on the Council and the Chief Executive Officer as follows:

- The Council's obligation pursuant to Section 125(3) of the Act:
'A council must ensure that appropriate policies, systems and procedures relating to risk management are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, inform appropriate decision making, facilitate appropriate prioritisation of finite resources and promote appropriate mitigation of strategic, financial and operational risks relevant to the council.'
- The Chief Executive Officer's obligations in relation to Section 99(1)(ia) of the Act:
'to ensure that effective policies, systems and procedures are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks.'

While the Council has a risk management framework which has been in place for many years and risk management forms a key component in decision-making at all levels, the commencement of these legislative requirements has warranted a comprehensive review to ensure that the Council has current, clear, robust and effective policies, systems and procedures in place.

As reported to the Committee at its meeting held on 28 October 2024, Local Government Risk Services (LGRS), have been engaged to deliver the Strategic Risk Services Program (the Program), at no cost to the Council, as it is a fully funded program which is provided as part of the Council's membership of the Local Government Association (LGA) Mutual Liability Scheme.

A copy of the *LGRS Strategic Risk Services Program Scope of Works* is contained in **Attachment A**.

In accordance with the attached Scope of Works, the Program provides a comprehensive approach to effective and sustainable risk management principles and processes to assist with the Council's strategic and operational planning and decision making.

The Program commenced in mid-February 2025 and the initial preparation of the current Strategic Risk Register have commenced. LGRS have also reviewed the Council's current Risk Management Framework and Policy and have suggested enhancements from a contemporary perspective. It is envisaged that the *Risk Management Policy* will be presented to the next meeting of the Committee prior to the Policy being adopted by the Council.

The Program participation process to date, has provided an excellent opportunity for the Council's Executive Leadership Team and key staff to collaborate and collectively consider risk management in a practical and relevant way. A similar process will then be undertaken in respect to operational risks. These discussions will lead to documents and processes that will be used consistently across the organisation, thereby supporting the Chief Executive Officer to ensure that effective risk management policies, systems and procedures are established and maintained.

Regular reports will be prepared on strategic, financial and operational risks which will then be provided through the Council's Executive Leadership Team and then to the Committee to assist the Committee to meet its legislative function in relation to risk management as required by Section 126(4)(h) of the Act.

In addition to the above and noting that Climate Change adaptation is a strategic risk, the Council will shortly be participating in the National Local Government Vulnerability Program (NLGVP) that is being provided through the Council's membership of the LGA Asset Mutual Fund, again with no additional cost to the Council.

The focus of the NLGVP is to measure the Council's vulnerability with respect to disaster risks which, as Committee Members would be aware, are constantly evolving. From a risk management perspective, this exercise is important to assist the Council to understand the Council's vulnerabilities based on the impact of disasters on the built, natural, social/community and financial environments.

The NLGVP information is being captured from across Australia to ensure a consistent approach for Local Government to identify and quantify disaster risks to support funding to assist in mitigation strategies. Specifically, for the Council, the information can be incorporated into the risk management framework and inform future strategic and operation planning and decisions.

OPTIONS

Not Applicable. This report is for information purposes only.

CONCLUSION

The update provide by this report will assist the Committee to meet their legislative role in terms of risk management.

RECOMMENDATION

That the report be received and noted.

Mayor Bria moved:

That the report be received and noted.

Seconded by Ms Tami Norman and carried unanimously.

6. CONFIDENTIAL REPORTS
Nil

7. OTHER BUSINESS
Nil

8. NEXT MEETING
Monday 14 July 2025

9. CLOSURE

There being no further business the Presiding Member declared the meeting closed at 9.01pm.

Ms Cate Hart
PRESIDING MEMBER

Minutes Confirmed on _____
(date)

14. ADOPTION OF COMMITTEE RECOMMENDATIONS

REPORT AUTHOR: General Manager, Governance & Civic Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: Not Applicable
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of the report is to present to the Council the Minutes of the following Committee Meetings for the Council's consideration and adoption of the recommendations contained within the Minutes:

- Business & Economic Development Advisory Committee – (8 April 2025)
(A copy of the Minutes of the Business & Economic Development Advisory Committee meeting is contained within **Attachment A**)

ADOPTION OF COMMITTEE RECOMMENDATIONS

- **Business & Economic Development Advisory Committee**

That the Minutes of the meeting of the Business & Economic Development Advisory Committee held on 8 April 2025 be received and that the resolutions set out therein as recommendations to the Council are adopted as decisions of the Council.

Attachment A

Adoption of Committee Recommendations

Business & Economic Development Advisory Committee

Business & Economic Development Advisory Committee

Minutes

8 April 2025

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au
Socials [f /cityofnpsp](https://www.facebook.com/cityofnpsp) [@cityofnpsp](https://www.instagram.com/cityofnpsp)



City of
Norwood
Payneham
& St Peters

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VENUE Mayors Parlour, Norwood Town Hall

HOUR 6.30pm

PRESENT

Committee Members Mayor Robert Bria (Presiding Member)
Cr Garry Knoblauch
Cr Hugh Holfeld
Ms Amanda Grocock
Ms Amanda Pepe
Mr Joshua Baldwin
Mr Matt Grant
Ms Trish Hansen

Staff Mario Barone (Chief Executive Officer)
Claire Betchley (Manager, Marketing & Place Activation)
Eve Green (Co-ordinator, Place Activation & Economy.)
Akarra Klingberg (Co-ordinator, Place Activation & Economy)

APOLOGIES Cr Grant Piggott, Mr Ben Pudney

ABSENT Nil

1. CONFIRMATION OF MINUTES OF THE BUSINESS & ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING HELD ON 18 FEBRUARY 2025

Ms Amanda Grocock moved that the Minutes of the Business & Economic Development Advisory Committee meeting held on 18 February 2025 be taken as read and confirmed. Seconded by Ms Amanda Pepe and carried unanimously.

2. PRESIDING MEMBER'S COMMUNICATION

Nil

3. COMMITTEE MEMBER DECLARATION OF INTEREST

Nil

4. MATTERS FOR DECISION

4.1 2025 KENT TOWN ACTIVATION

REPORT AUTHOR:	Coordinator, Place Activation & Economy
GENERAL MANAGER:	Chief Executive Officer
CONTACT NUMBER:	8366 4542
FILE REFERENCE:	fA37599
ATTACHMENTS:	Nil

PURPOSE OF REPORT

The purpose of this report is to present an opportunity to activate Kent Town by partnering with local businesses for a local street activation to the Business and Economic Development Advisory Committee (BEDAC).

BACKGROUND

Situated on the edge of the Adelaide Central Business District and adjacent to the Adelaide Park Lands, Kent Town's reputation as a great place to live and do business continues to grow. Kent Town is home to approximately 13% of the City's businesses and continues to attract new developments adding to the cosmopolitan lifestyle.

With new hospitality businesses establishing and adding to the business mix, there is a growing desire to establish Kent Town as a destination during the day and evening. *The Kent Town Economic Growth Strategy 2020 -2025* sets out the strategic framework to ensure Kent Town is a connected neighbourhood that offers a unique lifestyle.

Activations are a way of creating a shared identity for an area, building community and pride for where you live and work. With new, proactive businesses moving into Kent Town, the opportunity for street activation has been identified. Through engagement with businesses in King William Street, Kent Town, there is a desire for businesses to come together to activate the street on a Saturday afternoon in spring. The key outcomes include:

- promote the profile of Kent Town;
- bring businesses together to work towards a common goal;
- connect the community through a shared space with inclusive activities for all ages;
- Showcase the local businesses – strengthening Kent Towns cultural appeal;
- Introduce Kent Town to potential investors for the growth strategy outcomes; and
- Potentially act as a pilot for ongoing future activations of the Kent Town area.

The proposed street activation would be a partnership between Council and the local Kent Town businesses it would be a strategic initiative to elevate Kent Towns reputation and a vibrant business and cultural area and will help lay the foundation for future investor growth. We can deliver this activation through the current resourcing and the proposed Economic Development budget for 2025-2026.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The relevant Objectives and Strategies contained in *CityPlan2030* are outlined below:

Outcome 3: Economic Prosperity

A dynamic and thriving centre for business and services.

- **Objective 3.1 A diverse range of businesses and services.**
 - *Strategy 3.1.1*
Support and encourage local small, specialty, independent and family-owned businesses.
- **Objective 3.2 Cosmopolitan business precincts contributing to the prosperity of the City.**
 - *Strategy 3.2.1*
Retain, enhance and promote the unique character of all our City's business precincts.
 - *Strategy 3.2.3*
Promote the City as a visitor destination.

- **Objective 3.5 A local economy supporting and supported by its community.**
 - Strategy 3.5.1
Support opportunities for people to collaborate and interact in business precincts.
 - Strategy 3.5.2
Retain accessible local shopping and services.

The relevant Strategies contained in the 2021-2026 Economic Development Strategy are outlined below:

Dynamic & Diverse City

A City with thriving and resilient business sectors that drive employment and deliver growth.

- **Objective: Support the growth and viability of the City's business sectors that drive employment and deliver growth.**
 - Strategy 1.3
Identify emerging trends and support opportunities for economic growth.
 - Strategy 1.4
Promote opportunity and collaboration across the sectors.
 - Strategy 1.5
Identify and promote local competitive advantage.

Destination City

A destination with dynamic, cultural, vibrant and attractive precincts.

- **Objective: Increase the number of people who live, work and visit the City and enhance the community well-being of existing residents, workers and visitors.**
 - Strategy 2.1
Showcase and promote the City's attractions and events to facilitate growth and visitation.
 - Strategy 2.3
Facilitate the activation of key spaces and precinct in the City.
 - Strategy 2.4
Work with local business operators to strengthen the viability of precincts and enhance the customer experience.

Innovative City

An innovative City that supports business and attracts investment.

- **Objective: Attract and maintain competitive businesses with the capacity for resilience and ongoing sustainability, innovation and growth.**
 - Strategy 3.2
Recognise businesses and business sectors that make a significant contribution to the City.

Business Friendly City

A City that understands the needs of business.

- **Objective: Remove barriers and make it easy for business owner to start, run and grow a business.**
 - Strategy 1.3
Foster a local evening/night-time economy

The relevant Strategies contained in the Kent Town Economic Growth Strategy 2020 -2025 are outlined below:

Attract Investment

- **Objective: Attract investment opportunities that build on the existing strengths of Kent Town and drive business and residential population growth**
 - Strategy 4.1
Ensure that Council processes are business friendly and contribute to a well-functioning City.

Support Growth

- **Objective: To facilitate growth and equip businesses to thrive by providing support and facilitating relationships and connections that are linked to the broader well-being of the community.**
 - Strategy 2.1
Promote local businesses
 - Strategy 2.3
Build an engaged business community

Create Prosperity

- **Objective: To maximise the economic potential of Kent Town by creating a supportive business environment and a vibrant and liveable community.**
 - Strategy 3.1
Build a 'sense of place'

FINANCIAL AND BUDGET IMPLICATIONS

The street activation is proposed to be a partnership between Council and the businesses primarily located in King William Street, Kent Town. This partnership will result in a 'buy-in' with spend coming from both Council and participating business which will reduce the burden on Council's budget. It is recommended that the budget allocation from Council be set at \$7,500, which will come from the current proposed 2025-2026 financial year budget allocation.

SOCIAL ISSUES

The street activation would be held on a Saturday to limit the impact on businesses within the closure zone and would not impact access to off-street residential parking.

RESOURCE ISSUES

The street activation can be delivered within existing Council resources without impact to other projects.

CONSULTATION

- **Community**
Initial conversations have been undertaken with three (3) King William Street, Kent Town businesses to gauge interest and level of business investment, both from a time and financial perspective. All businesses indicated a strong level of commitment to the initiative and the value it would add to the Kent Town precinct and positioning.
- **Staff**
Council's Event Team have been consulted on the feasibility of the street activation. No limitations have been raised.

DISCUSSION

Following the Business and Economic Development Advisory Committee (BEDAC) meeting held 18 February 2025, the Place Activation & Economy staff considered options to position and promote Kent Town.

Through conversations with three (3) Kent Town businesses including, new café, Henry's, and thriving wine bar, Khou, the opportunity to host a street activation in partnership with the local businesses was discussed.

The street activation would:

- activate Kent Town and market the business community;
- celebrate the local community and raise the profile of Kent Town as a city-fringe destination;
- activate all businesses sectors with the idea for street yoga, breakfast and kids activities;
- bring food and beverage businesses from Kent Town together to create a sense of place on King William Street;
- create a casual setting with food, drinks, music and friends;
- be held in spring, likely September;
- close the road to create a community area and have the businesses come into the street. Neighbouring businesses would be invited to be part of the offering;
- a mix of acoustic music and DJ's to create atmosphere;

Council would work with the businesses to:

- close King William Road ;
- provide event logistic support;
- Apply for the Liquor Licence;
- Provide infrastructure support; and
- marketing support.

Businesses would be responsible for:

- business engagement and activation;
- hire of infrastructure;
- organising entertainment; and
- create branding and marketing in collaboration with Council.

Kent Town has been identified as a key growth area for the City. With its city-fringe location and ongoing private investment, it is the opportune time to create a 'sense of place' and foster better collaboration with the local business community.

Over the years, the Council has successfully worked with other areas within the Council area to establish well known destinations including The Parade, Magill Road, Glynde and Stepney.

The proposed street activation aligns with the 2020-2025 Kent Town Economic Growth Strategy to:

- foster a local evening / night-time economy;
- promote local businesses;
- build an engaged business community; and
- build a 'sense of place'.

OPTIONS

The Committee has the following options:

1. Support the Kent Town street activation investment of \$7,500.
2. Support the Kent Town street activation with an alternate financial investment.
3. Not support the Kent Town street activation.

CONCLUSION

The Kent Town street activation is a great opportunity to bring together the Kent Town business community, promote Kent Town as a key city-fringe destination and create a sense of place while also stimulating the Kent Town Economy by strengthening the areas commercial appeal.

COMMENTS

Nil

RECOMMENDATION

1. That the report be received and noted.
 2. The Committee recommends the proposed Kent Town street activation to the Council.
-

Mr Matt Grant moved:

1. *That the report be received and noted.*
2. *The Committee recommends the proposed Kent Town street activation to the Council.*

Seconded by Cr Holfeld and carried unanimously.

5. PRESENTATIONS / MATTERS FOR DISCUSSION

Nil

6. OTHER BUSINESS

Nil

7. NEXT MEETING

Tuesday 20 May 2025

8. CLOSURE

There being no further business the Presiding Member declared the meeting closed at 8.18pm.

Mayor Robert Bria
PRESIDING MEMBER

Minutes Confirmed on _____
(date)

- 15. **OTHER BUSINESS**
(Of an urgent nature only)
- 16. **CONFIDENTIAL REPORTS**

16.1 STAFF RELATED MATTER

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999* the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

16.2 CHIEF EXECUTIVE OFFICER'S KEY PERFORMANCE INDICATORS

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999*, the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider;

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RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999*, the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

17. CLOSURE