

Council Meeting Minutes

5 May 2026

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

Telephone 8366 4555
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au
Socials  /cityofnpsp  @cityofnpsp



City of
Norwood
Payneham
& St Peters

	Page No.
1 KAURNA ACKNOWLEDGEMENT.....	4
2 OPENING PRAYER.....	4
3 CONFIRMATION OF MINUTES OF THE COUNCIL MEETING HELD ON 7 APRIL 2026	4
4 MAYOR'S COMMUNICATION	5
5 DELEGATES COMMUNICATION	6
6 ELECTED MEMBER DECLARATION OF INTEREST.....	6
7 ADJOURNED ITEMS.....	6
8 QUESTIONS WITHOUT NOTICE.....	6
9 QUESTIONS WITH NOTICE	6
9.1 Biodiversity Strategy 2006-2016 and Open Space Strategy 2003.....	7
9.2 Public Lighting.....	9
9.3 Risk Management Framework.....	10
10 DEPUTATIONS.....	13
10.1 Pathway from Vernon Street, Norwood to Richards Park.....	14
10.2 Street Tree Audit Project.....	15
10.3 Pedestrian Priority Wombat Crossing - Ann Street, Stepney.....	16
11 PETITIONS	17
11.1 Petition - Public Access from Vernon Street Norwood to Richards Park.....	18
12 NOTICES OF MOTION.....	21
12.1 Richards Park Lease and Right of Way.....	22
12.2 Draft 2026-2027 Annual Business Plan & Budget - Additional Project - Pedestrian Priority Wombat Crossing - Ann Street, Stepney	24
12.3 Draft 2026-2027 Annual Business Plan & Budget - Additional Projects - Library Concept Designs and Development of Tree Inventory.....	26
13 STAFF REPORTS	28
13.1 Review of the Essential Services Commission of South Australia Local Government Advice to the City of Norwood Payneham & St Peters.....	29
13.2 Rating Strategy Review	34
13.3 Implications of a 2% Reduction to the 2026–2027 Budget at Service Line Level.....	44
13.4 The Parade Masterplan Implementation.....	49
13.5 Ninth Avenue Christmas Lights - Traffic Management Review.....	67
13.14 Rebuilding Natural Habitats within Norwood Payneham & St Peters	77
13.6 2026-2027 Draft Annual Business Plan and Budget.....	83
13.7 Long Term Financial Plan Update	93
13.8 Finance Report - March 2026	110
13.9 ERA Water Draft 2026-2027 Annual Business Plan & Budget	118
13.10 Eastern Health Authority Draft 2026-2027 Annual Business Plan & Budget	121
13.11 East Waste Draft 2026-2027 Annual Business Plan & Budget.....	124
13.12 Highbury Landfill Authority Draft 2026-2027 Budget.....	127

13.13 Independent Chair of the Board of ERA Water - Extension of Term	130
13.15 Delegations Update	133
13.16 Report of the Audit & Risk Committee	136
14 COMMITTEE REPORTS & RECOMMENDATIONS	139
14.1 Committee Reports & Recommendations.....	140
15 OTHER BUSINESS	141
16 CONFIDENTIAL REPORTS	141
16.1 Tour Down Under.....	142
16.2 Richmond Street Bikeway (Stage 1).....	143
16.3 Bunnings Development - Legal Advice	144
16.4 Marden Practice Pitches	145
16.5 Strategic Direction - Community Services	147
17 CLOSURE.....	148

The Mayor declared the meeting open at 7.00pm.

PRESENT

Council Members

Mayor Robert Bria
Cr Kester Moorhouse
Cr Rita Excell
Cr Garry Knoblauch
Cr Hugh Holfeld
Cr John Robinson
Cr Kevin Duke
Cr Connie Granozio
Cr Victoria McFarlane
Cr Scott Sims
Cr Grant Piggott
Cr Sandy Wilkinson
Cr John Callisto
Cr Christel Mex

Staff

Mario Barone (Chief Executive Officer)
Lisa Mara (General Manager, Governance & Civic Affairs)
Carlos Buzzetti (General Manager, Urban Planning & Environment)
Jared Barnes (General Manager, Infrastructure & Major Projects)
Andrew Hamilton (General Manager, Community Development)
Natalia Axenova (Chief Financial Officer)
Jenny McFeat (Manager, Governance)
Allison Kane (Manager, Strategic Communications & Advocacy)
Jordan Ward (Manager, Traffic & Integrated Transport)
Geoff Parsons (Manager, Development & Regulatory Services)
Eleanor Walters (Manager, Urban Planning & Sustainability)
Megan Schartner (Sustainability Officer)
Stuart Pope (Project Manager, City Projects)
Rosanna Busolin (Manager, Community Services)
Matthew Cole (City Arborist)
Tina Zullo (Administration Assistant, Governance & Civic Affairs)

APOLOGIES Nil

VISITOR Michele Benetts (Managing Director, LGiQ)

1 KAURNA ACKNOWLEDGEMENT

2 OPENING PRAYER

The Opening Prayer was read by Cr Excell.

3 CONFIRMATION OF MINUTES OF THE COUNCIL MEETING HELD ON 7 APRIL 2026

Cr Knoblauch moved:

That the Minutes of the Council Meeting held on 7 April 2026, be taken as read and confirmed.

Seconded by Cr Callisto and carried unanimously.

4 MAYOR'S COMMUNICATION

Monday, 6 April	<ul style="list-style-type: none"> Radio interview with Brad Aldridge, Fiveaa.
Tuesday 7 April	<ul style="list-style-type: none"> Presided over a Council meeting, Council Chamber, Norwood Town Hall.
Thursday, 9 April	<ul style="list-style-type: none"> Attended a Gather Round Media Call, Norwood Oval.
Thursday, 9 April	<ul style="list-style-type: none"> Attend the Adelaide versus Carlton football match, Adelaide Oval.
Friday, 10 April	<ul style="list-style-type: none"> Attended the official AFL Gather Round Business Lunch, Adelaide Convention Centre, Adelaide.
Friday, 10 April	<ul style="list-style-type: none"> Radio interview with Stacey Lee, Fiveaa.
Saturday, 11 April	<ul style="list-style-type: none"> Radio interview with Michael Keelan and Angie McBride, Fiveaa.
Saturday, 11 April	<ul style="list-style-type: none"> Attended the AFL Gather Round 'Long Lunch', Norwood.
Saturday, April	<ul style="list-style-type: none"> Attended the Sydney versus Gold Coast AFL football match, Norwood Oval.
Sunday, 11 April	<ul style="list-style-type: none"> Attended the Geelong versus West Coast AFL football match, Norwood Oval.
Sunday, 12 April	<ul style="list-style-type: none"> Attended the Norwood Food & Wine Festival, The Parade, Norwood.
Monday, 13 April	<ul style="list-style-type: none"> Attended the Audit & Risk Committee Meeting, Norwood Town Hall.
Tuesday, 14 April	<ul style="list-style-type: none"> Presided over a meeting of the Business & Economic Development Advisory Committee, Mayor's Parlour, Norwood Town Hall.
Wednesday, 15 April	<ul style="list-style-type: none"> Attended the 'Made in Italy Day' event, Carrington Centre, Adelaide.
Friday, 17 April	<ul style="list-style-type: none"> Attended the pre-match function followed by the Norwood versus South Adelaide football match, Norwood Oval.
Saturday, 18 April	<ul style="list-style-type: none"> Attended an on-site meeting with a resident and Mr Roger Bryson (President, Kensington Residents Association), Kensington.
Thursday, 23 April	<ul style="list-style-type: none"> Attended the 2026 Eastside Business Awards, Norwood Concert Hall.
Friday, 24 April	<ul style="list-style-type: none"> Attended the pre-match function followed by the Norwood versus Port Adelaide SANFL football match, Norwood Oval.
Saturday, 25 April	<ul style="list-style-type: none"> Attended the ANZAC Day Dawn Service, Soldier's Memorial, Norwood.
Saturday, 25 April	<ul style="list-style-type: none"> Attended a meeting with a resident, Firle.
Saturday, 25 April	<ul style="list-style-type: none"> Attended the Italian Liberation Day commemorative service, followed by lunch, Fogolar Furlan Club, Felixstow.
Sunday, 26 April	<ul style="list-style-type: none"> Attended a meeting with a resident, Firle.
Tuesday, 28 April	<ul style="list-style-type: none"> Attended an Information Session: ESCOSA Report, Mayors Parlour, Norwood Town Hall.
Tuesday, 28 April	<ul style="list-style-type: none"> Attended an Information Session: Aged Care Act and Elected Member responsibilities, Mayors Parlour, Norwood Town Hall.
Tuesday, 28 April	<ul style="list-style-type: none"> Information Session: St Peters Child Care Centre & Pre-School, Mayors Parlour, Norwood Town Hall
Friday, 1 May	<ul style="list-style-type: none"> Attended the Eastern Region Alliance (ERA) Mayor's Monthly Breakfast, Adelaide.
Friday, 1 May	<ul style="list-style-type: none"> Attended a meeting with the General Manager, Planning & Environment, Adelaide.

Friday, 1 May	<ul style="list-style-type: none">• Attended the pre-match function followed by the Adelaide versus Port Adelaide AFL match, Adelaide Oval.
Monday, 4 May	<ul style="list-style-type: none">• Attended a meeting with Mr Sam Dighton, Chief Executive, Committee for Adelaide, Adelaide.

- **AFL Gather Round**

Mayor Bria thanked the Australian Football League (AFL) and the South Australian Government for putting their trust and faith in the City of Norwood Payneham & St Peters to help deliver the AFL Gather Round. Mayor Bria said that the 2026 AFL Gather Round was an outstanding success with official numbers for the Norwood Food & Wine Festival estimated at 90,000 plus.

Mayor Bria also advised that the Council has not yet received Spendmapp data for April, which captures expenditure during the Gather Round weekend, but will advise Elected Members once staff have received the data. He also congratulated and thanked all Council staff and contractors involved in Gather Round in Norwood and the Norwood Football Club, in particular the Chief Executive Officer, Richard Kelly and President Paul Di Iulio. He said that over the past four years, the Council has developed a very good relationship with key people in the AFL, who consider the City of Norwood Payneham & St Peters as a trusted and respected partner in helping to deliver the event. Mayor Bria said an announcement regarding the future of Gather Round is imminent.

- **Eastside Business Awards**

Mayor Bria congratulated all the finalists and winners of the awards and thanked everyone who nominated a business, noting that for the first time more than 700 individual businesses had been nominated.

Mayor Bria thanked the following people:

- Hon Nadia Clancy MP, Minister for Small and Family Business for attending and addressing finalists and winners;
- Ms Elspeth Hussey for acting as MC of the event;
- Mr David Simmons and Mr Stuart Pool, representing Solstice Media, who were the Media Sponsors for this year's Awards; and
- Ms Cressida O'Hanlon MP (Member for Dunstan); Ms Jenn Roberts MP (Member for Hartley), Mr Jack Batty MP (Member for Bragg) and Ms Claire Clutterham MP (Federal Member for Sturt).

5 DELEGATES COMMUNICATION

Nil

6 ELECTED MEMBER DECLARATION OF INTEREST

Cr Excell declared an interest in relation to Item 13.4 of the Agenda.

7 ADJOURNED ITEMS

Nil

8 QUESTIONS WITHOUT NOTICE

Nil

9 QUESTIONS WITH NOTICE

9.1 BIODIVERSITY STRATEGY 2006-2016 AND OPEN SPACE STRATEGY 2003

SUBMITTED BY: Cr Holfeld
ATTACHMENTS: A

BACKGROUND

Cr Holfeld has submitted the following Questions with Notice:

1. Given the Biodiversity Strategy 2006–2016 and Open Space Strategy 2003 are out of date, when will these be renewed? If so, what is the timeline for their renewal and what form is this planned to take?
2. Is there a plan to action the Notice of Motion by former Cr Evonne Moore regarding biodiversity in December 2021?

REASONS IN SUPPORT OF QUESTIONS

Nil

RESPONSE TO QUESTIONS

PREPARED BY GENERAL MANAGER, URBAN PLANNING & ENVIRONMENT AND GENERAL MANAGER, INFRASTRUCTURE & MAJOR PROJECTS

1. *Given the Biodiversity Strategy 2006–2016 and Open Space Strategy 2003 are out of date, when will these be renewed? If so, what is the timeline for their renewal and what form is this planned to take?*

Biodiversity Strategy

The Biodiversity Strategy 2006-2016 has expired and there are no plans or budget allocation to develop a new stand-alone Biodiversity strategy. As part of the 2007-2008 Budget, the Council considered a funding submission to appoint a specialist Biodiversity Officer, as a new position, to focus on weed control, identifying site specific biodiversity programs, monitoring biodiversity and educating the community on biodiversity. However, the Council did not endorse the funding request due to competing budget priorities. An Elected Member Budget Submission was submitted as part of the 2024-2025 budget to allocate funding for a Sustainability (Biodiversity) Officer resource. However, the position was not funded by the Council due to competing budget priorities.

Notwithstanding this, Biodiversity actions and activities have been integrated into the Council's operations since the expiration of the previous strategy. This approach has ensured that the Council delivers biodiversity actions and activities within its means and as part of the delivery of special projects and capital works programs rather than as standalone projects and staff resources. Council staff work collaboratively with Volunteer groups and Green Adelaide, to deliver biodiversity through a range of projects and actions such as the *Urban River Torrens Recovery Project* and continue to promote community stewardship of biodiversity through the Council's *Green Connections Program*.

Further information regarding the range of biodiversity actions and activities that have been undertaken in recent years, is contained in Report Number 13.14 in this Council Meeting Agenda.

Open Space Strategy

The Council's existing *Open Space Strategy* (December 2003), *Tennis Facilities Strategy* (November 2005) and *Playgrounds Strategy* (June 2006) are no longer contemporary or effective tools to help maximise community benefit, when it comes to the planning and management of the Council's open space, recreational and playground assets. While these documents once provided a good foundation upon which to plan, budget and implement the upgrades, the increasing demand for good quality open space and facilities and the changing trends and needs, suggests that a more holistic and integrated approach is required and that the Council's open space assets need to be considered holistically rather than in isolation through separate components.

On this basis, work was undertaken in the 2023-2024 Financial Year to update and amalgamate these strategies to better align with the outcomes and objectives of *CityPlan 2030*, reduce duplication and resolve discrepancies. By integrating these strategies into one document and taking a more holistic approach to the City's open space assets, the Council will be able to better fulfill the multiple functions that are required of open space in the contemporary urban environment.

Community engagement was undertaken in July and August 2023. A background paper, which is contained in **Attachment A**, was prepared between September and November 2023 and includes information about the community engagement outcomes. The preliminary draft *Open Space, Playgrounds & Recreation Strategy* neared completion in July 2024, but unfortunately work stopped at that time due the resignation of the Council's former Manager, Economic Development & Strategy.

The responsibility to deliver this strategy has since been transferred from the Chief Executive's Office to the Infrastructure & Major Projects Department. Work to review and complete the preliminary draft *Open Space, Playgrounds & Recreation Strategy* will soon recommence. Once the preliminary draft strategy is ready, the following activities are proposed to be undertaken:

- schedule an Information Session with Elected Members;
- prepare a report for Council meeting to release the preliminary draft strategy for public consultation;
- review and consider the public consultation submissions;
- prepare a revised final draft *Open Space, Playgrounds & Recreation Strategy*; and
- prepare a report for Council meeting to consider the outcomes of the public consultation and seek endorsement of the final draft *Open Space, Playgrounds & Recreation Strategy*.

Based on current resources and priorities, the aim is to complete these activities and deliver the *Open Space, Playgrounds & Recreation Strategy* for Council's endorsement within the 2026-2027 Financial Year.

2. *Is there a plan to action the Notice of Motion by former Cr Evonne Moore regarding biodiversity in December 2021?*

A report in response to the notice on motion that was submitted by former Cr Evonne Moore regarding biodiversity, is contained in Report Number 13.14 in this Council Meeting Agenda.

9.2 PUBLIC LIGHTING

SUBMITTED BY: Cr Moorhouse
ATTACHMENTS: Nil

BACKGROUND

Cr Moorhouse has submitted the following Questions with Notice:

At the 7th of April 2025 meeting (Item 12.4), the Council approved the following motion:

1. *That a report be presented to the Council to provide information regarding the framework for the management of public lighting within our City.*
2. *That as part of the report, consideration be given to the development of a policy which would provide guidance to the Council in respect to the Council's role and to inform decision making in respect to public lighting matters within the City.*

What progress has been made in preparing this report?

When will it be presented to the Council?

REASONS IN SUPPORT OF QUESTION

Nil

RESPONSE TO QUESTIONS

PREPARED BY GENERAL MANAGER, INFRASTRUCTURE & MAJOR PROJECTS

No substantive progress has been made since the meeting on 7 April 2025. A report will be prepared for the Council's consideration at the meeting to be held on 4 August 2026.

9.3 RISK MANAGEMENT FRAMEWORK

SUBMITTED BY: Cr McFarlane
ATTACHMENTS: A - C

BACKGROUND

Cr McFarlane has submitted the following Questions with Notice:

Could staff please provide an update on the following matters:

1. Council's current Risk Management and Governance Framework, including the policies, governance structures, committees, and reporting mechanisms that support organisational oversight.
2. What categories of risk are captured within Council's framework and risk registers, for example strategic, compliance, financial, operational, workplace health and safety, information security, legal, reputational, and project delivery risks?
3. How risks are identified, assessed, rated, prioritised, treated, and escalated across the organisation?
4. How is the Risk Management and Governance Framework adopted, embedded, and consistently applied across all departments, functions, and operational activities?
5. How frequently risks are reviewed by senior managers, the Executive Leadership Team, and relevant risk committees, including how emerging or material risks are escalated?
6. The current corporate risk register, including key strategic risks, current controls, mitigation actions, risk owners, and governance oversight arrangements

REASONS IN SUPPORT OF QUESTION

Effective risk management and strong governance are critical to protecting Council's finances, legal compliance, service delivery, reputation, and community trust.

Given the considerable changes in staff and Elected Member composition over recent years and increase risk profile as evidenced by recent ESCOSA report highlighting the Council is projected to be potentially unsustainable, it is timely for Elected Members to receive an updated overview of Council's framework, governance arrangements, and current risk profile.

RESPONSE TO QUESTIONS PREPARED BY MANAGER, GOVERNANCE

1. **Council's current Risk Management and Governance Framework, including the policies, governance structures, committees, and reporting mechanisms that support organisational oversight.**

In respect to Risk Management, Section 99(ia) of the *Local Government Act 1999* (the Act), states that one of the functions of the Chief Executive Officer is '*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;*'

Section 125(2) of the Act states that the 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*'.

It is the role of the Council's Audit & Risk Committee to provide this assurance to the Council as per Section 126(1a) of the Act, which states:

The purpose of an audit and risk committee established by a council is to provide independent assurance and advice to the council on accounting, financial management, internal controls, risk management and governance matters.

In addition, Section 126(4)(h) of the Act specifically states that one of the functions of the Council's Audit & Risk Committee is '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'.

As Elected Members will recall, at its meeting held on 4 August 2025, the Council adopted the Risk Management Policy (**Attachment A**) and then the Chief Executive Officer approved the supporting Risk Management Procedure (**Attachment B**) in January 2026. Together these documents form the Risk Management framework which is being embedded across the Council.

In respect to the Council's Governance Framework this is structured in accordance with the *Local Government Act 1999* and associated Regulations.

In respect to the reporting mechanisms to provide the assurance to the Council that appropriate policies, systems and procedures relating to risk management are implemented and maintained, the Council receive a report from the Audit & Risk Committee following each of their meetings (as is required by Section 126(8)(a) of the Act). This report which summarises the work of the Committee and provides the Committee Meeting Minutes, is in addition to the annual report of the Committee required by Section 126(8)(b) of the Act.

Reports to the Council following each meeting of the Audit & Risk Committee show the application of the Council's Risk Management framework in practice and in addition, on 12 May 2025 all Elected Members were invited to an Information Briefing Session facilitated by Chris Sweet from Local Government Risk Services (LGRS) which provided a Risk Management and Strategic Risk Overview.

This session was presented as part of the Council's participation in the LGRS Strategic Risk Services Program which had previously been advised to the Council.

In addition to the above, separate reports are presented to the Council on significant matters which may include those relating to an emerging risk and every report to the Council (unless it is procedural) includes a section on risk management. The purpose of this section to succinctly provide information on the how the information in the report relates to identified risks that are being mitigated by the decision sought or the risks of not making the recommended decision. This supports the Council to make informed decisions.

2. What categories of risk are captured within Council's framework and risk registers, for example strategic, compliance, financial, operational, workplace health and safety, information security, legal, reputational, and project delivery risks?

All of this information is captured within the Council's Risk Management Procedure (**Attachment B**) and the categories of risk are Strategic, Operational and Project Risks.

The categories of risk impact are People & Culture (includes WHS), Financial, Service Delivery, Environment, Assets & Infrastructure, Community Health & Wellbeing, Information Technology, Governance, Legal & Compliance, Cultural Heritage and Growth & Prosperity.

3. How risks are identified, assessed, rated, prioritised, treated, and escalated across the organisation?

As contained within the Council's Risk Management Policy and Procedure (**Attachments A & B**).

4. How is the Risk Management and Governance Framework adopted, embedded, and consistently applied across all departments, functions, and operational activities?

In terms of Risk Management, the embedding of consistent approaches is supported by the Council's progress through the LGRS Strategic Risk Services Program.

The Council's Governance Unit oversees the legislatively required governance processes across the organisation.

5. How frequently risks are reviewed by senior managers, the Executive Leadership Team, and relevant risk committees, including how emerging or material risks are escalated?

Strategic Risks are reviewed every six (6) months to inform reporting to the Audit & Risk Committee. Existing operational structures consider the identification and management of risks through established processes which ultimately leads to reporting to the Executive Leadership Team and then the Audit & Risk Committee as needed.

6. The current corporate risk register, including key strategic risks, current controls, mitigation actions, risk owners, and governance oversight arrangements

The Council's current Strategic Risk Register is contained within **Attachment C**.

The management of these Strategic Risks is supported by the implementation of the RelianSys Risk Module which contains the Council's Risk Registers and all related information required as per the Risk Management Procedure. This systematic approach supports embedding the processes across the organisation and informs the required reporting to the Executive Leadership Team and the Councils Audit & Risk Committee.

10 DEPUTATIONS

Request for Deputation – Mr Tim O’Loughlin

In accordance with Regulation 11 (5) of the *Local Government (Procedures at Meetings) Regulations*, I am obliged to advise the Council that I have received a request from Mr Tim O’Loughlin to make a deputation to the Council regarding the petition, of which he is the Convenor, which was considered by the Council at its meeting held on 7 April 2026.

Having sought legal advice regarding Mr O’Loughlin’s request, I did not approve his request for the Deputation for a number of reasons, which Members are aware of.

Notwithstanding, my decision, in accordance with Regulation 11 (6) of the *Local Government (Procedures at Meetings) Regulations*, the Council has the option to exercise its power to hear Mr O’Loughlin’s Deputation by way of resolution.

However, in considering this option, I ask that Members take into account the relevant correspondence and legal advice that has been provided to you regarding this matter and my duty as the Principal Member having regard to Section 58 of the *Local Government Act (1999)* to:

- (a) to provide leadership and guidance to the council; and
- (d) to support council members' understanding of the separation of responsibilities between elected representatives and employees of the council.

In reaching my decision I also took into account Section 75 (g) (1) of the *Local Government Act (1999)*, which reads: *A member of a council must— (a) take reasonable care that the member's acts or omissions do not adversely affect the health and safety of other members of council or employees of the council.*

If Members support my decision, I intend to move on to the next item.

Cr Wilkinson moved:

That a vote be taken on Mr O’Loughlin’s request to make a deputation.

Seconded by Cr McFarlane and lost.

Division

Mayor Bria called for a division and the decision was set aside.

Those in favour: Cr Wilkinson, Cr McFarlane and Cr Moorhouse.

Those against: Cr Piggott, Cr Holfeld, Cr Knoblauch, Cr Duke, Cr Robinson, Cr Sims, Cr Granozio, Cr Mex, Cr Callisto and Cr Excell.

The Mayor declared the motion lost.

10.1 PATHWAY FROM VERNON STREET, NORWOOD TO RICHARDS PARK

SPEAKER/S

Mr Paul Hayes

ORGANISATION/GROUP REPRESENTED BY SPEAKER/S

Not Applicable.

COMMENTS

Mr Paul Hayes has written to the Council requesting that he be permitted to address the Council in relation to the pathway from Vernon Street, Norwood to Richards Park.

In accordance with the *Local Government (Procedures at Meetings) Regulations 2013*, Mr Paul Hayes has been given approval to address the Council.

Mr Paul Hayes addressed Council on this matter.

10.2 STREET TREE AUDIT PROJECT

SPEAKER/S

Ms Madeleine St Johnston-Romano

ORGANISATION/GROUP REPRESENTED BY SPEAKER/S

Not Applicable.

COMMENTS

Ms Madeleine St Johnston-Romano has written to the Council requesting that she be permitted to address the Council in relation to the Street Tree Audit project.

In accordance with the *Local Government (Procedures at Meetings) Regulations 2013*, Ms Madeleine St Johnston-Romano has been given approval to address the Council.

Ms Madeleine St Johnston-Romano addressed the Council on this matter.

10.3 PEDESTRIAN PRIORITY WOMBAT CROSSING - ANN STREET, STEPNEY

SPEAKER/S

Ms Joan Sedsman

ORGANISATION/GROUP REPRESENTED BY SPEAKER/S

St Peters Residents Association

COMMENTS

Ms Joan Sedsman has written to the Council requesting that she be permitted to address the Council in relation to a pedestrian priority wombat crossing for Ann Street, Stepney.

In accordance with the *Local Government (Procedures at Meetings) Regulations 2013*, Ms Joan Sedsman has been given approval to address the Council.

Ms Joan Sedsman addressed Council on this matter.

11 PETITIONS

11.1 PETITION - PUBLIC ACCESS FROM VERNON STREET NORWOOD TO RICHARDS PARK

REPORT AUTHOR: Governance Officer
APPROVED BY: General Manager, Governance & Civic Affairs
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to table a Petition which has been received by the Council, requesting that the Council keep open the laneway which connects Vernon Street, Norwood to Richards Park.

BACKGROUND

The Petition is requesting that the Council to rescinds its decision made at its meeting held on 3 March 2025, to approve the extinguishment of the Right-of-Way over the laneway that connects Vernon Street to Richards Park.

The Petition has been signed by a total of 81 citizens, 12 of whom do not reside within the City of Norwood Payneham & St Peters.

A second, supplementary "Canine Petition" from those that use Richards Park, contains 28 'paw mark' entries. The "Canine Petition" has been submitted by the Convenor of the Petition as "additional evidence" however the Convenor of the Petition acknowledges that this Petition does not comply with the provisions of the *Local Government (Procedures at Meetings) Regulations 2013*.

In other words, this petition is not a valid petition and therefore does not require the Council's consideration.

Regulation 10(2) of the *Local Government (Procedures at Meetings) Regulations 2013* requires that if a Petition is received, the Chief Executive Officer must ensure that the Petition is placed on the agenda for the next ordinary Meeting of the Council.

A copy of the Petition is contained in **Attachment A**.

COMMENTS PROVIDED BY THE GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS

As Elected Members will recall, at its meeting held on 3 March 2025, the Council considered a request from the Department for Education for the Council to extinguish its Right-of-Way over the land owned by the Department for Education that is located adjacent to the Margaret Ives Community Children's Centre (the Centre) which runs between Vernon Street and Richards Park, as shown in the photograph below.



Vernon Street entrance to laneway access to Richards Park

The request from the Department for Education was made on the basis that the Centre needs to expand to accommodate more preschool students as part of the State Government's Office for Early Childhood Development implementation of preschool for three (3) year olds.

In addition, the Department indicated that it is preferred to not have the laneway adjacent to the Centre from a safety perspective for the children. Absorbing the laneway into the grounds of the Centre would not only allow the Centre to expand but also the Centre would have a more secure boundary.

The closure of this walkway will not restrict access to the reserve as Richards Park has two (2) official entrances that are accessible to all members of the community.

Following consideration of the request from the Department for Education, the Council resolved to extinguish the Right-of-Way to facilitate the expansion of the Centre.

The Department for Education, as the initiator of this proposal, is the party responsible for commencing and undertaking the legal process to extinguish the Right-of-Way and, on the basis that the proposal was initiated by the Department for Education, has agreed to meet all costs associated with the extinguishment of the Right-of-Way.

Since the Council's decision in March 2025 to extinguish the Right-of-Way, some concerns have been raised with staff in respect to the State Government's proposal to close the laneway and the lack of community consultation that has been undertaken regarding the proposal.

These concerns were referred to the Department for Education on the basis that the proposal to close the laneway is a decision that rests with the Department.

On 19 March 2026, staff requested a meeting with the Department for Education to seek clarification of their intentions in terms of progressing this matter.

The Department for Education, via email dated 19 March 2026, advised that:

"The Department has agreed to not proceed with the extinguishment of the Right of Way until appropriate community consultation by Council has occurred and a review of the outcome has been completed.

Given that there does seem to be some level of community concern regarding the extinguishment of the easement and closure of the walkway from Vernon Street, it seems reasonable that broader community consultation takes place. As the Right of Way for the walkway is in Council's name and the walkway is for community purposes, the responsibility for community consultation lies with Council. Once the outcome of the community consultation has been assessed by both Council and the Department, then an informed decision on a course of action can be made. This could be to not proceed with the extinguishment, delay the extinguishment, or proceed should the consultation reflect a very small level of concern by community."

In respect to the comments made by the Department for Education regarding community consultation as set out above, it is important to note that community consultation was not undertaken by the Council in respect to the proposed closure of the laneway, as the Council is not the owner of the laneway and the Council is not intending to close the laneway – this decision and responsibility lies with the Department for Education.

In addition, there is no legal requirement for the Council to undertake community consultation regarding the extinguishment of an easement that the Council has the benefit of.

It is important to note that in the event the Council did not agree to relinquish the Right-of-Way, the Department for Education can implement proceedings to extinguish the Right-of-Way, (which they are entitled to do as the owners of the land), without the Council's consent on the basis that there is adequate access to Richards Park.

To date the Department for Education has not progressed this matter.

The Convenor of the Petition has advised that a copy of the Petition has been forwarded to the Department for Education.

RECOMMENDATION

That the Petition be received and noted.

Cr Sims moved:

That the Petition be received and noted.

Seconded by Cr Moorhouse and carried unanimously.

12 NOTICES OF MOTION

12.1 RICHARDS PARK LEASE AND RIGHT OF WAY

SUBMITTED BY: Cr Piggott

ATTACHMENTS: Nil

Pursuant to Regulation 12(1) of the *Local Government (Procedures at Meetings) Regulations 2013*, the following Notice of Motion has been submitted by Cr Piggott.

NOTICE OF MOTION

That Part 2 of the Council's decision made at the Council Meeting held on 3 March 2025 (Item 13.9) which reads as follows:

1. That the Council approves entering into a Lease with the Minister for Education and Child Development for the use of a portion of Richards Park, Norwood, for a ten (10) year period commencing on 1 July 2025 and expiring on 30 June 2035 and notes that the draft Lease will be presented to the Council for approval.
2. That the Council approves extinguishing the Right of Way for the laneway connecting Vernon Street to Richards Park and notes that local residents will be advised in advance.

be amended to read as follows:

1. That the Council approves entering into a Lease with the Minister for Education and Child Development for the use of a portion of Richards Park, Norwood, for a ten (10) year period commencing on 1 July 2025 and expiring on 30 June 2035 and notes that the draft Lease will be presented to the Council for approval.
2. That the Council maintain the Right of Way for the laneway connecting Vernon Street to Richards Park and keeps the laneway to a standard befitting of Richards Park.

REASONS IN SUPPORT OF MOTION

This Motion seeks to maintain the laneway by allowing community pedestrian access to Richards Park directly from Vernon Street (from the south).

The current position of the Department of Education is that they are not seeking extinguishment of the long standing Right of Way enjoyed by Council and available to the community. The original Motion in March 2025 was based on information that the Department was seeking extinguishment.

Community sentiment has proved strong in favour of maintaining the laneway. It is well used and provides convenient access to Richards Park from the south.

Given that the Department of Education is not requesting any change in our ongoing arrangements and the laneway is a positive element for our community, this Motion seeks to maintain the status quo and the laneway.

STAFF COMMENT

PREPARED BY GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS

As Elected Members will recall, the Council resolved to extinguish its Right-of-Way over the land owned by the Department for Education that is located adjacent to the Margaret Ives Community Children's Centre (the Centre) which runs between Vernon Street and Richards Park, at the request of the Department for Education.

The request from the Department for Education was made on the basis that the Department advised that the land was required to allow the Centre to expand to accommodate more preschool students as part of the State Government's Office for Early Childhood Development implementation of preschool for three (3) year olds.

In addition, the Department indicated that it preferred to not have the laneway adjacent to the Centre from a safety perspective for the children. Absorbing the laneway into the grounds of the Centre would not only allow the Centre to expand but also the Centre would have a more secure boundary.

The closure of this walkway will not restrict access to Richards Park as the Park has two (2) official entrances that are accessible to all members of the community.

Whilst the Council can resolve not to proceed with the process to extinguish the Right-of-Way, it is important to note that the Department for Education can implement proceedings to extinguish the Right-of-Way, (which they are entitled to do as the owners of the land), without the Council's consent.

Cr Piggott moved:

That Part 2 of the Council's decision made at the Council Meeting held on 3 March 2025 (Item 13.9) which reads as follows:

- 1. That the Council approves entering into a Lease with the Minister for Education and Child Development for the use of a portion of Richards Park, Norwood, for a ten (10) year period commencing on 1 July 2025 and expiring on 30 June 2035 and notes that the draft Lease will be presented to the Council for approval.*
- 2. That the Council approves extinguishing the Right of Way for the laneway connecting Vernon Street to Richards Park and notes that local residents will be advised in advance.*

be amended to read as follows:

- 1. That the Council approves entering into a Lease with the Minister for Education and Child Development for the use of a portion of Richards Park, Norwood, for a ten (10) year period commencing on 1 July 2025 and expiring on 30 June 2035 and notes that the draft Lease will be presented to the Council for approval.*
- 2. That the Council maintain the Right of Way for the laneway connecting Vernon Street to Richards Park and keeps the laneway to a standard befitting of Richards Park.*

Seconded by Cr Wilkinson and carried unanimously.

12.2 DRAFT 2026-2027 ANNUAL BUSINESS PLAN & BUDGET - ADDITIONAL PROJECT - PEDESTRIAN PRIORITY WOMBAT CROSSING - ANN STREET, STEPNEY

SUBMITTED BY: Cr Sims
ATTACHMENTS: A

Pursuant to Regulation 12(1) of the *Local Government (Procedures at Meetings) Regulations 2013*, the following Notice of Motion has been submitted by Cr Sims.

NOTICE OF MOTION

That the Draft 2026-2027 Budget to be incorporated into the Annual Business Plan for community consultation include the following Capital Project:

- *Pedestrian Priority Wombat Crossing, Ann Street Stepney: \$380,000*

REASONS IN SUPPORT OF MOTION

- A Local Area Traffic Management Study in 2019 identified the need for a crossing on Ann Street Stepney, located on the eastern side of the busy Avenues Shopping Centre, which was subsequently reinforced by community engagement.
- There is a compelling Business Case attached for the project's inclusion in this year's budget.
- The site generates safety concerns for the community, particularly for vulnerable users including the elderly, children, and people with disabilities.
- The project budget includes significant stormwater and drainage works.
- Constructing this crossing from the Capital budget is an inevitable and urgent requirement.
- Including the project this year ensures immediate protection for pedestrians crossing the street to shop, while only incurring a small incremental cost associated with borrowing the funds this year rather than in a subsequent year.

A copy of the Funding Submission for Ann Street Pedestrian Crossing is included as **Attachment A**.

STAFF COMMENT

PREPARED BY GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS

As Elected Members are aware, the Draft 2026-2027 Annual Business Plan and Budget, is being considered by the Council as a separate item as part of the Agenda for this meeting.

From a good governance perspective and in keeping with the process that is undertaken in respect to the preparation and consideration of draft Budgets by this Council, it is considered that any changes to the Draft 2026-2027 Annual Business Plan and Budget should not be considered as standalone motions that are detached from consideration of the Draft Budget by the Council.

The Council should be in a position to consider the draft Budget in toto, as decisions on the items contained in the Motion on Notice will impact on the Draft Budget. These projects should be considered as part of the Draft 2026-2027 Annual Business Plan in its entirety.

Cr Sims moved:

That the Draft 2026-2027 Budget to be incorporated into the Annual Business Plan for community consultation include the following Capital Project:

- *Pedestrian Priority Wombat Crossing, Ann Street Stepney: \$380,000*

Seconded by Cr Piggott and carried.

12.3 DRAFT 2026-2027 ANNUAL BUSINESS PLAN & BUDGET - ADDITIONAL PROJECTS - LIBRARY CONCEPT DESIGNS AND DEVELOPMENT OF TREE INVENTORY

SUBMITTED BY: Cr Sims
ATTACHMENTS: A - B

Pursuant to Regulation 12(1) of the *Local Government (Procedures at Meetings) Regulations 2013*, the following Notice of Motion has been submitted by Cr Sims.

NOTICE OF MOTION

That the Draft 2026-2027 Budget to be incorporated into the Annual Business Plan for community consultation include the following Operating Projects:

- *Library Concept Designs: \$35,000*
- *Development of Tree Inventory: \$20,000.*

REASONS IN SUPPORT OF MOTION

Library Concepts

- The community values the libraries and wants them to remain strong social and educational assets.
- A Council-endorsed recommendation following an independent review supports engaging professional input to develop concept designs for the three libraries.
- The requested \$35,000—reduced from the original \$60,000 bid—will allow staff to continue the improvement process, though it will require further budget in future years.

A copy of the Funding Submission for Library Concept Designs is included as **Attachment A**.

Tree Inventory

- The local tree canopy is vitally important to the community, with the potential to become even more critical in a future involving climate change.
- Staff began collecting tree data in 2025 for inclusion in Forestree, a specialist Asset management system.
- Trees are subject to audit during this data collection process.
- The requested budget ensures continuity of the project, driving the contemporary management of the entire street stock of 30,000 trees.

A copy of the Funding Submission for Development of Tree Inventory is included as **Attachment B**.

General Rationale Notes

- Both of these operating projects were the subject of strong business cases presented during the initial budget debate on 7 April.
- The projects have been consulted on with the relevant General Managers, and their business cases are attached.
- The total requested funding for these two items equates to 0.1% of the City rate revenue.

STAFF COMMENT
PREPARED BY GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS

As stated previously, the Draft 2026-2027 Annual Business Plan and Budget, is being considered by the Council as a separate item as part of the Agenda for this meeting.

From a good governance perspective and in keeping with the process that is undertaken in respect to the preparation and consideration of draft Budgets by this Council, it is considered that any changes to the Draft 2026-2027 Annual Business Plan and Budget should not be considered as standalone motions that are detached from consideration of the Draft Budget by the Council.

The Council should be in a position to consider the draft Budget in toto, as decisions on the items contained in the Motion on Notice will impact on the Draft Budget. These projects should be considered as part of the Draft 2026-2027 Annual Business Plan in its entirety.

Cr Sims moved:

That the Draft 2026-2027 Budget to be incorporated into the Draft Annual Business Plan for community consultation include the following Operating Projects:

- *Development of Tree Inventory: \$20,000.*

Seconded by Cr Robinson and carried unanimously.

13 STAFF REPORTS

13.1 REVIEW OF THE ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA LOCAL GOVERNMENT ADVICE TO THE CITY OF NORWOOD PAYNEHAM & ST PETERS

REPORT AUTHOR: General Manager, Governance & Civic Affairs
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A - B

PURPOSE OF THE REPORT

The purpose of this report is to present to the Council the response to the Essential Services Commission of South Australia's (ESCOSA) *Local Government Advice-City of Norwood Payneham & St Peters February 2026* (the Advice).

BACKGROUND

The Essential Services Commission of South Australia (ESCOSA) is an economic regulator for industries such as water, sewerage, electricity and gas.

In April 2022, ESCOSA was granted a new function under the *Local Government Act 1999* (the Act), to provide independent advice to Councils on their financial and asset management plans.

The introduction of ESCOSA into the Local Government Sector was in response to and an alternative to the previous State Government's policy to introduce rate capping for Local Government — a policy that has had severe financial impacts on councils in both New South Wales and Victoria where rate capping has been in place for many years.

In terms of providing advice to Councils, in accordance with Section 122 of the Act, ESCOSA provides advice on the following matters:

- material amendments made, or proposed to be made, to a Council's Long-term Financial Plan (LTFP) and Infrastructure and Asset Management Plan and the reasons for those amendments;
- revenue sources as set out in a Council's LTFP and Annual Business Plan, and
- any other matter prescribed by regulation.

As part of the implementation of the *Local Government Advice Scheme*, ESCOSA prepared a Schedule of Councils commencing in 2022-2023 and ending in 2025-2026. This Council was required to participate in the Scheme in 2025-2026.

On Thursday, 19 February 2026, ESCOSA published its report, *Local Government Advice City of Norwood Payneham & St Peters February 2026*. A copy of the Advice is contained in **Attachment A**.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RISK MANAGEMENT

From a risk management perspective, whilst it is important to note that ESCOSA's role is advisory only and that ESCOSA cannot require Councils to follow the advice, ESCOSA are an independent body that provides independent and transparent information to inform a Council's decision making in respect to ongoing financial sustainability. It is therefore prudent for Councils to consider the advice that is provided by ESCOSA and respond to that advice, in a considered, strategic and practical manner to mitigate any financial risks that are identified by ESCOSA as part of their review of the Council's financial and asset management plans and revenue sources (ie rates).

CONSULTATION

Elected Members

An Elected Members Information Session was held on Tuesday, 28 April 2026, regarding ESCOSA's Advice.

Community

Not Applicable.

Staff

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

ESCOSA has found that the Council's historical financial performance has been Financially Sustainable and the Council's current financial performance to be Mostly Sustainable.

However, as a result of the level of capital expenditure (which includes the Payneham Memorial Swimming Centre Project), ESCOSA have forecast the Council's financial performance to be Potentially Unsustainable and that the current and planned development of new and upgraded capital projects poses risks for affordability and long-term sustainability.

To this end, ESCOSA have made the following recommendations to further strengthen the Council's ongoing financial sustainability:

- 1. adopt a more comprehensive and transparent Long-Term Financial Plan annual review process to ensure ongoing financial sustainability and accountability;*
- 2. improve the transparency of assumptions and explicitly state the basis of preparation of Annual Business Plans, budgets and the Long-Term Financial Plan;*
- 3. consider strategically rationalising assets in consultation with the community, to reduce debt, streamline the Council's cost structure and provide the service standards that the community wants and is prepared to pay for, aiming for a more robust and sustainable position;*
- 4. improve the reporting of debt reduction targets or productivity improvements in its Long-Term Financial Plan and Annual Business Plans (as appropriate), to assure the community of how debt will be reduced;*
- 5. review its pace of development of new and upgraded assets, having regard to debt levels, rates affordability, the affordability of the stream of future operating costs created by new and upgraded assets, and the need to prioritise and fully fund asset renewal and replacement;*
- 6. disclose cost savings targets or productivity improvements in its Long-Term Financial Plan and Annual Business Plans (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery;*

7. *update the costings for The Parade Masterplan project, including indexing out-years of the staged implementation, based on the detailed design and before commencing the project, and consult with the community if the new costings exceed the earlier \$30 million projection;*
8. *undertake deeper and ongoing community consultation regarding the scale, cost escalation, and long-term financial impact of any future significant capital expenditure projects;*
9. *consider providing more clarity around the risks and the impact on rates (and develop mitigation strategies) if the Council's expectations regarding its operational performance do not materialise and/or its financial strategy becomes stressed; and*
10. *consider publicly separating out the finances of the Payneham Memorial Swimming Pool Centre in the Council's overall accounts, to provide transparency on its performance and adequacy of user charges.*

The advice that has been provided by ESCOSA, is informed by the Council's performance and financial trends and is intended to provide trend-based advice that will:

- *support councils to make decisions relating to their annual business plans and budgets in the context of their LTFP and IAMPs, which together are foundational documents that set out how councils propose to manage their financial position and performance over the longer term; and*
- *assist councils to make appropriate decisions on the level of financial contributions to be made by ratepayers for the provision of services and infrastructure within the context of their LTFPs and the financing options available to councils (such as the use of borrowings or reserves).*

It is therefore important for the Council to consider the Advice and respond where appropriate.

On this basis, Ms Michele Bennetts of LGIQ was engaged to undertake an independent review ESCOSA's Advice and to assist the Council with formulating a strategy to address the Advice that has been provided by ESCOSA.

A copy of the *April 2026 Review of ESCOSA Advice* (the Report) which has been prepared by Ms Bennetts from LGIQ, is contained in **Attachment B**.

In summary, the Report states the following:

"This report identifies several key financial sustainability risks, including debt servicing pressures, reliance on operating performance assumptions, the need to fund renewal of an expanding asset base, increasing affordability pressures on ratepayers, and the importance of maintaining transparency in financial planning and decision-making.

Importantly, these risks are not unexpected and largely reflect a period of strategic investment rather than an immediate financial concern. The Council has established governance and planning frameworks in place and has already identified many of these risks within its existing financial strategies.

In response, this report outlines a Financial Sustainability Improvement Plan, comprising targeted short and medium-term actions aligned with ESCOSA's recommendations. These include enhancing the Long-Term Financial Plan, strengthening cost control and efficiency measures, improving capital program prioritisation, progressing asset rationalisation, and reviewing revenue and rating strategies. The plan also emphasises improved transparency, ongoing performance monitoring, and regular reporting to Council and the Audit and Risk Committee.

Overall, while the Council is entering a period of increased financial complexity, it remains well positioned to maintain long-term financial sustainability, provided that the identified actions are implemented, and financial discipline is maintained."

The Report recommends a "*Financial Sustainability Improvement Plan*" (the Plan), which includes a series of recommended actions to respond to the issues that have been identified by ESCOSA in its Advice and to strengthen the Council's long-term financial position. The Plan incorporates a range of initiatives to enhance transparency and ensure sustainable service delivery.

The recommended actions contained within the Plan, have been prioritised over a short and medium term timeframe to ensure a cohesive, strategic and efficient approach to managing the various actions and include recommendations for ongoing monitoring and reporting to the Council and the Council's Audit & Risk Committee.

The recommended actions contained within the Plan are set out under the following headings:

- **Short Term (0-12 months)**
 - *Improved Annual LTFP Review;*
 - *Debt Reduction Strategy;*
 - *Inclusion in Strategic Risk Register;*
 - *Rating Strategy Review;*
 - *Financial Sustainability Performance Monitoring;*
 - *Future Grants Strategy;*
 - *Separate Reporting for Major Facilities;* and
 - *Treasury Management Review.*

- **Medium Term (1 - 3 years)**
 - *Cost Control;*
 - *Service Level Review Program;*
 - *Capital Program Prioritisation Framework;*
 - *Major Project Governance Framework;*
 - *Asset Rationalisation Strategy;*
 - *Fees and Charges Review;* and
 - *Asset Management Maturity (AMP Alignment).*

At this stage, a number of the actions are already in progress (ie Inclusion in the Council's Strategic Risk Register, Rating Strategy Review, Future Grants Strategy, etc), and consideration of a number of the other actions recommended actions in terms of practical implementation, resources and cost, is currently being undertaken.

Following consideration of the various recommended actions by staff, a report will be presented to the Council outlining the response to the various actions and how these will be progressed.

OPTIONS

Not Applicable.

This report is presented for information purposes only.

CONCLUSION

The LGiQ Report states that the *“proposed Financial Sustainability Improvement Plan provides a clear and structured pathway to further strengthen the Council's financial position and implementation of the final Plan will be regularly reported to the Council and the Audit & Risk Committee through formal reporting and informal briefings.*

The Report provides a robust strategy which, commencing with the Draft 2026-2027 Budget and Long-Term Financial Plan, will assist the Council continue its record of financial sustainability.

Council staff will now work through the recommended strategy, recommended timelines and actions and a report will be prepared for the Councils adoption at its June 2026 meeting.

With continued focus on financial discipline, transparency and alignment with the Council's strategic objectives, the Council is well placed to maintain its ongoing financial sustainability while continuing to deliver valued services and prudent management of the Council's infrastructure and community facilities.”

RECOMMENDATION

1. *That the April 2026 Review of ESCOSA Advice Report prepared by Ms Bennetts from LGiQ, be received and noted.*
 2. *The Council notes that a report providing an update on the progress of the implementation of the recommendations within the April 2026 Review of ESCOSA Advice, will be presented at the Council Meeting be held on 2 June 2026.*
-

Cr Granozio left the meeting at 8.06pm.
Cr Granozio returned to the meeting at 8.07pm.

Cr McFarlane moved:

1. *That the April 2026 Review of ESCOSA Advice Report prepared by Ms Bennetts from LGiQ, be received and noted.*
2. *The Council notes that a report providing an update on the progress of the implementation of the recommendations within the April 2026 Review of ESCOSA Advice, will be presented at the Council Meeting be held on 2 June 2026.*

Seconded by Cr Duke.

Amendment

Cr Piggott moved:

1. *That the April 2026 Review of ESCOSA Advice Report prepared by Ms Bennetts from LGiQ, be received and noted.*
2. *The Council notes that a report providing an update on the progress of the implementation of the recommendations within the April 2026 Review of ESCOSA Advice, will be presented at the Council Meeting be held on 2 June 2026 and every 6 months until June 2028.*

Seconded by Cr Moorhouse.

The amendment was put and carried.

The motion, as amended, was put and carried unanimously.

13.2 RATING STRATEGY REVIEW

REPORT AUTHOR: General Manager, Governance & Civic Affairs
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A - B

PURPOSE OF THE REPORT

The purpose of this report is to present to the Council the:

1. outcomes of the Review of the Basis of Rating and seek the Council's endorsement of the proposed changes to the Rating structure for the purposes of community consultation; and
2. proposed Rating Strategy for the 2026-2027 Annual Business Plan, which includes Rate Revenue of 7.9% for the Council's endorsement for the purposes of community consultation.

BACKGROUND

As part of preparing the Draft 2025-2026 Budget, the Council identified the need to undertake a comprehensive review of its Rating structure to ensure that the distribution of rates across the community remains equitable, transparent and aligned with contemporary taxation principles.

LGIQ (Consultants) was engaged to undertake this review, which has now been completed. The review assessed the Council's current rating system, benchmarked it against comparable metropolitan Councils, and modelled alternative scenarios to improve equity and alignment with taxation principles, including capacity to pay and benefit received.

In accordance with Section 151(5) of the *Local Government Act 1999*, before changing the basis of Rating, the Council must prepare a report addressing the proposed change and undertake community consultation. The report has been prepared to support those requirements and to provide the basis for community consultation on the proposed changes to the Council's Rating structure.

A copy of the *April 2026 Final Report - Review of the Basis of Rating*, that has been prepared by Ms Michele Bennetts of LGIQ, is contained in **Attachment A**.

It is important to note that a review of the basis of Rating does seek not determine the total amount of Rate Revenue, but rather how that revenue is distributed across the community (across all Land Use categories).

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The financial and budget implications are set out in the Discussion section of this report.

RISK MANAGEMENT

The review of the Council's Rating Structure has been undertaken in accordance with the requirements of the *Local Government Act 1999*.

CONSULTATION

Elected Members

Elected Member Information Sessions were held on 31 March 2026, 21 April 2026 and 28 April 2026, with Elected Members regarding the review of the Council's Rating Structure.

Community

Not Applicable.

Staff

Chief Financial Officer

Other Agencies

Not Applicable.

DISCUSSION

REVIEW OF THE BASIS OF RATING REPORT

Key Findings

The Review found that the Council's current Rating structure is broadly functional but lacks a clearly articulated rationale for differential rates and does not fully align with contemporary equity principles. In particular, Commercial and Industrial ratepayers are contributing below benchmark levels relative to comparable Councils and the Minimum Rate that is applied by the Council is approaching the legislative cap, thereby limiting future flexibility.

Recommended Rating Structure

The Review recommends that the Council adopt a revised Differential Rating framework to improve equity, transparency and alignment with taxation principles. It is recommended that the Council move the current 120% Differential to a 150% Differential for Commercial and Industrial land uses over time, commencing with a 130% Differential Rate in 2026-2027 and increasing in a staged manner over a period of three (3) to five (5) years.

The differentials for Primary Production, Vacant Land and Other Land uses are recommended to be retained at 120% to ensure consistency.

Minimum Rate

The Review recommends a change to the Council's approach to the Minimum Rate. Rather than increasing the Minimum Rate annually in line with the Rate Revenue increase, it is proposed that the Minimum Rate be held at its current level of \$1,386 until the proportion of properties subject to the Minimum Rate reduces to approximately 25%.

Once this level is achieved, the Minimum Rate would be managed to maintain that proportion over time. This approach ensures compliance with legislative limits while improving flexibility and equity.

Rate Capping

The Council currently applies a maximum increase, or Rate Capping, to residential ratepayers under Section 153 of the *Local Government Act 1999* (the Act). It is proposed that this approach continue as part of the 2026-2027 Annual Business Plan and Budget.

In addition, to support the implementation of the revised Rating Structure, it is recommended that the Council consider the introduction of a capping mechanism for Commercial and Industrial ratepayers as provided for under Section 166(1)(l) of the Act. This would apply specifically to manage the impact of the redistribution of the rate revenue increase arising from the proposed structural changes to Differential Rates.

The application of capping for Commercial and Industrial Property owners would provide a transitional mechanism to moderate year-on-year increases and support a staged implementation of the revised Rating Structure.

Impact of the Rating Review

The objective of the Review of the basis of rating and not the total amount of Rate Revenue that is raised by the Council, but rather to ensure that the distribution of that revenue across the community is equitable, transparent and aligned with contemporary principles. In practical terms, the Review has considered how the total Rate Revenue requirement is apportioned between different categories of Land Use.

In this context, the Review has recommended redistribution of the overall rate burden, such that the relative contribution of different categories of ratepayers more appropriately reflects their use of infrastructure, the benefit that is received and capacity to pay.

Modelling undertaken by LGiQ indicates that a transition from the current 120% Differential to a 150% Differential for Commercial and Industrial properties, would result in a redistribution of approximately 2.84% of the overall rate burden from residential properties to these categories. This modelling is based on the 2025-2026 total Rate Revenue requirement and the 2025-2026 property valuations, allowing for a like-for-like comparison of the impact of the proposed structural changes.

Under this scenario, the redistribution equates to an estimated reduction of approximately \$77 (3.5%) in the Average Residential Rate, with corresponding increases of approximately \$607 (17.6%) for Commercial properties and \$544 (18.3%) for Industrial properties.

TABLE 1: LGiQ RATE MODELLING OF VARYING DIFFERENTIALS BASED ON 2025-2026 RATE REVENUE AND VALUATONS

	Current Rating Structure	Model - 1 150 % differential	Model - 2 175% differential	Model - 3 130 % differential
Valuation Data	2025/26	2025/26	2025/26	2025/26
Rate Increase		0.0 %		
Minimum Rate	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386
Minimum Rate % change		0 %	0 %	0 %
Minimum Rate % assessments	32%	33%		32%
Differential Rates				
Residential	100 %	100 %	100 %	100 %
Commercial	120 %	150 %	175%	130 %
Industrial	120 %	150 %	175%	130 %
Primary Production	120 %	120 %	120 %	120 %
Vacant Land	120 %	120 %	120 %	120 %
Other	120 %	120 %	120 %	120 %
AVERAGE RATES \$				
Residential	\$2,235.17	-\$77.44	-\$137.71	-\$26.38
Commercial	\$3,459.78	\$607.22	\$1,079.83	\$206.75
Industrial	\$2,968.39	\$544.43	\$966.10	\$186.21
Primary Production	\$2,212.47	-\$97.73	-\$174.30	-\$33.25
Vacant Land	\$2,449.31	-\$94.14	-\$165.61	-\$32.08
Other	\$4,626.40	-\$202.87	-\$361.82	-\$69.02
AVERAGE RATES % CHANGE				
Residential		-3.5%	-6.2%	-12%
Commercial		17.6%	31.2%	6.0%
Industrial		18.3%	32.5%	6.3%
Primary Production		-4.4%	-7.9%	-15%
Vacant Land		-3.8%	-6.8%	-13%
Other		-4.4%	-7.8%	-15%
% RATES DISTRIBUTION				
Residential	81.81%	78.97%	76.77%	80.84%
Commercial	15.67%	18.42%	20.56%	16.61%
Industrial	0.84%	0.99%	1.11%	0.89%
Primary Production	0.00 %	0.00 %	0.00 %	0.00 %
Vacant Land	0.81%	0.78%	0.75%	0.80 %
Other	0.87%	0.83%	0.80 %	0.86%

Table 2 below outlines the Differential Rating applied by Councils within the same ACLG group and also neighbouring councils to the City of Norwood Payneham & St Peters based on the 2025-2026 Annual Business Plan and Budget.

TABLE 2: COMPARISON OF DIFFERENTIAL RATES WITH OTHER COUNCILS

Council	LG Class	Residential	Commercial	Industrial	Primary Production	Vacant	Other
City of Norwood Payneham & St Peters	UMDM	100%	120%	120%	120%	120%	120%
City of Burnside	UMDM	100%	100%	100%	100%	250%	100%
City Of Unley*	UMDM	100%	280%	233%	N/A	233%	233%
City of Holdfast Bay	UMDM	100%	167%	167%	N/A	167%	100%
City of Campbelltown	UMDL	100%	100%	100%	100%	100%	100%
City of West Torrens	UMDL	100%	270%	270%	270%	270%	270%

*City of Unley Commercial differential rate includes Commercial Office and Commercial Other (Category 3), Commercial Shop has been included in Industrial (Category 2).

The Review also recommends that the transition to a higher Differential be implemented on a staged basis over a period of up to five (5) years, commencing at 130% in 2026-2027 and increasing by approximately 5% per annum until reaching the target of 150%.

Staging the increase allows the Council to progressively move toward the target differential while moderating the year-on-year impact on affected ratepayers, particularly within the Commercial and Industrial sectors. This approach reduces the risk of significant rate increases arising from the combined effect of valuation movements, rate revenue increases and structural changes to the rating system. It also provides the Council with the ability to respond to changing economic conditions through the Annual Business Plan process if required. Overall, a staged approach reflects a measured and considered transition, taking into account the affordability impacts on ratepayers.

2026-2027 ANNUAL BUSINESS PLAN - RATING STRATEGY

Proposed Rate Increase

The development of the Draft 2026-2027 Annual Business Plan is being undertaken in the context of the Council's Long-Term Financial Plan, which establishes the financial parameters required to maintain long-term financial sustainability.

The Long-Term Financial Plan previously assumed a 7.0% Rate Revenue increase for 2026-2027, based on underlying assumptions of 0.5% Property Growth, 3.0% Inflation and an additional 3.5% to fund new and upgraded infrastructure and services. This was intended to ensure that the Council remained financially sustainable into the future.

Updated economic conditions indicate that the Adelaide CPI for March 2026 is 4.9%, and the Council's assessment growth is approximately 1.4%. These factors indicate increased cost pressures and a higher growth component than originally assumed. In this context, a revised Rate Revenue increase of 7.9% is considered appropriate to maintain financial sustainability and support the delivery of planned services and infrastructure.

Interaction with the Rating Review

The proposed Rate Revenue increase determines the total amount of revenue to be raised by the Council, while the revised basis of rating determines how that revenue is distributed across the community. These two elements operate independently but together determine the overall impact on ratepayers.

In the current economic environment, where cost pressures are increasing and the Council must maintain long-term financial sustainability, it is important that the overall rate burden is shared in a manner that is equitable and aligned with contemporary taxation principles.

The review of the basis of rating supports this objective by redistributing the existing rate burden to better reflect differences in service demand, benefit received and capacity to pay.

The combined effect of the proposed rate revenue increase and rating structure is that the overall increase in rate revenue can be distributed more appropriately across different categories of ratepayers. In this context, the revised structure is expected to ease relative pressure on Residential ratepayers compared to the current approach.

Individual outcomes will continue to be influenced by valuation movements, the overall rate increase and the changes to the Rating Structure.

The staged implementation of the revised differentials assists in managing these impacts and supports a measured transition.

Rates Modelling for the 2026-2027 Annual Business Plan

The Council's long-term financial planning is based on a series of financial outcomes, with one being *Rate Stability*. 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".

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 25 April 2026, has been undertaken. The impact of the respective strategies on the Council's Operating result are set out in Table 3 below. It should be noted that the valuation information for the week ended 19 June 2026, will be used to determine the final average rate increase at the Council meeting to be held on 7 July 2025.

TABLE 3: RATING STRATEGY: PROPOSED RATE REVENUE

	2025- 2026	2026- 2027	2026- 2027	2026- 2027	2026- 2027	2026- 2027
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Proposed Rate Revenue Increases</i>	8.00%	7.00%	7.75%	7.90%	8.50%	9.50%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General Rate Revenue (Net)*	\$49,381	\$52,838	\$53,208	\$53,282	\$53,578	\$54,072
Increase on 2025-2026	N/A	\$3,457	\$3,827	\$3,901	\$4,197	\$4,691
Operating Surplus/(Deficit) after rate revenue increases *	\$397	-\$2,600	-\$2,230	-\$2,156	-\$1,859	-\$1,365
LTFP 2025/26 -2034/35 Operating Surplus/(Deficit)	\$754	\$345	\$345	\$345	\$345	\$345

*General Rate Revenue Net is after mandatory rebates have been applied and capping under both S153 and S166

The Average Rate

The Average Rate is calculated by dividing the Total Rate Revenue by the number of properties within each land use category.

The change in the Average Residential Rate for 2026-2027 is influenced by a number of factors, including growth associated with new property development, changes in the residential proportion of the overall valuation base, the proposed increase in rate revenue, and the impact of the revised basis of rating. The inclusion of the Rating review in 2026-2027 introduces a redistribution of the rate burden across land use categories, which affects the relative change in average rates compared to previous years.

In this context, the proposed Rating Structure is expected to influence the distribution of the overall rate increase, with the impact on Residential ratepayers differing from that which would occur under the current rating approach.

It should be noted that the final average rate outcomes may vary once updated valuation data becomes available and will be based on valuation information as at the week ended 21 June 2025 when the 2026-2027 Annual Business Plan and Budget are adopted.

Table 4 below details the impact of the proposed rating strategy options on Residential and Commercial rates.

TABLE 4: IMPACT OF RATING STRATEGY ON RESIDENTIAL, COMMERCIAL & INDUSTRIAL RATES

	2025- 2026 \$'000	2026- 2027 \$'000	2026- 2027 \$'000	2026- 2027 \$'000	2026- 2027 \$'000	2026- 2027 \$'000
Proposed Rate Revenue Increases	8.50%	7.00%	7.75%	7.90%	8.50%	9.50%
Residential Rate						
Average Rate	\$2,237	\$2,340	\$2,356	\$2,359	\$2,372	\$2,393
Average Rate Difference \$		\$103	\$119	\$122	\$135	\$157
Increase from previous year %		4.61%	5.33%	5.47%	6.05%	7.01%
Rate-in-Dollar	0.001830	0.001829	0.001843	0.001846	0.001858	0.001877
Rate-in-Dollar Change		-0.05%	0.74%	0.90%	1.54%	2.60%
Commercial Rate						
Average Rate	\$3,460	\$3,821	\$3,849	\$3,855	\$3,878	\$3,917
Average Rate Difference \$		\$361	\$389	\$395	\$418	\$457
Increase from previous year %		10.43%	11.25%	11.42%	12.10%	13.21%
Rate-in-Dollar	0.002196	0.002378	0.002396	0.0024	0.002415	0.00244
Rate-in-Dollar Change		8.29%	9.11%	9.29%	9.97%	11.11%
Industrial Rate						
Average Rate	\$2,968	\$3,309	\$3,334	\$3,339	\$3,360	\$3,395
Average Rate Difference \$		\$340	\$365	\$371	\$392	\$426
Increase from previous year %		11.47%	12.31%	12.50%	13.19%	14.36%
Rate-in-Dollar	0.002196	0.002378	0.002396	0.00240	0.002415	0.00244
Rate-in-Dollar Change		8.29%	9.11%	9.29%	9.97%	11.11%

***NB 2025-2026 Average Rate and Differentials have been adjusted to recognise capping as part of the overall rate calculation*

The Minimum Rate

Table 5 below details the impact of the proposed Rating Strategy options in respect to the Minimum Rate. The minimum rate is not proposed to be increased in line with the Rate Revenue increase in order to maintain an appropriate margin below the maximum threshold of 35% of assessments prescribed under Section 158(2)(d) of the *Local Government Act 1999*.

TABLE 5: IMPACT OF RATING STRATEGY ON MINIMUM RATES

	2025/ 2026 \$'000	2026/ 2027 \$'000	2026/ 2027 \$'000	2026/ 2027 \$'000	2026/ 2027 \$'000	2026/ 2027 \$'000
	8.50%	7.00%	7.75%	7.90%	8.50%	9.50%
Minimum Rate	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386	\$ 1,386
\$ difference from prior year	\$109	\$0	\$0	\$0	\$0	\$0
No. of assessments on Minimum Rate	6,613	5,677	5,666	5,666	5,522	5,483
% of assessments on Minimum Rate	31.94%	27.04%	26.99%	26.99%	26.30%	26.12%

Table 6 sets out the Capital Value, by land use, for all property classes as advised by the Valuer-General.

TABLE 6: CAPITAL VALUES BY LAND USE

	Capital Value 2025-2026 \$'000	Capital Value 2026-2027 \$'000	Capital Value Increase \$'000	Value Increase %	No. of Assessments 2026-2027 #	Average Value 2026-2027 \$'000
Residential	\$20,793,329	\$22,618,696	\$1,825,368	8.78%	18,337	\$1,234
Commercial	\$3,404,383	\$3,540,848	\$136,465	4.01%	2,247	\$1,576
Industrial	\$184,001	\$184,536	\$534	0.29%	134	\$1,377
Vacant Land	\$176,753	\$221,805	\$45,053	25.49%	184	\$1,205
Other	\$508,099	\$531,076	\$22,977	4.52%	92	\$5,773
Primary Production	\$1,008	\$1,040	\$33	3.23%	1	\$1,040
Total Rateable Value	\$25,067,572	\$27,098,001	\$2,030,430	8.10%	20,995	\$1,291
Non-Rateable	\$490,119	\$538,504	\$48,385	9.87%	260	\$2,071
Total	\$25,557,691	\$27,636,505	\$2,078,814	8.13%	21,255	\$1,300

Maximum Increase – Residential (Section 153 of the Act)

For the 2026-2027 financial year, it is proposed to apply a maximum increase for Residential ratepayers in accordance with Section 153 of the *Local Government Act 1999*. This will limit the increase in rates for individual residential properties to no more than two (2) times the general Rate Revenue increase. The application of this provision forms part of the overall rating methodology for 2026-2027 and assists in managing the impact of valuation movements and the annual rate increase on Residential ratepayers.

Rebate-Based Capping – Commercial and Industrial (Section 166 of the Act)

For the 2026-2027 financial year, it is proposed to apply a rebate-based capping mechanism for Commercial and Industrial ratepayers under Section 166(1)(l) of the *Local Government Act 1999*. This mechanism will limit the increase in rates for affected properties to no more than two (2) times the general Rate Revenue increase. The application of this rebate forms part of the implementation of the revised rating structure and supports a measured transition to the new differential framework.

Rating Policy

As part of the implementation of the revised rating methodology for 2026-2027, the Council has undertaken a review of its *Rating Policy* to ensure it reflects the updated approach to the basis of rating. The revised Policy incorporates the application of Differential Rates, the updated approach to setting the Minimum Rate, and the use of capping mechanisms in accordance with the *Local Government Act 1999*.

The revised Policy also articulates the principles underpinning the Council's rating decisions, including equity, capacity to pay and benefit received, to provide a clear and transparent framework for the distribution of rates across the community.

A copy of the draft *Rating Policy* which incorporates the most up-to-date valuation data and incorporates a Rate Revenue increase of 7.9% is contained in **Attachment B**.

Financial Implications

The proposed approach set out in this report, aligns with the Council's Long-Term Financial Plan and supports the achievement of financial sustainability objectives, including maintaining Operating Surpluses and funding Capital investment. The Rating Review does not increase the total amount of rates collected; rather, it provides a more equitable basis for distributing the revenue requirement.

Consultation

In accordance with Section 151 of the *Local Government Act 1999*, the Council is required to undertake community consultation prior to implementing changes to the basis of rating. This report provides the required basis for consultation on the proposed changes to the Rating Structure.

Subject to the Council's endorsement, the proposed changes and Draft 2026-2027 Annual Business Plan and Budget will be released for public consultation. Submissions received through the consultation process will be considered by the Council prior to the Council's final adoption of the 2026-2027 Annual Business Plan and Budget.

OPTIONS

The Council has a number of options available in respect to the Council's Rating Structure however on the basis of the independent review has been undertaken it is recommended that the Council endorses the Rating Structure as set out in this report.

CONCLUSION

The *Review of the Basis of Rating* provides the Council with a structured and evidence-based opportunity to improve the equity and transparency of its Rating system. The proposed changes, combined with a 7.9% Rate Revenue increase, support the Council's long-term financial sustainability while ensuring that the distribution of rates is fair and aligned with contemporary rating principles.

RECOMMENDATION

1. *That the April 2026 Final Report - Review of the Basis of Rating prepared by LGiQ (Attachment A) be received and noted.*
 2. *That the Council endorses "in principle", for the purposes of public consultation, in accordance with Section 151(5)(a) and (b) of the Local Government Act 1999, the proposed changes to the basis of rating as detailed in the Draft Rating Policy (Attachment B), including:*
 - a. *the progressive increase of the Commercial and Industrial differential from 120% to 150% over a period of five (5) years, commencing with a differential of 130% in 2026-2027;*
 - b. *retention of Primary Production, Vacant Land and Other differentials at 120%;*
 - c. *a Minimum Rate of \$1,386, with no increase;*
 - d. *maintenance of the existing maximum increase (capping) for Residential ratepayers under Section 153 of the Local Government Act 1999, limiting increases to two (2) times the Rate Revenue increase; and*
 - e. *the introduction of a rebate-based capping mechanism for Commercial and Industrial ratepayers under Section 166(1)(l) of the Local Government Act 1999, limiting increases to two (2) times the Rate revenue increase as a transitional measure associated with the proposed changes to the basis of rating.*
-

Cr Holfeld moved:

1. *That the April 2026 Final Report - Review of the Basis of Rating prepared by LGiQ (Attachment A) be received and noted.*
2. *That the Council endorses "in principle", for the purposes of public consultation, in accordance with Section 151(5)(a) and (b) of the Local Government Act 1999, the proposed changes to the basis of rating as detailed in the Draft Rating Policy (Attachment B), including:*
 - a. *the progressive increase of the Commercial and Industrial and Vacant Land differential from 120% to 150% over a period of five (5) years, commencing with a differential of 130% in 2026-2027;*
 - b. *retention of Primary Production and Other differentials at 120%;*
 - c. *a Minimum Rate of \$1,386, with no increase;*
 - d. *maintenance of the existing maximum increase (capping) for Residential ratepayers under Section 153 of the Local Government Act 1999, limiting increases to two (2) times the Rate Revenue increase; and*
 - e. *the introduction of a rebate-based capping mechanism for Commercial and Industrial ratepayers under Section 166(1)(l) of the Local Government Act 1999, limiting increases to two (2) times the Rate revenue increase as a transitional measure associated with the proposed changes to the basis of rating.*

Seconded by Cr Wilkinson and carried unanimously.

13.3 IMPLICATIONS OF A 2% REDUCTION TO THE 2026–2027 BUDGET AT SERVICE LINE LEVEL

REPORT AUTHOR: Chief Financial Officer
APPROVED BY: Chief Executive Officer
ATTACHMENTS: Nil

PURPOSE OF THE REPORT

The purpose of this report is to outline the implications of applying a 2% reduction across individual service and expense groups as part of the Draft 2026-2027 Budget.

BACKGROUND

As Elected Members will recall, at its meeting held on 7 April 2026, the Council was presented with the Draft Annual Business Plan & Draft 2026-2027 Budget and amongst other matters resolved that staff provide a report to the May 2026 Council Meeting, outlining the implications of including a 2% decrease for each Expense grouping (except Rates, Depreciation and Financing).

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

For the 2026-2027 Financial Year, the Draft Budget estimates an Operating Deficit of \$2,600,309 based on a Rate Revenue increase of 7%. 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 that were adopted by the Council at its meeting held on 3 February 2026.

This report examines the impacts of a proposed 2% reduction to components contained in the Draft 2026-2027 Budget, with the objective of reducing the operating deficit.

RISK MANAGEMENT

The Draft 2026-2027 Annual Business Plan and Budget has been prepared to ensure the Council meets its legislative responsibilities 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 2026-2027 Recurrent Budget, Operating Projects and Capital Works Program was provided to Elected Members at the Elected Member Information Briefing Session held on 10 March 2026. The Draft Budget was presented to the Elected Members at the Council meeting on 7 April 2026.

Community

Consultation with respect to this matter would be undertaken as part of the consultation on the draft 2026-2027 Annual Business Plan and Budget.

Staff

Executive Leadership Team.

Other Agencies

Not Applicable.

DISCUSSION

The Council's total Operating Expenditure is approximately \$44 million, of which around \$21 million relates to employee costs (wages, salaries, superannuation, etc.) and \$16.6 million is associated with contractually committed expenditure. These contractual costs include items such as waste management services, street and footpath sweeping, utilities (electricity and water), fleet and fuel, insurance, Emergency Services Levy, public street lighting (SA Power), grants, subscriptions, valuations, joint ventures, audit fees, and other statutory or fixed obligations including Elected Member and Committees allowances.

This leaves approximately \$6.4 million of expenditure where a 2% reduction could be practically applied. However, this remaining component still includes a significant proportion of labour-intensive and essential service delivery areas, limiting the ability to achieve savings without understanding the potential impact on service levels.

The benefits of applying a 2% reduction in expenditure are, amongst other things:

- providing immediate financial improvement of \$128,000 supporting the operating result, cash position and key financial ratios;
- the reduction is simple and equitable to apply, with all cost centres contributing to the savings;
- Encouraging efficiency, prompting review of discretionary expenditure and prioritisation of core services;
- is quick to implement and supports short-term financial constraints or borrowing limits; and
- demonstrates fiscal discipline.

Notwithstanding the benefits, this approach:

- is a non-strategic, blunt instrument and does not reflect service criticality, standard/level or statutory requirements;
- delivers limited savings in fixed-cost areas, where reductions are not achievable without changing service levels;
- creates service level reduction risks, including potential reduced maintenance, program delivery and service frequency;
- may shift costs rather than reduce them, particularly where staff reductions lead to increased contractor reliance;
- has a disproportionate impact on discretionary but highly-valued services
- risks reducing revenue in partially self-funded services (e.g. Childcare Centre, parking management, hire of facilities);
- undermines asset sustainability if maintenance is deferred;
- cost reduction of \$128,000 provides only a modest financial benefit which is unlikely to address structural budget pressures.

The implication of a 2% reduction on items such as Contractually Locked / Fixed Cost Areas (Fleet & Fuel, Insurance, Waste, Street Sweeping, Eastern Health Association, Emergency Services Levy, Utilities such as Electricity water, Public Lighting/SA Power, Community Grants, Subscriptions, Valuations, Joint Ventures, Audit, Committees, IT Strategy, Payneham Memorial Swimming Centre (1st year of operation), Community Aged Support & Development / HAAC) are:

- these costs are largely fixed or externally determined.
- a 2% reduction may not be achievable without contract renegotiation or changes to the scope of contracts; and
- any savings may potentially result in reduced service levels or deferral of obligations, which may not be feasible or appropriate.

In respect to discretionary and service delivery areas that account for some \$6.4m, reducing costs by 2% equates to approximately \$128,000.

Given the high proportion of fixed costs, a 2% reduction across service areas is unlikely to be achieved through efficiencies alone. Instead, they may require service level reductions, deferral of works or reduced program delivery, with direct impacts on the community and potential long-term financial consequences.

While this approach provides a modest and immediate financial benefit of \$128,000 it does not address underlying cost drivers and may introduce operational, financial and asset sustainability risks. A flat 2% reduction is useful as a short-term financial lever, but ineffective as a long-term financial strategy.

A more sustainable alternative would include targeting non-core and discretionary services, and revenue opportunities (pending Rating strategy finalisation).

Should the Council consider more targeted savings beyond a uniform 2% reduction, there are a number of discretionary services (non-statutory) and activities that could be considered. These are non-statutory, have a higher degree of flexibility and are not contractually based however, these often deliver community, social, or economic value.

While these non-discretionary areas present the most practical opportunities for immediate savings, it is important to recognise that these are often highly visible and valued by the community, contributing to liveability, social cohesion and local economic activity. Full or partial cessation may therefore result in reputational impacts, reduced community satisfaction and potential indirect economic consequences and should be assessed against Council's strategic objectives and community expectations.

The Council could however consider applying a "stretch target", a defined lump sum savings requirement allocated across the whole organisation to be achieved progressively throughout the financial year through a combination of operational decisions and efficiencies.

The Advantages of this approach:

Provides flexibility for management to determine how savings are achieved rather than prescribing cuts upfront. It potentially will encourage innovation and continuous efficiency improvements across the organisation. It also allows savings to be identified progressively over time, including through the management of vacancies, deferral of non-essential expenditure, procurement savings, operational efficiencies and reduces the need for immediate savings at the start of the financial year.

The Disadvantages of this approach:

Uncertainty of delivery in the stretch target savings, as savings are not fully identified when the Draft Budget is adopted. It could also lead to in-year reactive decision-making rather than strategic planning. There is also the potential for deferral of necessary expenditure, creating future cost pressures and can place operational strain on staff.

In summary, while a stretch target approach provides flexibility and can minimise upfront impacts, it requires strong governance, monitoring and accountability to ensure savings are achieved without compromising critical services or creating longer-term financial risks.

OPTIONS

The Council may elect to either implement a 2% reduction or \$128,000 cost cutting in non-discretionary (non-statutory) services and activities (as presented in the report) or adopt a "stretch target" approach to achieve savings aimed at reducing the Operating Deficit.

CONCLUSION

A uniform 2% reduction across all service and expense lines would deliver a modest, immediate improvement of \$128,000 to Council's financial position and would demonstrate fiscal discipline. However, given that the majority of Council's \$44 million expenditure base is tied to employee costs and contractually committed services, the capacity to achieve savings beyond this quantum without impacting service delivery is limited. As a result, a blanket reduction is likely to lead to service level adjustments, deferred maintenance, or reduced program delivery, with potential impacts on community outcomes and longer-term financial sustainability.

It is therefore recommended that Council does not rely solely on a flat 2% reduction as a primary strategy. Instead, Council should adopt a targeted and strategic approach, focusing on discretionary and non-core services, reviewing service levels, and addressing key cost drivers. Consideration may also be given to applying a controlled stretch target, supported by strong governance and monitoring, to allow management flexibility in identifying efficiencies throughout the year.

This balanced approach will enable Council to achieve necessary financial improvements while minimising adverse impacts on essential services, community outcomes, and long-term asset sustainability.

RECOMMENDATION

That the report be received and noted.

Cr Wilkinson left the meeting at 8.24pm.
Cr Wilkinson returned to the meeting at 8.27pm.

Cr McFarlane moved:

That the Council sets a stretch budget of \$1m savings with three (3) monthly goal setting to quantify the savings that are achieved each quarter.

The motion lapsed for want of a seconder.

Cr Duke moved:

That the report be received and noted.

Seconded by Cr Callisto.

Amendment

Cr Moorhouse moved:

- 1. That the report be received and noted.*
- 2. That the Council sets a stretch budget of \$128,000 savings with three (3) monthly goal setting to quantify the savings that are achieved each quarter.*

The amendment lapsed for want of a seconder.

Amendment

Cr Excell moved:

1. *That the report be received and noted.*
2. *That the Council adopt a targeted and strategic approach to achieve budget savings, focusing on discretionary and non-core services, reviewing service levels, and addressing key cost drivers.*

Seconded by Cr Holfeld.

The amendment was put and carried.

The motion, as amended, was put and carried unanimously.

13.4 THE PARADE MASTERPLAN IMPLEMENTATION

REPORT AUTHOR: Project Manager, City Projects
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A - C

PURPOSE OF THE REPORT

The purpose of this report is to provide an update on the status of The Parade Masterplan Implementation Project and obtain the Council's approval of the revised proposed project scope and next steps to achieve the objectives of the Long-Term Financial Plan - Scenario 4 considered by the Council at its meeting held on 7 April 2026.

BACKGROUND

Preparation of The Parade Masterplan commenced in January 2016 and was undertaken in three phases. Phase 1 involved initial community engagement to capture ideas for The Parade. Phase 2, completed in July 2018, involved testing ideas and concepts to develop a draft Masterplan. The third phase involved further community engagement and refinement of the draft masterplan for The Parade.

At a Special Meeting held on 15 May 2019, the Council considered and endorsed The Parade Masterplan and its use "as the basis for the detail design of any proposed streetscape upgrade to The Parade."

In April 2021, a procurement process was undertaken to appoint consultants to prepare the detail design and construction documentation associated with the implementation of The Parade Masterplan and the George Street Upgrade Project.

On 22 November 2021, the Council appointed a multi-disciplinary team, led by Landskap (landscape architecture and urban design consultants) to undertake design development for The Parade between Fullarton Road and Portrush Road and detail design and construction documentation for George Street between the intersection of The Parade and Webbe Street.

Since the engagement of Landskap in 2021, the following design and construction activities have been undertaken.

- review of the Masterplan;
- traffic surveys to inform Department of Infrastructure & Transport (DIT) engagement;
- establishment of a Working Group comprising relevant Council and DIT staff;
- DIT approval of a base streetscape design (e.g. road geometry, lane dimensions, vehicle design speeds) and confirmation of all asset owner requirements;
- traffic impact studies for The Parade and George Street;
- stakeholder engagement, detail design and construction documentation, procurement and construction for the George Street Upgrade Project.

The George Street Upgrade Project was completed in March 2026. It is a "prototype" for the remainder of the precinct, in respect to materials (e.g. paving, landscaping, lighting, street furniture) and outcomes such as stormwater drainage. The Project also demonstrates how the Council will effectively engage with stakeholders, communicate with the community, and maintain access for businesses to successfully deliver improvements along The Parade.

The design process for the proposed streetscape upgrade to The Parade is 30% complete.

STRATEGIC DIRECTIONS

CityPlan 2030 Alignment

Outcome 1: Social Equity

An inclusive, connected, accessible and friendly community.

Objective 1.1: Convenient and accessible services, information and facilities.

Strategy 1.1.3 Design and provide safe, high-quality facilities and spaces for all people.

Outcome 2: Cultural Vitality

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

Objective 2.4: Pleasant, well designed, and sustainable neighbourhoods.

Strategy 2.4.1: Encourage sustainable and quality developments and urban design outcomes.

Strategy 2.4.3: Encourage the protection of trees and maximise greening in new development and the public realm.

Outcome 3: Economic Prosperity

A dynamic and thriving centre for business and services.

Objective 3.3: An attractive and supportive City for business and new enterprise.

Strategy 3.3.2: Provide a quality public realm and infrastructure that supports businesses.

Outcome 4: Environmental Sustainability

A leader in environmental sustainability.

Objective 4.2: Generous tree canopy, and sustainable streets and open spaces.

Strategy 4.2.1: Improve the amenity and safety of streets for all users including reducing the impact of urban heat island effect.

FINANCIAL AND BUDGET IMPLICATIONS

Long-Term Financial Management Plan 2021 - 2031

The Council's current 2021-2031 Long-Term Financial Plan includes \$30m to implement The Parade Masterplan through a staged approach over a number of years.

As Elected Members will recall, at the Council meeting held on 7 April 2026, the Council considered the Draft 2026-2027 Budget. The report included proposed Operating and Capital Projects together with financial modelling scenarios, which have been prepared to respond to the Advice that has been provide by the Essential Services Commission of South Australia' (ESCOSA) and which continue to maintain the Council's ongoing financial sustainability.

At the meeting, as Elected Members will recall, the Council endorsed "in principle" the Draft 2026-2027 Budget –Option 2. The recommended and endorsed Draft Budget was based on the Long-Term Financial Plan Scenario 4. Scenario 4 represents the strategy in which the implementation of The Parade Masterplan is no longer included in the term of the draft LTFP, but rather its implementation is proposed to be funded through the renewal program as occurs with all of the City's infrastrucure assets. At the same time, any capital upgrade would need to be confirmed and included in later years, subject to securing grant funding.

The Parade Masterplan Cost Estimate (2020)

In 2020, a cost estimate based on the endorsed Masterplan including George Street was prepared by cost consultants, Rider Levitt Bucknall. The cost to upgrade The Parade between Fullarton Road and Portrush Road and including George Street, was estimated at \$26,450,000. There were a number of excluded from RLB's July 2020 cost estimate including:

- any works associated with the roadworks on street intersections with The Parade;
- any augmentation or replacement of the existing stormwater drainage system;
- any augmentation or relocation of third-party services;
- soil contamination removal or remediation;
- requirements for working on roads under the care and control of the Department for Infrastructure and Transport (DIT);
- maintaining access and operations to businesses and residents on The Parade and George Street during construction; and
- cost escalation post July 2020.

Asset Renewal and 30% Design Cost Estimates (2026)

In January 2026, Sempac (cost consultant) was engaged to undertake a constructability assessment and prepare updated cost estimates for the following scenarios:

- the asset renewal of The Parade (Fullarton Road to Portrush Road) based on the Council's standard civil construction details; and
- the upgrade of The Parade (Fullarton Road to Portrush Road) based on the 30% design to implement The Parade Masterplan.

Further details about the differences between asset renewal versus asset upgrade and the design process are included in the Discussion section of this report.

The purpose of the constructability assessment was to understand in detail and document the context of The Parade as a mainstreet with operational and spatial constraints (e.g. business access, residential proximity, peak traffic hours, bus movements, events, work zones, traffic management, etc.). This information was used to inform the development of a construction delivery scenario for The Parade which would provide a balanced approach to undertaking construction works on The Parade while also maintaining access and minimising disruption to businesses and the community. Cost estimates were then prepared in April 2026.

The estimates considered full project delivery costs, including due diligence investigations (e.g. locating third-party services), professional services (e.g. project management, community liaison), the anticipated productivity of construction work, undertaking both day and night works in stages over multiple years, appropriate risk allocations (i.e. contingency) and price escalation to 2030.

The cost to undertake the renewal of the Council's assets on The Parade (Fullarton Road to Portrush Road) was estimated at \$40m. The cost to upgrade The Parade based on the 30% design to implement The Parade Masterplan was estimated at an additional \$15m.

The Parade Masterplan Design Budget

The Council has budgeted \$2,044,000 for design (i.e. design development, detail design and documentation) and due diligence activities to develop and implement The Parade Masterplan, which includes design work associated with the George Street Upgrade. To date, \$1,176,000 has been expended on design and due diligence activities. An additional \$428,000 is currently unspent but committed under contracts with consultants. A portion of the committed funds may not be expended depending on which strategy the Council adopts in respect to this Project.

The remaining balance of committed funds at end of June 2026 (currently estimated to be \$360,000) and the remaining unspent funds of \$440,000 are proposed to be carried forward to the 2026-2027 Financial Year and will be used undertake further design and due diligence activities based on the Council's approved project scope. In other words, the expected 2026-2027 carry forward for the project is approximately \$800,000.

RISK MANAGEMENT

The key risks associated with the implementation of The Parade Masterplan and the controls used to mitigate these risks are set out below in **Table 1**.

TABLE 1: RISKS AND CONTROLS

Risk	Impacts	Controls
Appropriate consultant capability	Design	Prepare a detailed Project Brief to clearly define the scope of works and expectation of the level of service/s to be provided to the Council.
Design does not meet expectations	Community and stakeholders	Undertake a briefing workshop with the Council on the design development. Undertake engagement activities during the design process to understand the needs of the Precinct. Ensure amenity priority is built into detailed Project Specification.
Business interruption	Community and stakeholders	Undertake engagement activities during the design process to understand the needs of the Precinct. Develop construction approach / standards of access to minimise disruption as part of the design process.
Impacts on traffic movements	Motorists and Pedestrians	Undertake investigative and engagement activities during the design process to understand current usage and needs. Develop standards of access to minimise disruption. Ensure that Project staging is organised to allow access.
Business sales reduction	Community and stakeholders	Develop construction approach / standards of access to minimise disruption as part of the design process. Maintain ongoing communication with businesses to understand needs.
Lack of design integration and coordination (e.g. design not aligning with other projects, conflicts onsite causing delays)	Third parties + Design / Construction	Establish Project Working Group. Include representative from the Department for Infrastructure and Transport on Project Working Group. Undertake due diligence activities during detail design stage. Undertake potholing during detail design stage.
Damage to heritage buildings	Construction	Develop appropriate construction methodology and use agreed building practices which will be specifically developed. (Construction and Vibration Noise Management Plan)
Third Party Utility Upgrades	Design / Construction	Engage with all service authorities during the design stages. Develop future proofing options through the design detail process.
Is the design safe (safety in design)	Design	Undertake independent Road Safety Audits. Include Safety in Design audits of the detail design Undertake materials testing where required to ensure compliance with standards.

Non – compliant design	Design	Establish Hold Points through the design process to review the design. Establish internal review and sign-off process. Undertake additional investigations to ensure there is sufficient information to design to the relevant standards. Undertake materials testing where required to ensure compliance with standards.
Sudden design changes	Design / Construction	Develop design options in the detailed design stage. Undertake potholing of services
Late design delivery	Design / Construction	Provided completed package of design options so that contractor will not be delayed.
Project Budget	Financial	Reporting to the Council. Engage Cost Estimator to capture costs associated with the design. Establish Hold Points through the design process to review costs. Develop sufficient risk contingency. Qualify risks through due diligence activities e.g. potholing of services, staging requirements through stakeholder engagement.

CONSULTATION

Elected Members

Elected Members have been involved throughout the process involving preparation of The Parade Masterplan and the George Street Upgrade Project.

At its meeting held on 5 September 2022, the Council received and noted a report on the progress of the Implementation of The Parade Masterplan and the George Street Upgrade Project.

At its meeting held on 7 July 2025, the Council considered a tender selection report for the George Street Upgrade Project, including the Harris Street and George Street stormwater drainage works. The Council also approved awarding the construction contract to Outside Ideas.

On 14 April 2026, a progress report on The Parade Masterplan Implementation was provided to the Council’s Business & Economic Development Advisory Committee. At that meeting the Committee received and noted the report and recommended to the Council that it consider the following as part of The Parade Masterplan Implementation Project:

- active transport connections;
- building control / heritage buildings;
- facade improvement scheme;
- signage / hoardings;
- footpath trading;
- public lighting;
- lighting of heritage buildings;
- feature lighting of street furniture;
- scheduling of works;
- dedicated funding / business as usual campaigns;
- involvement of local schools;
- business incentives; and
- history of The Parade (past & present).

At an Elected Members Information Session held on 21 April 2026, the Council received a presentation on The Parade Masterplan Implementation, including scope, costings, sequencing and other associated matters

Community

The community and key stakeholders were invited to provide ideas, suggestions and other comments through the Phase 1, Phase 2 and Phase 3 community consultation and engagement processes for The Parade Masterplan.

The community will continue to be consulted on implementation of The Parade Masterplan through the Annual Business Plan and Budget process, subject to confirmation and approval of the project scope, additional future engagement activities are proposed to inform resolution of the design for final approval and prepare for the procurement and construction stages.

Table 2 below outlines the previous and proposed engagement activities to be undertaken in alignment with the International Association for Public Participation (IAP2) engagement framework.

TABLE 2: ENGAGEMENT ACTIVITIES FOR THE PARADE MASTERPLAN IMPLEMENTATION

IAP2 Level of Involvement	Goal	Application	Project Stage
Empower	Implement decisions	Obtain community input on specific elements (e.g., removal of car parking, pedestrian safety) and the design team considers and incorporates them.	Masterplan
Collaborate	Partner for solutions	Formulate design alternatives and select the best solution (e.g. George Street concept).	Masterplan
Involve	Ensure concerns are reflected	Prepare Draft Masterplan for public consultation where community feedback informs changes to the design, project vision and objectives.	Masterplan
Consult	Obtain Feedback	Obtain stakeholder (DIT, asset owners) review and feedback on draft designs.	Design
		Undertake due diligence / risk identification and resolution activities with stakeholders.	Documentation
		Consult with stakeholders and community on construction and impacts.	Procurement
Inform	Provide balanced information	Prepare and undertake information sessions.	Procurement
		Develop communications plan and provide regular and relevant information to stakeholders and the community via email, website, signage, etc.	Construction

Staff

Staff from across the organisation are involved with the delivery of this Project.

Other Agencies

The Department for Infrastructure & Transport (DIT) has care and control for The Parade roadway, including road pavements and traffic control devices (e.g. signals, line marking, traffic islands). Extensive engagement with DIT staff has already occurred, facilitated through a DIT / Council Project Working Group.

Further engagement will continue with DIT throughout this project to obtain design and construction approvals and to coordinate the locations and timing of any works that are conducted by either party. In addition, Council staff and its consultants are liaising with all relevant third-party utility providers (e.g. SA Power Networks, SA Water, Telstra, NBNco, APA Gas) to understand the extent and condition of utility services located along The Parade to determine design and construction impacts. This liaison includes understanding whether there are planned upgrades to third-party utilities to inform the development of potential construction stages.

DISCUSSION

Design

The purpose and function of The Parade Masterplan is referred to in different ways within the endorsed document.

"The objective of the Masterplan for The Parade is to establish a holistic vision to direct the progressive enhancement and redevelopment of this mainstreet precinct to support local businesses, encourage new investment and maximise community enjoyment and appeal. In addition, the Masterplan has sought to establish a framework to ensure that The Parade retains its strong 'sense of place' and cultural identity whilst meeting the future needs of the community." (Page 4)

"The Masterplan reinforces The Parade as destination that functions well, and provides a variety of services and opportunities with an attractive streetscape and a high level of amenity, which encourages further public and private investment." (Page 5)

"The Parade Masterplan is a planning and design framework that will help guide future works on this significant mainstreet, whilst maintaining its distinctive and memorable character. As a destination for business, recreation and entertainment, The Parade functions well as a traditional high street serving both the local community and visitors attracted to the amenity of the streetscape and diversity of services. The Masterplan focuses on the retention of the distinctive and well-liked cosmopolitan character of The Parade, whilst proposing a number of new interventions that improve the street function and attractiveness as a destination to live, work and play, and to encourage future investment." (Page 7, Introduction)

The Parade Masterplan proposed the following design elements for the various streetscape character zones:

West (Fullarton Road to Osmond Terrace)

- Footpaths/Kerbs: 6.4m wide with rollover kerbs to incorporate on-street parking at footpath level
- Roadway (subject to DIT approval): 2.5m wide median, 3.0m inner lane, a 3.3m outer lane and a 1.6m bicycle lane
- Traffic (subject to DIT approval): 50kph speed limit, safety improvements at Fullarton Road and Sydenham Road intersections, pedestrian actuated crossing near Norwood Oval, possible bus stop relocations
- Landscaping: retain existing trees, install new irrigation, trees and low-level planting in medians and footpath areas
- Other: new street furniture and lighting, raised (continuous) footpaths at cross streets.

Heart (Osmond Terrace to George Street)

- Footpaths/Kerbs: 6.3m wide with rollover kerbs to incorporate on-street parking at footpath level, except no parking between Edward Street to George Street
- Roadway (subject to DIT approval): 2.5m wide median, 3.0m inner lane, a 3.3m outer lane and a 1.2m bicycle lane
- Traffic (subject to DIT approval): 40kph speed limit, safety improvements at Osmond Terrace, Church Avenue, Edward Street intersections, scramble crossing at George Street intersection, possible bus stop relocations
- Landscaping: retain existing trees and median landscaping, install new irrigation, trees and low-level planting in footpath areas
- Other: same as West.

East (George Street to Portrush Road)

- Footpaths/Kerbs: 6.3m wide with rollover kerbs to incorporate on-street parking at footpath level
- Roadway: 2.5m wide median, 3.0m inner lane, a 3.3m outer lane and a 1.2m bicycle lane (subject to DIT approval)
- Traffic (subject to DIT approval): 40kph speed limit, safety improvements at Queen Street intersection, possible bus stop relocations
- Landscaping: same as Heart
- Other: same as West.

In accordance with the 2021 contract engagement, Landskap (Consultants) undertook a review of The Parade Masterplan to determine the feasibility of the proposed design elements, noting that a masterplan does not contain specific design details and is essentially conceptual in nature. The review of The Parade Masterplan identified additional "fine grain" differences within the three streetscape character zones based on built form, land use mix, development potential, pedestrian activity, etc.

As a result, the three streetscape character zones designated within The Parade Masterplan have been further refined and divided. The proposed five new streetscape character zones (i.e. West 1, West 2, East 1, East 2, Heart) are shown in **Attachment A**.

In addition to the review of The Parade Masterplan, an assessment of recent streetscape upgrade projects that have been undertaken by other Councils (e.g. King William Road, Jetty Road, Victor Harbour Mainstreet Precinct), initial due diligence investigations (e.g. survey ground truthing and underground services checks) and engagement with DIT, Council staff and service authority staff representatives, has identified a range of project risks and requirements (e.g. cost, project budget, stormwater management, safety, maintenance and third party approvals) to be considered in respect to the design of The Parade. In respect to these and the project budget allocated in the Councils 2021-2031 LTFP, the preliminary 30% design for the implementation of the Parade Masterplan includes the following elements for each of the five streetscape character zones.

West 1 (Fullarton Road to Sydenham Road)

- Footpaths/Kerbs: new kerb and watertable and clay paving including base and grading (no change to alignment or area). Bluestone kerbing retained.
- Median and landscaping: replacement median kerbing and new clay paving :
- Roadway (per DIT requirements): no change to existing lane configuration and lane widths.
- Traffic (per DIT requirements): 50km/hr speed limit
- Landscaping: infill tree planting and garden beds (irrigated) where no impact to third party assets
- Lighting: no change to existing lighting
- Carparking: at road level (asphalt surface)
- Urban Elements: replacement of street furniture with new in existing locations
- Bus Shelters: no change (DIT assets)
- Third Party Services: no change to existing
- Stormwater: no change to existing
- Side street intersections: no change to existing

West 2 (Sydenham Road to Osmond Terrace)

- Footpaths/Kerbs: new kerb and watertable and clay paving including base and grading (no change to alignment or area). Bluestone kerbing retained.
- Median and landscaping: replacement median kerbing and new clay paving
- Roadway (per DIT requirements): no change to existing lane configuration and lane widths.
- Traffic (per DIT requirements): 50km/hr speed limit
- Landscaping: Infill tree planting and garden beds (irrigated) where no impact to third party assets
- Lighting: no change to existing lighting
- Carparking: at road level (asphalt surface)
- Bicycle Pedestrian Actuated Crossing (BPAC) at Sydenham Road
- Pedestrian Actuated Crossing (PAC) at Norwood Oval
- Bicycle safety improvements at the intersection of Osmond Terrace
- Digital Kiosk at Norwood Oval
- Urban Elements: replacement of street furniture with new in existing locations
- Bus Shelters: no change (DIT assets)
- Third Party Services: no change to existing
- Stormwater: no change to existing
- Side street intersections: no change to existing (Woods and Elizabeth Streets)

East 1 (Osmond Terrace to Edward Street)

- Footpaths/Kerbs: new kerb and watertable and clay paving including base and grading (no change to alignment or area). Bluestone kerbing retained
- Median and landscaping: no change to existing
- Roadway (per DIT requirements): no change to existing lane configuration and lane widths.
- Traffic (per DIT requirements): 40km/hr speed limit
- Landscaping: Infill tree planting (irrigated) where no impact to third party assets
- Lighting: new SAPN light poles and luminaires (road lighting only in existing locations)
- Carparking: at road level (asphalt surface)
- Urban Elements: replacement of street furniture with new in existing locations
- Bus Shelters: no change (DIT assets)
- Third Party Services: adjustments to services to authority standards, new power supply to Osmond Terrace median for feature lighting, events and activations.
- Stormwater: no change to existing
- Side street intersections: no change to existing (Church Street)

Heart (Edward Street to George Street)

- Footpaths/Kerbs: new kerb and watertable and clay paving including base and grading (new alignment to include removed on street carparking).
- Asphalt: reinstatement to DIT requirements
- Median and landscaping: no change to existing
- Roadway (per DIT requirements): no change to existing lane configuration and lane widths.
- Traffic (per DIT requirements): 40km/hr speed limit
- Landscaping: Landscaping: Infill tree planting (irrigated) where no impact to third party assets
- Lighting: new Council owned light poles and luminaires (road, pedestrian and feature lighting)
- Electrical: new infrastructure to support lighting upgrade (pits, pipes and switchboards for events and activations)
- Carparking: removed for wider footpaths
- Digital Kiosk at Norwood Town Hall
- Urban Elements: replacement additional of street furniture with new including additional seating, bins and bike racks and drink fountains
- Third Party Services: adjustments to services to authority standards
- Stormwater: new trunk stormwater and drainage pits, new footpath drainage
- Side street intersections: raised continuous footpath at Edward Street, additional safety improvements.

East 2 (George Street to Portrush Road)

- Footpaths/Kerbs: new kerb and watertable and clay paving including base and grading (no change to alignment or area). Bluestone kerbing retained
- Median and landscaping: no change to existing
- Roadway (per DIT requirements): no change to existing lane configuration and lane widths.
- Traffic (per DIT requirements): 40km/hr speed limit
- Landscaping: Infill tree planting (irrigated) where no impact to third party assets
- Lighting: new SAPN light poles and luminaires (road lighting only in existing locations)
- Carparking: at road level (asphalt surface)
- Urban Elements: replacement of street furniture with new in existing locations
- Bus Shelters: no change (DIT assets)
- Third Party Services: adjustments to services to authority standards
- Stormwater: no change to existing
- Side street intersections: safety improvements to intersections (Queen Street and Margaret Street)

Determining Project Priority and Scope

As outlined earlier, at its meeting held on 7 April 2026, the Council endorsement “in-principle” the Draft 2026-2027 Budget, based on LTFFP Scenario 4 which requires The Parade Masterplan to implemented via the Councils asset renewal budget (via renewals). In short, this means that Council has determined not to borrow any funds (incur debt) to fund the project. Grant funding will however continue to be pursued.

This decision directly impacts on both the scope and timing of the project. To assist the Council with its decision making regarding the project, this report contains information on the following:

- compares asset renewal and asset upgrades – explanations, drivers, triggers, funding;
- summarises the condition of the assets along The Parade;
- introduces and applies Prioritisation Principles to assist in identifying the section of The Parade (Zone) that would optimise Council’s asset renewal investment should it chose to proceed;
- clarifies the proportion of the investment in the priority Zone that is asset renewal and is asset upgrades
- presents a potential funding and advocacy approach to secure both Council renewal funds and external capital upgrade funding to enable the project to proceed;
- explains at a high level, what the implications of this funding approach has on other asset categories; and
- outlines the next steps and timing should Council decide to progress with the design of the priority zone and required advocacy.

In summary, the following decision is required from the Council:

- confirmation that the “streetscape upgrade” of The Parade will continue; and
- confirmation of the scope for ongoing design and advocacy.

Comparison of Asset Renewal and Asset Upgrade

Table 3 below, lists the main Council assets included in The Parade streetscape and describes what constitutes asset renewal versus asset upgrade. In broad terms:

- asset renewal means replacing assets “like for like” to reintroduce the level of service originally intended.
- asset upgrade means upgrading assets to deliver a higher level of service.

TABLE 3: EXAMPLES ASSET RENEWAL AND ASSET UPGRADE

Asset Type	Asset Renewal	Asset Upgrade
Footpaths	Replacing pavers for the existing footpath width/area	Installing new paving for an increased footpath width/area and/or with a better quality material
Kerbs	Replacing concrete kerb to same specification on existing alignment	Installing new kerb to higher specification (e.g. colour, material, width) and/or additional lengths due to new alignments
Drainage	Replacing pits and/or pipes that provide similar drainage capacity	Installing new pits and/or pipes to increase drainage capacity
Lighting	Replacing existing lights (type and number) for standards compliance	Increasing the quality, performance and/or number of lights for safety and aesthetics
Urban elements	Replacing existing assets with Council’s standard seats, bins, bollards, etc.	Providing a higher quality and/or bespoke suite of furniture
Trees and landscaping	Replacing existing trees and plants in footpaths and medians	Planting additional trees and garden beds in footpaths, medians and protuberances

In summary, the current design for The Parade proposes:

- asset renewal between Fullarton Road and Osmond Terrace (West 1 and West 2 Zones); and
- asset upgrade between Osmond Terrace and Portrush Road (East 1, the Heart and East 2 Zones).

As summarised in **Table 4** below, the drivers for asset renewal and asset upgrade are different. The decision to renew assets and the timing of that renewal, is generally triggered by the condition of the asset only, or significant risk or compliance matters. Assets are generally replaced at, or close to, the end of their serviceable life. Improving aesthetics is not a trigger for asset renewal.

The Parade Masterplan Project was not based upon the condition rating of the asset but rather on modernising/upgrading the asset and increasing the service level.

In the main, a decision to upgrade assets is informed by strategic factors.

TABLE 4: SUMMARY OF ASPECTS OF ASSET RENEWAL AND ASSET UPGRADE

Aspect	Asset Renewal	Asset Upgrade
Purpose	Restore original service	Increase service level
Driver	Condition, risk, age	Demand, growth, strategy
Timing	At, or close to, end of serviceable life	Ahead of scheduled replacement date if strategic drivers and strong
Service level	Same as original	Higher than original
Funding source	Rates (accumulated depreciation)	Mix of rates (renewal component) and external funding or borrowings
Aesthetics	Less important	More important

Table 5 below summarises the current cost estimates for both asset renewal and asset upgrades of The Parade by zone. The current estimate to renew the assets for the full length of The Parade is approximately \$40m. The estimated additional cost to upgrade The Parade in line with the Masterplan is approximately an additional \$15m. In other words, there is a difference of approximately \$15m between asset renewal and a streetscape upgrade that aligns with the vision and objectives of The Parade Masterplan.

TABLE 5: APPROXIMATE RENEWAL VS UPGRADE COSTS BY ZONE

The Parade Zone	To	From	Asset Renewal	Asset Upgrade	Difference
West 1	Fullarton	Sydenham	\$7.75m	\$8.70m	\$0.95m
West 2	Sydenham	Osmond	\$9.25m	\$11.40m	\$2.15m
East 1	Osmond	Edward	\$6.00m	\$8.75m	\$2.75m
Heart	Edward	George	\$6.50m	\$12.50m	\$6.00m
East 2	George	Portrush	\$10.50m	\$13.65m	\$3.15m
TOTAL			\$40m	\$55m	\$15m

In line with sound asset and financial management principles:

- asset renewals are funded via Council rates and/or external funding; and
- asset upgrades (new assets) are funded via Council borrowings or external grant funding.

Using asset renewal budgets to fund asset upgrade is not prudent and diverts funds away from existing asset portfolios which require reinvestment to maintain service levels. Essentially this creates a funding gap and increased financial and public risks.

Condition of Council Assets along The Parade

All the Council’s assets are listed on Asset Registers and attributed a scheduled useful life. Periodic condition audits are used to inform the remaining lives of assets.

The main Council assets along The Parade are the kerbs and footpaths and the remaining lives of these assets is summarised at **Table 6** below. Asset condition data, confirmed by recent visual inspections confirm that there are no current asset renewal pressures or priorities for the full length of The Parade.

TABLE 6: REMAINING LIVES OF PARADE ASSETS

Asset Type	West of Osmond Terrace	East of Osmond Terrace
Kerbs	40 – 50 years	30 – 50 years
Footpaths	12 – 26 years	22 – 30 years

It is recognised that there are various footpath paving types (i.e. material, shape and size, colour) along different sections of The Parade, however they are all varying shades of red and relatively standard in shape. In general, the footpaths currently deliver the intended level of service, noting that pressure cleaning in high use areas (the Heart) would be beneficial.

Kerbs along the full length of The Parade are generally in good condition with identified defects to be resolved through minor works or maintenance. Sections of bluestone kerbs exist between Osmond Terrace and the Norwood Oval and these historic public realm elements will be maintained and reinstated as part of future asset renewal in line with Council policy.

Attachment B illustrates the different footpath paving and kerb materials along The Parade at a high level.

In line with sound asset and financial principles, it is preferable to renew assets toward the end of their serviceable life as the full cost of the asset is realised. The Council could choose to indefinitely defer the upgrade of The Parade assets until there are renewal triggers. However, this sound asset renewal approach requires consideration alongside the other strategic drivers for The Parade Masterplan.

The serviceability of existing assets along the full length of The Parade ahead of asset renewal or upgrade, is maintained through minor civil works, maintenance and cleaning.

DIT Assets along The Parade

The Department for Infrastructure & Transport (DIT) has care and control for The Parade roadway, including road pavements, central median islands and traffic control devices. In 2025, DIT undertook some road works to portions of the inside vehicle lane (i.e. the lane adjacent the central median island) where the pavement was lifted. However, the overall road surface and central median islands remain in a particularly poor condition west of Osmond Terrace. The renewal of these assets is viewed as a priority for The Parade and Council staff will approach DIT requesting these works be scheduled. It is also recommended that the Council formally writes to the Minister for Transport to request the State Government to prioritise the renewal of roadway assets on The Parade, particularly west of Osmond terrace.

Prioritisation Principles

In relation to the upgrade of The Parade and in the response to The Parade Masterplan, the strategic drivers in broad terms are to strengthen the visitation, investment and growth of The Parade as a premier destination for retail, hospitality, events and residential population growth. Improving the look and modernisation feel (aesthetics and design) of the area is also a key objective of the proposed upgrade.

These strategic drivers have informed the development of the following Zone Prioritisation Principles (**Table 7** below) which, when applied, identify where Council would generate its highest strategic return from the upgrade.

TABLE 7: ZONE PRIORITISATION PRINCIPLES

Principle	Description
Economic Growth	Strengthen offer – retail and hospitality
Cultural & Social	Create vibrant space – day and night
Accessibility	Improve for all users – motorists, public transport, cyclists, pedestrians
Integration	Responds to public and private investment
Partnerships	Maximise external funding opportunities

Table 8 below provides a summary of the scoring of each Zone against the Prioritisation Principles. **Attachment C** includes scoring against each Principle.

TABLE 8: ZONE SCORING

Zone	To	From	Total Score
West 1	Fullarton	Sydenham	4
West 2	Sydenham	Osmond	6
East 1	Osmond	Edward	9
Heart	Edward	George	14
East 2	George	Portrush	10

Return on investment in “The Heart” is highest, given it is the zone of highest economic activity and visitation – both day and night. Residential growth is being experienced within, or adjacent this Zone. Investment in the “The Heart” would connect, and further strengthen, Council’s recent investment in the George Street Upgrade. From an external funding perspective, the outcomes achieved from investment in “the Heart” are most likely to align with the strategic objectives of State and Federal government.

Conversely, the upgrade of the West 1 Zone between Fullarton Road and Sydenham Road, would generate relatively low strategic benefits given the predominance of offices and consulting rooms located in character dwellings interspersed with lower density residential developments. This pattern of development and land uses are not forecast to change in the medium term (i.e. next 10 year). Pedestrian activity therefore is relatively low.

Should the Council decide to progress with the upgrade of The Parade, it is recommended that “the Heart” be the priority Zone for detailed design and advocacy. Therefore, for the purposes of the following discussion regarding project funding, the cost estimates relating to The Heart will be used.

Upgrade of “The Heart”

As shown in **Table 9**, below, the total cost to upgrade “the Heart”, both sides of The Parade between Edward and George Streets, is approximately \$12.5M. This is broken down as follows:

- \$6.5M contribution from Council for asset renewal component; and
- \$6.0M for the upgraded assets that are above the current service level.

TABLE 9: COST BREAKDOWN FOR “THE HEART”

Asset Type	Asset Renewal	Asset Upgrade	Differential
Kerbs	\$1.54m	\$2.18m	\$0.64m
Footpaths	\$2.47m	\$3.125m	\$0.665m
Stormwater	\$1.24m	\$2.365m	\$1.125m
Public Lighting	\$0.20m	\$3.12m	\$2.92m
Urban Elements	\$1.05m	\$1.71m	\$0.66m
TOTAL	\$6.5m	\$12.5m	\$6.0m

Asset Renewal Funding

Council’s Asset Management Plans (AMP) forecast the funding required to renew Council assets to ensure service levels are maintained for the community over a ten (10) year period. Each AMP includes an annual forecast for the next 10 years. Whilst there are annual fluctuations, and noting budgets are adjusted annually to CPI, the annual allocations to each asset type remain relatively stable in the short to medium term.

As per the Council’s Draft 2026-2027 Budget, the amount of funding allocated to asset renewal across all major asset classes is approximately \$13.06m. **Table 10** below provides a breakdown of each asset type.

TABLE 10: ANNUAL RENEWAL ALLOCATIONS

Asset Type	2026/27 Draft Budget Allocation (\$’m)
Road Renewal	\$3.78
Kerb Renewal	\$1.87
Footpath reconstruction	\$0.49
Traffic Control Devices	\$0.25
Stormwater Drainage	\$2.20
Buildings	\$2.88
Recreation and Open Space	\$1.59
TOTAL	\$13.06

The Council can shift allocations between asset classes in any given year, or across years, provided the average expenditure per asset category remains at a level required to sustain each asset type over the medium to long term. For example, an increase, or “spike”, o funding in footpaths would be smoothed by lower allocations in subsequent years. Various detailed funding scenarios will be presented for Council’s consideration later.

At the highest level, **Table 11**, below, presents construction and funding scenarios dependent on when the Council wishes to complete the upgrade of “The Heart”. For example, under the “steady” scenario, Council could choose to construct the upgrades to the Heart over three (3) financial years, thereby allocating \$2.175m (or 18.75%) of its total annual renewal budget of \$13m in each of those years. This would smooth out the impact on other asset categories.

TABLE 11: DELIVERY SCENARIOS FOR THE HEART

Scenario	Council Contribution	Number of financial years for delivery	Annual Allocation to The Parade	% of Total Asset Renewal Budget (\$13M)
Accelerated	\$6.5m	2	\$3.25m	25%
Steady	\$6.5m	3	\$2.17m	18.75%
Incremental	\$6.5m	4	\$1.625m	12.5%

Bringing forward the renewal of assets such as kerbs and footpaths ahead of their scheduled replacement dates, means that the renewal dates for other assets will be reforecast or “pushed out”. Given the nature of these assets, this is viewed as a low risk strategy when considered alongside the strategic and economic benefits that The Parade upgrade is likely to generate.

Conversely, reallocation of funding away from road resealing would require detailed consideration as a reduction in condition (service level) has greater impact on safety and the integrity of the underlying and high valued, road pavement.

OPTIONS

There are two main options for Council in respect to progressing this Project.

Option 1 – Defer the upgrade of The Parade and undertake asset renewal when due.

- Whilst this Option is the most sustainable from an asset management and financial perspective, it does not achieve the objectives of the Masterplan. It basically leaves the condition of The Parade as it stands and will, over time, continue to deteriorate.

Option 2 – Prioritise the Heart (Edward Street to George Street)

This Option is considered the most strategic, achieving a practical balance of asset renewal and upgrades for The Parade while also being fiscally responsible and sustainable. Under this option:

- The spatial scope of the asset upgrade of The Parade is reduced to Osmond Terrace to Portrush Road (East 1, the Heart and East 2 Zones);
- West 1 and West 2 Zones are identified as “renewal only” Zones, noting that localised public realm interventions will be considered to increase amenity for the public and local rate payers;
- Approximately \$800k would carry forward to the 2026-2027 Financial Year Planning to continue detail design and advocacy work for the Heart (i.e. get the project “shovel ready”);
- Council would advocate for a minimum of 50% of the estimated \$12.5m project cost from the State and Federal government;
- A project commencement date in the 2028-2029 financial year would be targeted, subject to securing of the required external funding; and
- Advocacy to DIT to reseal the road and replace median kerbs between Fullarton Road and Osmond Terrace, reduce speed limits and fund and implement traffic safety improvements (e.g. black spot intersection upgrades, pedestrian and cyclist crossings) would continue as a priority.

This Option does not preclude the Council from undertaking other renewal works on The Parade in the short to medium term.

It is recommended that Council approve Option 2 for the reasons set out above.

CONCLUSION

Council has been responsive with its “in-principle” decision to adopt a fiscally responsible financial modelling scenario to address long term financial sustainability items raised by the Essential Services Commission of South Australia’s, Local Government Advice Scheme for 2025-2026.

This fiscal responsibility is now required at a major project level in relation to The Parade – balancing sustainable asset and financial management decisions related to asset renewal, alongside strategic economic and population growth objectives.

Taking these factors into consideration, a balanced position is to rescope The Parade Masterplan to focus on the upgrade of identified Zones where return on investment in new capital will be optimised, and renew infrastructure as scheduled in areas of lower activity.

Focusing on the upgrade of “the Heart” with equal levels of Council renewal funding (\$6.5m) and State/Federal government capital for asset upgrades (\$6.5m) also achieves balance and has the potential to optimise the delivery of strategic outcomes within the next five years.

RECOMMENDATION

1. *That the report be received and noted.*
 2. *Re-scoping of The Parade Masterplan to focus on:*
 - *asset upgrade of The Parade between Osmond Terrace and Portrush Road (i.e. East 1, the Heart and East 2 Zones);*
 - *asset renewal of The Parade between Osmond Terrace and Fullarton Road (i.e. West 1 and West 2 Zones), noting that localised public realm interventions will be considered to improve safety, access and amenity for local rate payers and the public;*

be approved.
 3. *The Council notes and endorses approaching the State and Federal Government for capital funding towards the upgrade of The Heart, noting that matching asset renewal funding will be committed by the Council should these efforts be successful.*
 4. *The Council notes that different asset renewal scenarios will be presented to the Council at a later date to inform staged delivery of upgrades and renewals for The Parade.*
 4. *The Council notes that the Project will commence in the 2028-2029 financial year.*
 5. *That the Department of Infrastructure & Transport be requested to re-seal the road and replace median kerbs on The Parade between Fullarton Road and Osmond Terrace as a priority.*
-

Cr Sims left the meeting at 8.40pm.

Cr Excell declared a General Conflict of Interest regarding this matter as her husband is an employee of the Department for Infrastructure and Transport. Cr Excell advised that she would remain in the meeting and take part in the discussion and voting in regard to this matter.

Cr Sims returned to the meeting at 8.45pm.

Cr Robinson left the meeting at 9.20pm.

Cr Robinson returned to the meeting at 9.23pm.

Cr Mex moved:

1. *That the report be received and noted.*
2. *Re-scoping of The Parade Masterplan to focus on:*
 - *asset renewal, including an upgrade if grant funding is received, for The Parade between Osmond Terrace and Portrush Road (i.e. East 1, the Heart and East 2 Zones);*
 - *asset renewal of The Parade between Osmond Terrace and Fullarton Road (i.e. West 1 and West 2 Zones), noting that localised public realm interventions will be considered to improve safety, access and amenity for local rate payers and the public;*

be approved.
3. *The Council notes and endorses approaching the State and Federal Government for capital funding towards the upgrade of The Heart, noting that matching asset renewal funding will be committed by the Council should these efforts be successful.*
4. *The Council notes that different asset renewal scenarios will be presented to the Council at a later date to inform staged delivery of upgrades and renewals for The Parade.*
5. *The Council notes that the Project will commence in the 2028-2029 financial year.*
6. *That the Department of Infrastructure & Transport be requested to re-seal the road and replace median kerbs on The Parade between Fullarton Road and Osmond Terrace as a priority.*

Seconded by Cr Callisto.

Amendment

Cr Duke moved:

1. *That the report be received and noted.*
2. *Re-scoping of The Parade Masterplan to focus on:*
 - *asset renewal, including an upgrade if grant funding is received, for The Parade between Osmond Terrace and Portrush Road (i.e. East 1, the Heart and East 2 Zones);*
 - *asset renewal of The Parade between Osmond Terrace and Fullarton Road (i.e. West 1 and West 2 Zones), noting that localised public realm interventions will be considered to improve safety, access and amenity for local rate payers and the public;*

be endorsed for the purpose of undertaking community consultation in addition to the Annual Business Plan consultation.
3. *The Council notes and endorses approaching the State and Federal Government for capital funding towards the upgrade of The Heart, noting that matching asset renewal funding will be committed by the Council should these efforts be successful.*
4. *The Council notes that different asset renewal scenarios will be presented to the Council at a later date to inform staged delivery of upgrades and renewals for The Parade.*
5. *The Council notes that the Project will commence in the 2028-2029 financial year.*
6. *That the Department of Infrastructure & Transport be requested to re-seal the road and replace median kerbs on The Parade between Fullarton Road and Osmond Terrace as a priority.*

Seconded by Cr Robinson.

The amendment was put and carried unanimously.

The motion, as amended, was put and carried.

Cr Excell voted in favour of the motion.

13.5 NINTH AVENUE CHRISTMAS LIGHTS - TRAFFIC MANAGEMENT REVIEW

REPORT AUTHOR: Manager, Traffic & Integrated Transport
APPROVED BY: General Manager, Urban Planning & Environment
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to provide the Council with the outcomes of the review of the traffic management arrangements that were implemented for the 2025 Ninth Avenue Christmas Lights display and to provide recommendations for future traffic management arrangements.

BACKGROUND

The Ninth Avenue Christmas Lights display commenced in circa 2002, when two adjacent property owners installed Christmas lights in their front gardens. Since that time, participation has grown significantly.

The community event operates annually throughout December and while visitors attend the event in the public realm, the Christmas Lights displayed are contained within private properties. The displays are not a Council-initiated or Council-run event. Rather, it is a collective activity undertaken by individual property owners in Ninth Avenue, St Peters.

Following the 2023 event, consideration was given to the scale of attendance and the associated impacts on the local road network and public safety. Subsequently, the Council implemented formal traffic management measures for the first time in 2024, with further refinements introduced in 2025.

This report builds on previous considerations of the event by the Council, with relevant resolutions listed below.

At its meeting held on 8 October 2024, the Council resolved the following:

- 1. That the Council allocates \$40,000 to provide traffic management for the 2024 Ninth Avenue Christmas Lights.*
- 2. That the residents of Ninth Avenue be advised that the traffic management provided by the Council, will be provided at peak times during the event for a period not exceeding 20 days.*
- 3. The Council notes that a report will be presented to the Council in March 2025 following a review of the 2024 event, which will include community consultation.*
- 4. That the General Manager, Governance & Civic Affairs, seek to establish a contact person for the Ninth Avenue Christmas Lights.*

At its meeting held on 7 October 2025, the Council resolved the following:

- 1. That the report be received and noted.*
- 2. That the Council allocates an additional \$13,000 to provide traffic management for the 2025 Ninth Avenue Christmas Lights.*
- 3. That the property owners who participate in the Ninth Avenue Christmas Lights event be requested to consider reducing the duration of the event and turning all the lights off at each property at a determined time each night to minimise the impact of the event on the local amenity.*
- 4. Council write to the known organisers of the Ninth Avenue Christmas Lights Event requesting they become an incorporated body.*
- 5. That following the 2025 Ninth Avenue Christmas Lights event the Council reviews the traffic management measures for Stephen Terrace and Ninth Avenue.*

At its meeting held on 1 December 2025, the Council resolved the following:

That for the duration of the Ninth Avenue Christmas Lights display the Council approves a maximum of two (2) Mobile Food Vendor Permits (per day), with these food vendors to be located on Koolaman Street and Werrina Avenue.

Over recent years, the Council has explored and or suggested, a range of measures to assist in the management of the Ninth Avenue Christmas Lights display including proposed curfew times, defined duration of the display and the establishment of a formal organising body or incorporated association to co-ordinate and manage the display. These initiatives have sought to address broader impacts. Of the display. However, in the absence of clear legal or regulatory mechanisms and without consensus support from the individual participants, these initiatives have not been successfully implemented.

Recognising these constraints and the challenges associated with achieving a fully coordinated, community-led approach, this report focuses on matters within the Council's remit. In particular, it addresses the Council's management of traffic and pedestrian safety within the public realm along Ninth Avenue during the period of the display.

STRATEGIC DIRECTIONS

CityPlan 2030 Alignment

Outcome 2: Cultural Vitality

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

Objective 2.5: Dynamic community life in public spaces and precincts.

Strategy 2.5.2: Host and facilitate community events and activities.

FINANCIAL AND BUDGET IMPLICATIONS

The cost of providing traffic management for the 2025 event was \$64,000.

A funding submission of \$70,000 has been included as part of the draft Annual Business Plan and Draft Budget for 2026-2027.

RISK MANAGEMENT

The traffic management risks associated with the Ninth Avenue Christmas Lights display are primarily associated with:

- pedestrian and vehicle interaction;
- Residents accessing their properties during the display;
- traffic congestion and queuing; and
- access for emergency services.

Traffic management measures that are implemented by the Council, are ostensibly designed to mitigate these risks within the public realm.

CONSULTATION

Elected Members

The Council received reports regarding the Ninth Avenue Christmas Lights display in 2024 and 2025.

Community

The residents of Ninth Avenue will be advised of any proposed traffic management arrangements ahead of the 2026 Christmas Lights display if the Council determines to proceed with the traffic management interventions

Staff

Manager, Governance
Manager, Marketing & Place Activation
Senior Traffic Engineer

Other Agencies

South Australian Police (SAPOL)
Department for Infrastructure and Transport (DIT)

DISCUSSION

The Ninth Avenue Christmas Lights display is held in the section of Ninth Avenue between Stephens Terrace and Battams Road, St Peters.

Traffic Engineering Consultant, HDS, were engaged by the Council in 2025, to undertake observational surveys involving pedestrians, parking and traffic flow along Ninth Avenue during the 2025 display and compare the findings to the assessment that was undertaken and completed in 2024.

A copy of the HDS 2025 Ninth Avenue Christmas Light Traffic Review Report is contained in **Attachment A**.

Traffic data was collected for the full duration of the display. However, detailed traffic observations for the 2025 display, were undertaken on five (5) selected days, compared to ten (10) days in 2024. This refined approach reflects the improved understanding of traffic conditions by both staff and HDS, thereby enabling a more targeted and efficient data collection process while still capturing representative operating conditions.

2025 Event Traffic Management

Listed below are the traffic management interventions that were in place for the 2025 display from 12 December 2025 to 26 December 2025, between 7:30pm to 11.00pm:

- 25km/hr event speed restrictions;
- movement restrictions at the intersection Stephen Terrace and Ninth Avenue, including traffic controllers in attendance to assist with pedestrian safety when crossing Stephen Terrace; and
- minor side road closure at: Koolaman Street, Werrina Avenue, Oaklands Avenue, Hooking Avenue and Bide Street.

In addition, the following traffic management interventions were in place for the 2025 display from 19 December 2025 to 26 December 2025, between 7.30pm to 11.00pm:

- Traffic controllers located at River Street and Battams Road to manage traffic congestion.

Analysis

This section provides a comparative review of traffic management actions that were implemented for the 2024 and 2025 events.

Traffic

Traffic volumes during the 2025 Ninth Avenue Christmas Lights display, remained high and broadly comparable to those that were observed in 2024, with only minor variations in overall demand and distribution of traffic.

A key change in 2025, was the introduction of minor side road closures, which reduced the number of access points to and from Ninth Avenue. This measure resulted in a modest redistribution of traffic across the surrounding local road network. In particular, slight increases in traffic volumes were observed on adjacent parallel routes, including Tenth Avenue and Eighth Avenue. This is considered to reflect both the influence of the side road closures and increased familiarity of attendees with the traffic management arrangements, particularly the restriction of right-turn movements at Ninth Avenue. As a result, some drivers appear to have proactively redistributed to nearby streets to facilitate desired movements, such as right turn movements at Stephen Terrace.

Within Ninth Avenue itself, the most representative traffic count location, being the core section of the Christmas light display between Winchester Street and Lambert Road, recorded a slight reduction in traffic volumes. Total movements decreased by approximately 3 per cent, from 31,084 vehicle movements in 2024 to 30,083 movements in 2025. This indicates a stable overall level of demand, with minor redistribution rather than growth in traffic volumes.

It is noted that data for the section of Ninth Avenue between Stephen Terrace and Winchester Street, is incomplete due to damage to one of the traffic counters, resulting in approximately one week of missing data. Notwithstanding this limitation, available data and observational evidence indicate that overall, traffic patterns remained consistent with previous years.

Traffic flow throughout the event continued to exhibit a relatively balanced distribution between northbound and southbound movements, with a slight bias toward northbound travel on Ninth Avenue.

During the planning phase, it was anticipated that the side road closures may result in increased traffic volumes on key east-west routes, including Lambert Road, Battams Road and Winchester Street, due to the concentration of access movements. However, in practice, this did not occur, with these routes experiencing stable or marginally reduced traffic volumes over the 2025 event period.

Overall, the 2025 display demonstrated a consistent traffic profile when compared to 2024, with high volumes maintained but effectively managed through the implemented traffic management measures.

Pedestrians

Pedestrian activity remained high during the 2025 display, with an average of approximately 3,000 pedestrians observed per night across the survey period. Peak activity was consistently recorded at around 9:30 pm each evening.

This represents a slight decrease compared to the 2024 display, which recorded an average of approximately 3,300 pedestrians per night.

When comparing similar dates across both 2024 and 2025, notable fluctuations in pedestrian volumes were observed. This suggests that seasonal factors, such as weather conditions, may have influenced visitation levels, with some nights experiencing significant variation. This is also not unexpected given the informal nature of the display.

It should also be noted that pedestrian observation surveys were undertaken over five (5) days in 2025, compared to ten (10) days in 2024. The reduced number of observation days may have influenced the calculated averages and overall comparability between years.

Notwithstanding the above, pedestrian volumes on Ninth Avenue remain very high, reinforcing this as a popular approach to experience the Ninth Avenue Christmas lights display.

Parking

On-street parking demand within Ninth Avenue and surrounding streets was consistently high throughout the 2025 display.. Peak occupancy on Ninth Avenue reached approximately 87%, with practical capacity considered to be reached at around 80% due to informal behaviours such as residents spacing vehicles or placing objects to reserve parking.

Adjacent side streets were also observed to be frequently at or near full capacity, indicating a broader area-wide parking demand associated with the event.

Illegal parking was present but relatively contained, with an average of four to six vehicles observed parked across driveways each evening. Instances of short-term stopping across driveways for passenger pick-up and drop-off were also noted.

Overall, parking pressures were consistent with a high-attendance localised event and did not give rise to widespread safety issues, although they contributed to minor disruptions and localised access constraints.

This is consistent with the observations from the 2024 event.

Food Vendors

In 2025, two (2) permits were issued for mobile ice cream vendors to operate during the display. Vendors were authorised to trade only during periods when traffic management measures were in place and were required to locate within designated areas on side road closures to avoid adverse impacts on pedestrian movement and safety.

Initial observations identified some non-compliance matters with permit conditions, particularly in relation to the required setbacks from kerb ramps, which at times constrained pedestrian access. In response, Council staff undertook on-site intervention and delineated approved operating areas using survey paint. This resulted in a marked improvement in compliance for the remainder of the event period. It was also observed that, on occasion, vendors continued trading beyond their approved times, including when traffic management controls (such as road closures) had been removed or were in the process of being dismantled. Council staff contacted vendors to reinforce the approved operating times.

Notwithstanding these issues, the 2025 permits demonstrated that food vendors can operate within the event in a manner that appropriately manages traffic and pedestrian movements. This represents a clear improvement from the 2024 display, where significant congestion occurred near vendors on Ninth Avenue, obstructing pedestrian movement and, at times, resulting in pedestrians entering the roadway.

From a traffic and pedestrian management perspective, all side road closures provide a safe and controlled operating environment for food vendors, enabling patrons to queue, wait, and dwell without impacting vehicle movements or the primary pedestrian corridor. While all side road closures offer this function, Koolaman Street and Werrina Avenue, are more centrally located within the event and experience higher pedestrian volumes. In contrast, the other minor road closures are towards the northern extent of Ninth Avenue and are subject to lower levels of activity. As such, the provision of two food vendors within the designated side road closures at Koolaman Street and Werrina Avenue is considered appropriate to effectively service the event.

In addition, it is recommended that no more than one (1) food vendor be permitted within each side road closure. Observations from the 2025 display, indicate that these locations naturally act as gathering points, with high levels of pedestrian queuing and dwell activity. Introducing additional vendors within a single closure is likely to intensify these behaviours, resulting in increased pedestrian congestion and a higher potential for conflict between pedestrians and surrounding movements. Accordingly, limiting each side road closure to a single vendor is considered necessary to maintain safe and efficient pedestrian movement and to support the overall traffic management objectives of the event.

Noted improvements

HDS noted the improvements listed below implemented during the 2025 event:

- removal of food vendors on Ninth Avenue;
- traffic management at Battams Road; and
- later time (up to 11.00pm) for traffic management to be in place.

A further improvement suggested by HDS is:

- improved pedestrian directional signage to encourage pedestrians to walking in a single direction to better manage pedestrian conflicts.

Council staff will review this as part of continuous improvement for the traffic management arrangements.

Ongoing monitoring and review

Council staff will continue to collect and analyse relevant traffic, parking and pedestrian data, to inform an evidence-based understanding of the Ninth Avenue Christmas Lights display and to support ongoing refinement of traffic management arrangements in future years. This will include consideration of both event-specific conditions and baseline operating conditions along Ninth Avenue and the surrounding local road network.

Based on observations that were undertaken in 2024 and 2025, Council staff have identified several areas for targeted review for the 2026 display:

- Early December peak demand:

A pronounced spike in visitation was observed on the first Saturday of December, followed by a short period of reduced activity prior to increased visitation aligning with the commencement of school holidays. Staff will assess the operational impacts of this isolated peak and determine whether temporary traffic management measures are warranted for this period.

- Network effects (Tenth Avenue):

Increased traffic volumes were observed on Tenth Avenue. Staff will continue to monitor these movements to better understand network redistribution and operational function. While impacts on vulnerable road users are expected to be lower relative to Ninth Avenue, this will be validated through ongoing observation and data collection.

In establishing traffic management arrangements, Council staff have previously worked with residents to define a supported event period, including agreed dates and operating hours, to balance community benefit with local amenity. This defined period remains the primary basis for the Council's involvement.

Notwithstanding this, Council staff will adopt a risk-based and data-informed approach to the application of traffic management measures. This may include targeted adjustments outside the core supported period where there is clear evidence of increased visitation, safety risk, or operational impact. Any such adjustments will be proportionate, time-limited, and aligned with the Council's duty of care within the public realm.

Summary

Overall, the traffic and pedestrian demand associated with the Ninth Avenue Christmas lights display was relatively consistent between 2024 and 2025, noting minor fluctuations in reported metrics.

Ongoing traffic management is considered to be required to manage vehicle and pedestrian safety associated with the event.

State Government Assistance and Advocacy

Council staff have previously engaged with the Department for Infrastructure and Transport (DIT), to seek support in respect to traffic management arrangements for the Ninth Avenue Christmas Lights display. This engagement reflects that Stephen Terrace, including the intersection of Stephen Terrace and Ninth Avenue, is under the care and control of the State Government and not the Council.

As part of this engagement, Council staff have requested that DIT consider contributing to the costs associated with implementing safe traffic and pedestrian management measures on the sections of the network under its jurisdiction. To date, DIT staff have not supported this request, stating that the assisting with this matter does not align with its operational priorities nor meet the threshold of a State-significant event that would warrant direct intervention or resourcing.

In parallel, the State Government has been progressing the St Peters, Joslin, Royston Park Access Study, which is anticipated to provide a broader understanding of traffic conditions and local access challenges within the surrounding area. As part of this process, Council staff have advocated for intersection improvements at the intersection of Ninth Avenue and Stephen Terrace, specifically the introduction of a left-in/left-out treatment to restrict turning movements, and pedestrian/ cyclist refuge. Such a treatment is expected to improve road safety outcomes and reduce the extent of traffic management interventions required during the event. However, the findings of the DIT Access Study and recommendations have not been made available to the Council.

Notwithstanding these potential improvements, it is noted that traffic controllers would still be required to facilitate the safe movement of pedestrians across Stephen Terrace during peak event periods.

Council staff propose to continue advocacy efforts with the State Government, including engagement with relevant Members of Parliament, to seek potential support or cost-sharing arrangements for future events and longer-term physical intervention, in particular the upgrade of Stephen Terrace and Ninth Avenue.

OPTIONS

Option 1 – Do nothing

The Council could determine to provide no traffic management.

Given that the Council has been made aware of traffic management issues associated with the Ninth Avenue Lights display, it has an obligation to at least consider and where reasonably practicable, minimise, remove, or appropriately manage the associated risks.

Accordingly, this option is not considered appropriate.

Option 2 – Continue with current traffic management approach

The Council could determine to continue with the current traffic management approach, comprising of the following measures.

General event period (11 December to 27 December, 7:30pm–11:00pm):

- 25 km/h event speed restriction;
- movement restrictions at the intersection of Stephen Terrace and Ninth Avenue, including traffic controllers to assist pedestrians crossing; and
- minor side road closures at Koolaman Street, Werrina Avenue, Oaklands Avenue, Hooking Avenue and Bide Street.

Peak period (19 December to 25 December, 7:30pm–11:00pm):

- additional traffic controllers at River Street and Battams Road to manage congestion.

Staff will continue to monitor event operations and implement minor traffic and pedestrian management refinements as part of a continuous improvement approach, consistent with the intent of this traffic management philosophy.

This is the recommended approach.

Option 3 - alternative traffic management approaches

Various alternative traffic management approaches were presented to the Council at its meeting held on 7 October 2025, including full road closures and the implementation of parking restrictions to increase pedestrian space within the carriageway. These options, and their associated issues and opportunities, were considered but not progressed as they were not deemed appropriate at the time.

Having regard to comparable event conditions, including similar traffic and pedestrian activity levels, these higher-order treatments are not considered necessary at this stage.

It is not recommended to proceed with alternative traffic management approaches.

CONCLUSION

The current traffic management approach is considered proportionate to the level of risk and the observed operational impacts of the display and it is recommended that a similar approach be adopted in future years.

Ongoing minor refinements will continue to be implemented by staff as part of a continuous improvement process, informed by operational experience and monitoring outcomes.

RECOMMENDATION

1. *That the report be received and noted.*
 2. *That subject to the allocation of \$70,000 in the draft 2026-2027 Budget, the following traffic management interventions be implemented for the 2026 Ninth Avenue Christmas Lights Display event:*
 - (a) *general event period (11 December to 27 December 2026, 7:30pm–11:00pm):*
 - *25 km/h event speed restriction.*
 - *movement restrictions at the intersection of Stephen Terrace and Ninth Avenue, including traffic controllers to assist pedestrians crossing; and*
 - *minor side road closures at Koolaman Street, Werrina Avenue, Oaklands Avenue, Hooking Avenue and Bide Street.*
 - (b) *peak period (19 December to 25 December, 7:30pm–11:00pm):*
 - *additional traffic controllers at River Street and Battams Road to manage congestion.*
 3. *That the Council notes that a maximum of two (2) Mobile Food Vendor Permits for the period (11 December to 27 December 2026), will be issued by Council staff for the Ninth Avenue Christmas Lights display with these food vendors to be located on Koolaman Street and Werrina Avenue.*
 4. *That the ongoing traffic management support of the Ninth Avenue Lights display be incorporated into the Council's business-as-usual operations, with any future reporting and funding requirements to be considered by the Council through the Annual Business Plan and Budget process.*
 5. *That the Mayor writes to the Minister for Transport and Infrastructure to advocate for financial support for the traffic management associated with the Ninth Avenue Christmas Lights Display.*
-

Adjournment of Council Meeting

At 10.16pm Cr McFarlane moved:

That the Council meeting be adjourned for 2 minutes.

Seconded by Cr Holfeld and carried.

Resumption of Council Meeting

At 10.18pm the Council meeting resumed.

Cr Duke moved:

1. *That the Council does not fund the traffic management for the Ninth Avenue Christmas Lights event.*
2. *That \$10,000 be allocated to provide for traffic advisory signs to be installed as part of the event.*

Seconded by Cr Granozio.

Amendment

Cr Holfeld moved:

- 1. That the Council not fund the traffic management for the Ninth Avenue Christmas Lights event.*
- 2. That \$10,000 be allocated to provide for traffic advisory signs to be installed as part of the event.*
- 3. That the Mayor writes to the Minister for Transport and Infrastructure to advocate for financial support for the traffic management measures on Stephen Terrace as part of the Ninth Avenue Christmas Lights Display.*

Seconded by Cr Sims.

The amendment was put and carried.

The motion, as amended, was put and carried.

Division

Cr Moorhouse called for a division and the decision was set aside.

Those in favour:

Cr Callisto, Cr Duke, Cr Granozio, Cr Holfeld, Cr Knoblauch, Cr Mex, Cr Robinson and Cr Sims.

Those against:

Cr Excell, Cr McFarlane, Cr Moorhouse, Cr Piggott and Cr Wilkinson.

The Mayor declared the motion carried.

Cr Sims left the meeting at 10.44pm.

Cr Granozio left the meeting at 10.45pm.

Cr Sims returned to the meeting at 10.45pm.

Cr Granozio returned to the meeting at 10.46pm.

Extension of Council Meeting

At 10.52pm Cr Robinson moved:

That the Council meeting be extended up to 12.00am.

Seconded by Cr Holfeld and carried.

Cr Holfeld moved:

That Item 13.14 be brought forward for consideration

Seconded by Cr Piggott and carried unanimously.

13.14 REBUILDING NATURAL HABITATS WITHIN NORWOOD PAYNEHAM & ST PETERS

REPORT AUTHOR: Sustainability Officer
APPROVED BY: General Manager, Urban Planning & Environment
ATTACHMENTS: A

PURPOSE OF THE REPORT

This purpose of this report is to provide a status update of biodiversity actions and activities that have been undertaken in recent years by Council staff and contractors, in collaboration with Green Adelaide as well as Volunteers and how those actions and activities align to environmental objectives set out in the Council's Strategic Management Plan *CityPlan 2030*: Shaping our Future.

BACKGROUND

At its meeting held on 6 December 2021, the Council considered a Notice of Motion and resolved the following :

1. *That staff prepare a report on options for restoring original native vegetation in under-storey plantings in selected/strategic locations in the section of Linear Park under our Council's control.*
2. *That the report also includes details on how Objective 4.3 "thriving and healthy habitats for native flora and fauna" in CityPlan 2030 is being delivered, including staff expertise and other resources that are being applied to achieve this objective.*

STRATEGIC DIRECTIONS

CityPlan 2030 Alignment

Outcome 4: Environmental Sustainability

A leader in environmental sustainability.

Objective 4.3: Thriving and healthy habitats for native flora and fauna.

Strategy 4.3.2: Revegetate designated areas with local native species, including understorey plantings, where appropriate.

FINANCIAL AND BUDGET IMPLICATIONS

Current biodiversity activities that are undertaken by Council staff and contractors and Volunteers ,are funded through existing parks and gardens maintenance budgets, the Green Connections (previously Urban Greening) budget and through grants that are received from Green Adelaide.

RISK MANAGEMENT

In October 2006, the Council endorsed the *Biodiversity Strategy 2006-2016*, a copy of which is contained in **Attachment A**. Given that this Strategy is expired, there is a risk that ad-hoc biodiversity actions and activities are not necessarily aligned to achieving the Environmental Sustainability outcome and objectives set out in *CityPlan 2030* in an effective manner.

This risk can be managed by embedding biodiversity priorities into a new, broader Environmental Sustainability Strategy and building ongoing community and internal staff capacity through identified program opportunities.

CONSULTATION

Elected Members

Not Applicable.

Community

Not Applicable.

Staff

An internal Urban Greening and Biodiversity Working Group has been established to address implementation and reporting on Objectives 4.2 and 4.3 of *CityPlan 2030*. This group includes staff from the Urban Planning & Environment, City Services and Assets & Projects teams.

Other Agencies

Green Adelaide staff provide input (and some funding) into activities being undertaken within the Council boundaries by the Council's and Green Adelaide's contractors on their behalf.

DISCUSSION

The Councils *Biodiversity Strategy 2006-2016*, aimed at improving biodiversity in the City, with a focus on protecting and enhancing ecosystems for plants and animals that are native to the local area. The Strategy acknowledged that improving biodiversity is complex and a vast ongoing exercise that is not solely the responsibility of Local Government.

It aimed to build on the work that is undertaken by community conservation groups such as the Friends of the Billabong and Borthwick Park Biodiversity Program Volunteers, acknowledging the need for the Council to work in collaboration with other levels of Government, where land that is not under the care, control or management of the Council.

When the Strategy was endorsed in 2006, it was resolved that future development of the Strategy should be extended to include consideration of:

- a. *the role of waterways in preserving biodiversity;*
- b. *the potential to convert drains to creeks or wetlands with particular emphasis on Linde Reserve; and*
- c. *the contribution of private land-owners bordering waterways to protecting biodiversity.*

As part of the 2007-2008 Budget, the Council considered a funding submission to appoint a specialist Biodiversity Officer, a new role, to focus on weed control, identifying site specific biodiversity programs, monitoring biodiversity and educating the community on biodiversity. The Council did not endorse the funding request due to competing budget priorities. Notwithstanding this, biodiversity actions and activities were integrated into the Council's 'business as usual' practices.

An Elected Member Budget Submission was submitted as part of the 2024-2025 Budget to allocate funding for a Sustainability (Biodiversity) Officer resource, which was also not funded by the Council due to competing budget priorities. Notwithstanding this, the Council has retained a strong focus on managing and enhancing biodiversity, albeit not overtly.

In the initial years following the endorsement of the *Biodiversity Strategy 2006-2016*, the Council focussed on providing biodiversity training to Parks & Gardens maintenance staff. Over the past twenty (20) years, the Council has also improved biodiversity as part of projects, programs and other initiatives that, among other aims, contribute to achieving Objective 4.3 "*thriving and healthy habitats for native flora and fauna*" in City Plan 2030. Some of these projects, programs and initiatives included but are not limited to:

- reserve upgrades including Felixstow Reserve, Felixstow Detention Basin, Burchell Reserve (St Peters) and St Morris Reserve;
- integrated streetscape upgrades including Ninth Avenue (Royston Park, Joslin and St Peters) and St Peters Street;
- implementation of the Council's *Tree Strategy 2022-2027*, *Corporate Emissions Reduction Plan* and *Resilient East Climate Change Adaptation Plan*;
- stormwater harvesting and managed aquifer recharge schemes, i.e. Linde Reserve ASR and ERA Water recycled water schemes;
- weed control programs, including "weed control for rewilding" along the River Torrens on behalf of Green Adelaide (discussed further below);
- installation of TREENET kerbside inlets that capture stormwater runoff from roads to passively irrigate street trees;
- partnering with seven other Councils, SA Water and Green Adelaide to create 'bee hotels' and plant native species to provide food and habitat for native bees along the River Torrens Linear Park;
- native plant and tree giveaways as part of the Council's *Green Connections Program* (formerly known as the *Urban Greening Program*);
- implementation of the Council's verge Policy, which encourages citizens to landscape verges adjacent their residential properties using local native species where possible;
- promoting the 'Adelaide Garden Guide for New Homes', 'Botanic Gardens Plant Selector Tool', 'Resilient East Street Tree Species Guideline', 'Green Adelaide Gardening Guide' and 'Common Local Native Species of the Adelaide Plains' brochure on the Council's website;
- previously promoting biodiversity through the Council's former biennial Sustainable Garden Awards until 2022;
- responding to ad-hoc requests to guide and support Primary School biodiversity learning (including at Norwood Primary School and Felixstow Primary School); and
- resourcing and providing guidance to Volunteers and community groups to assist with enhancing biodiversity, such as the excellent work undertaken by volunteers via the Borthwick Park Biodiversity Program, the Friends of the Billabong group, and the newly established *Green Connections Program*.

With respect to Part 1 of the Notice of Motion, the Council and Green Adelaide, are playing a key and collaborative role in enhancing biodiversity along the River Torrens and the adjacent River Torrens Linear Park. Each year, the Council receives and matches funding from Green Adelaide to implement the *Urban River Torrens Recovery Project*. Funding of this program provides for contractors to provide ongoing pest management, the removal of invasive exotic trees, woody weeds and other problem weed species and replacing with locally indigenous species that will improve water quality, secure bank stability and ensure improved habitats for local wildlife. The work undertaken by the contractors is overseen and co-ordinated by the Council's Works Coordinator, Parks & Gardens.

Other relevant Green Adelaide initiatives that contribute to managing and enhancing biodiversity across the Council area include:

- rewilding programs aimed at improving habitats for Adelaide's birds of prey and making Adelaide more butterfly friendly;
- reintroducing platypus to the River Torrens;
- managing blue-green algae blooms; and
- developing an *Urban Greening Strategy* that will identify the challenges and opportunities for enhancing Adelaide's tree canopy and green spaces.

Recent Council biodiversity activities have been mostly limited to the Volunteer programs, the community *Green Connections Program* (native plant giveaway aspect of the program) and the activities being undertaken in partnership with Green Adelaide, whilst City Services staff have focussed on programmed and responsive maintenance, tree planting and weeding across the City as well as oversight of the work undertaken by contractors on the Council's behalf. Biodiversity has also been enhanced through the delivery of various Capital Works projects, including reserve and streetscape upgrades.

Part 1 of the Notice of Motion called for the identification of options for restoring original native vegetation in under-storey plantings in selected/strategic locations in the section of the River Torrens Linear Park under the Council's control. Multiple options have not been canvassed in this report on the basis that the *Urban River Torrens Recovery Project* is considered to achieve the intent of the Notice of Motion. That said, the Council could consider expanding the project further through the allocation of additional funding to the project to increase the removal of invasive exotic trees, woody weeds and other problem weed species and their replacement with locally indigenous under-storey plant species within the River Torrens Linear Park.

However, this option is not recommended due to other competing budget priorities and given the wide range of biodiversity actions and activities that the Council has and is continuing to undertake, which contribute to the attainment and maintenance of *thriving and healthy habitats for native flora and fauna*.

To ensure that staff and resources are being used as efficiently as possible in addressing biodiversity outcomes, staff established an internal Urban Greening and Biodiversity Working Group in late 2025. This group is tasked with working collaboratively across the Council's operations to ensure that biodiversity outcomes are being considered and implemented where appropriate across existing programs. Since its establishment, the group has:

- undertaken a review of the Council's Community Urban Greening Program and redesigned and launched the pilot Green Connections Program to better align the community program with Objective 4.3 of *CityPlan 2030*;
- reviewed current landscaping practices for Council delivered projects and identified an opportunity to update guidelines for future projects to ensure that plant species are not being planted that could be mistaken for declared environmental weeds such as Fountain Grass and to improve biodiversity outcomes; and
- undertaken a review of reporting metrics for the first half of the 2025-2026 financial year against Objectives 4.2 and 4.3 of *CityPlan 2030*.

It is also worth noting that a review of the Council's current suite of Plans and Strategies is underway with the aim of consolidating all existing Plans and Strategies into a suite of fewer, but more comprehensive, overarching plans and strategies that align with the quadruple bottom line approach set out in *City Plan 2030*. One of the key aims with this approach will be to incorporate biodiversity objectives, among a suite of environmental objectives, into an overarching Environmental Sustainability Strategy, rather than biodiversity objectives being contained in a standalone Strategy.

This approach will, among other things, reduce the administrative burden on staff with respect to maintaining separate reporting cycles for a wide range of topic specific plans and strategies, while providing a clear strategic direction that positions the Council as a committed partner for potential external funding opportunities for biodiversity related projects. This approach will also provide staff with clear guidance as to what actions and activities to focus on with respect to biodiversity and whether, for example, biodiversity actions and activities continue to be integrated into the Council's operations, rather than being funded as standalone projects and programs and being siloed and pursued as a niche environmental interest.

OPTIONS

The Council has the following options in relation to this matter:

The Council can continue addressing Objective 4.3 of *CityPlan 2030* (thriving habitats for native flora and fauna) with existing resources and through integrating biodiversity actions and activities within Council operations. This involves utilising the Urban Greening and Biodiversity Working Group for cross-organisation collaboration and leveraging external opportunities, such as Green Adelaide grant funding as well as delivering community programs like the Green Connections Program, subject to funding allocation by the Council. Strategic outcomes would be delivered via these channels until the overarching framework review of existing Plans and Strategies is complete, at which point, it is likely that a comprehensive Environmental Sustainability Strategy, integrating biodiversity as one of several core pillars, would be developed.

This option is recommended.

Alternatively, the Council could consider expanding the scope and deliverables of the *Urban River Torrens Recovery Project* through the allocation of additional funding to the project to increase the removal of invasive exotic trees, woody weeds and other problem weed species and their replacement with locally indigenous under-storey plant species within the River Torrens Linear Park.

However, this option is not recommended due to other competing budget priorities and in light of the wide range of biodiversity actions and activities that the Council has, and is continuing the undertake.

CONCLUSION

Achieving "thriving and healthy habitats for native flora and fauna" is a core Objective of *CityPlan 2030*. While the Council's existing *Biodiversity Strategy 2006-2016* is now expired, the internal Urban Greening and Biodiversity Working Group has been established to coordinate existing resources and deliver on environmental objectives more effectively.

Proceeding with the recommended Option ensures that the Council can continue to deliver biodiversity outcomes within its current means, by continuing to integrate biodiversity actions and activities into the Council's operations and continuing to work collaboratively with volunteer groups and Green Adelaide, and continuing to promote community stewardship of biodiversity through the Council's Green Connections Program.

This approach provides the necessary time to align future planning with the overarching framework for Council strategies, ensuring that any subsequent environmental plan is both strategically integrated and operationally sustainable.

RECOMMENDATION

That the report be received and noted.

Cr Holfeld moved:

1. *That the report be received and noted.*
2. *That the Draft 2026-2027 Budget to be incorporated into the Annual Business Plan for community consultation includes \$10,000 for the updating the biodiversity strategy, noting that core elements of an updated strategy may form a part of a future broader environmental strategy.*
3. *A report will be presented to Council on future works and direction of the strategy no later than the October 2027 meeting.*

Seconded by Cr Mex and carried unanimously.

Cr Sims left the meeting at 10.58pm.

Cr Sims returned to the meeting at 11.01pm.

13.6 2026-2027 DRAFT ANNUAL BUSINESS PLAN AND BUDGET

REPORT AUTHOR: Chief Financial Officer
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A - B

PURPOSE OF THE REPORT

The purpose of this report is to provide for the Council's consideration and "*in principle*" endorsement, the Draft 2026-2027 Annual Business Plan, the Draft 2026-2027 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 2026, the Council considered the Draft 2026-2027 Recurrent Budget, the Draft 2026-2027 Operating and Capital Projects Budget (the Draft 2026-2027 Budget) and resolved to endorse "*in principle*" Draft Budget-Option 2, which projected an Operating Deficit \$2,542,309 on a full-accrual basis, based on a rate revenue increase of 7%. The Council also endorsed "*in principle*", the inclusion of an additional \$30,000 for the Green Connections initiative, \$3,000 increase for Young Achievers Program in the 2026-2027 Recurrent Budget and an increase in the On-street Parking Implementation Operating Project of \$25,000.

STRATEGIC DIRECTIONS

CityPlan 2030 Alignment

Outcome 1: Social Equity

An inclusive, connected, accessible and friendly community.

Outcome 2: Cultural Vitality

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

Outcome 3: Economic Prosperity

A dynamic and thriving centre for business and services.

Outcome 4: Environmental Sustainability

A leader in environmental sustainability.

FINANCIAL AND BUDGET IMPLICATIONS

The '*in-principle*' adoption of the Draft 2026-2027 Budget-Option 2, as presented (based on a Rate Revenue increase of 7%), will result in an Operating Deficit of \$2,600,309 and a Net Deficit (after Other Comprehensive Income) of \$2.565 million.

As previously advised, the Draft 2026-2027 Budget does not include the Carry Forwards from the 2025-2026 Operating Projects which are anticipated not to be completed by 30 June 2026. The Carry Forward amounts will be presented to the Council as part of the First Budget review in 2026-2027 following the finalisation of the June 2026 results.

RISK MANAGEMENT

The Draft 2026-2027 Budget may 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 2026-2027 Budget presented in this report, has been developed on the following assumptions:

The Recurrent Operating Budget is and has for the Draft 2026-2027 Budget, been prepared on a “business as usual” basis. This means:

- 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 the current financial year 2025-2026;
- 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 the new operational model for Payneham Memorial Swimming Centre with revised cost phasing as proposed at the meeting for the Prudential report;
- Includes salary increases in line with assumption that the proposed Municipal Officers Agreement (MOA) indexation will be approved (November 2025 to November 2026 increase of 5% with 3.5% increase in the following year);
- Finance costs have been recalculated based on the current interest rates and increase in Borrowings due to the proposed Capital Projects for 2026-2027;
- The escalation in Depreciation due to revaluation of Capital Assets.

Any adjustments to the Draft Budget arising from the State Budget will be incorporated into the Council’s 2026-2027 Budget when this information becomes available.

Notwithstanding this, the preparation of the Draft 2026-2027 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 2026, 10 March 2026 and 7 April 2026.

Audit & Risk Committee

The Council’s Audit & Risk Committee has considered the Draft 2026-2027 Recurrent Budget and the Draft 2025-2026 Operating and Capital Projects Budget at its meeting held on 13 April 2026.

Community

Citizens will be provided the opportunity to have input into the Draft 2026-2027 Budget through public consultation on the Draft Annual Business Plan, which is scheduled to commence on 26 May 2026.

Staff

The preparation of the Draft 2026-2027 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 2026-2027 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 the Councils Strategic Management Plan *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 and maintaining *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 its meeting held on 7 April 2026, the Council considered the Draft 2026-2027 Budget and endorsed in “*principle*” the Draft 2026-2027 Recurrent Budget and the Draft 2026-2027 Operating and Capital Projects Budget.

The Council’s Audit & Risk Committee considered and received and noted the Draft 2026-2027 Budget at its meeting held on 13 April 2026..

Budget Overview

Table 1 below sets out the proposed Operating Deficit of \$2,600,309, based on a Recurrent Operating Deficit of \$1,092,609, an Operating Deficit relating to Operating Projects (excluding 2024-2025 Carry Forwards) of \$1,507,700 which results in an Operating Deficit of 2,600,309.

TABLE 1: 2026-2027 PROPOSED STATEMENT OF COMPREHENSIVE INCOME

	Recurrent Budget	Operating Projects	Proposed Budget
	2026-2027	2026-2027	2026-2027
	\$	\$	\$
INCOME			
Rates	54,634,361	-	54,634,361
Statutory Charges	2,349,065	-	2,349,065
User Charges	4,752,960	-	4,752,960
Grant Subsidies, Contributions	2,868,077	-	2,868,077
Grants, Subsidies and Contributions - capital	688,369	-	688,369
Investment Income	10,500	-	10,500
Other Income	670,892	-	670,892
Net gain - equity accounted Council businesses	-	-	-
Total Income	65,974,224	-	65,974,224
EXPENSES			
Employee Expenses	21,539,886	-	21,539,886
Materials, Contracts & Other Expenses	24,506,121	1,507,700	26,013,821
Depreciation, Amortisation & Impairment	16,804,050	-	16,804,050
Finance Costs	3,954,110	-	3,954,110
Net Loss - Joint Ventures & Associates	262,666	-	262,666
Total Expenses	67,066,833	1,507,700	68,574,533

OPERATING SURPLUS / (DEFICIT)	(1,092,609)	(1,507,700)	(2,600,309)
Net gain (loss) on disposal or revaluation of assets	35,601		35,601
Amounts specifically for new or upgraded assets	-		-
NET SURPLUS (DEFICIT)	(1,057,008)	(1,507,700)	(2,564,708)

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 all of them are available.

Financial sustainability underpins the Council's Financial Goals and Outcomes 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 stable and to a minimum, maintaining existing service standards/levels 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 (Appendix 3)**, are presented as prescribed in the Model Financial Statements and are based on 7% increase in Rate Revenue. The Financial Statements also provide comparisons with the 2025-2026 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 2026-2027 Financial year.

The Financial Statements will be updated following the Council's decision on the various components of the Draft 2026-2027 Budget.

Budgeted Capital Projects

At its meeting held on 7 April 2026, the Council considered the Draft 2026-2027 Capital Budget ("Draft Capital Budget") and resolved to endorse, *"in principle,"* a Draft Capital Budget that incorporates the Renewal Program and New Capital Projects valued at \$21.351 million. This amount excludes expenditure that is required to finalise the 2025-2026 Capital Projects that are not expected to be completed by 30 June 2026. The total value of the Capital Projects also includes staff costs of \$1.080 million, which are capitalised (i.e., staff involved in delivering Capital projects involving physical assets). The Draft 2026-2027 New Capital Budget expenditure will be funded through cash borrowings and as usual, the Renewal Program will be funded through depreciation (via Rate Revenue).

The endorsed Capital Projects for 2026-2027 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.

TABLE 2: CAPITAL PROJECT CATEGORIES

Capital Expenditure Project	\$
Whole-of-Life Capital Works Program	
* Road Resealing	3,780,256
* Footpath Reconstruction	490,206
* Kerb Reconstruction	1,873,056
* Traffic Control Devices	251,299
* Stormwater Drainage Program	2,200,283
* Building Works Program	2,881,380
* Recreation and Open Space	1,591,907
* Plant and Depot Equipment Replacement	385,954
* Other Infrastructure Asset Renewal (<i>Includes Library Books, IT Equipment, Furniture & Fittings</i>)	571,629
New Facilities at the Payneham Memorial Swimming Centre	5,931,872
Glynde, Payneham, Firle, Trinity Gardens Traffic Detailed Design	150,000
K9 Kube Anima Management WHS Upgrade	53,000
Stephen Street Upgrade Detailed Design Works	45,000
Regent Street Emu Crossing Construction Works	45,000
Minor Traffic Improvements	20,000
Total Capital Projects Expenditure	21,351,200
Grant Funding	-
Net Cost	21,351,200

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. Any Grant income which will be 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 2026-2027 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**, \$21.351 million is proposed to be funded as shown in Table 3 below:

TABLE 3: CAPITAL PROJECTS FUNDING

Use of depreciation recovered through Rate Revenue	\$16,804,050
Grant Funding	-
Borrowings	\$4,547,150
TOTAL	\$21,351,200

In determining the timing and the level of borrowings that are required to fund the proposed Capital Projects, 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 borrowing options, the current economic climate and conducting a thorough assessment of the financial needs as part of the Draft 2026-2027 Budget, in order to minimise the interest costs and debt servicing needs, it is anticipated that \$35 million of the CAD Facilities in 2026-2027 will be converted into a Traditional Loan. This will be subject to further assessment as the Fixed Interest rate is considerably higher than the Variable Interest rate at this point in time (LGFA Fixed Interest rate 6.08% vs LGFA Variable CAD rate 5.60%).

The Reserve Bank of Australia (RBA) implemented another increase to the cash rate at its meeting held on 17 March 2026. The RBA's decision to increase rates by 0.25%, was influenced by a material increase to inflation in the second half of 2025 and the current conflict in the Middle East which has resulted in higher fuel prices, which if sustained, raises the risk that inflation may stay above the RBA's target for longer. The RBA's statement also reiterated its focus on its mandate to deliver price stability and full employment. A further 0.25% rate increase is anticipated at the RBA's May 2026 meeting, driven by persistent inflationary pressures, a tight labour market and elevated oil prices stemming from geopolitical tensions in the Middle East.

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 achieved, 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 as well as increases in the average rate.

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.

Rate modelling has been undertaken and presented in a separate report as part of the broader Rates Strategy Review. This report provides detailed analysis of various rating scenarios, including their financial impacts, distributional outcomes, and alignment with long-term financial sustainability objectives, and should be considered in conjunction with this document. It is recommended that the determination of rates be based on the outcome of Council's resolution in relation to that separate report.

It should be noted that the valuation information from the Valuer-General for the week ended 21 June 2026, will be used to determine the final average rate increase at the Council meeting to be held on 7 July 2026 when the final draft of the Budget is scheduled to be adopted.

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 2026-2027 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 2026-2027 Annual Business Plan* Financial Statements incorporates all the assumptions detailed in this report and for consultation purposes only, includes an 7% increase in Rate Revenue. Upon the finalisation of the Draft 2026-2027 Budget through its "endorsement in principle" and all required amendments following from the resolution on rating strategy (if any), the Draft 2026-2027 Annual Business Plan will be made available to citizens in May 2026. Submissions will be invited, allowing interested citizens to provide comments either prior to or at the Public Meeting scheduled for 26 May 2026.

Following consideration of the submissions by the Council on at the Special meeting scheduled for 9 June 2026, the final 2026-2027 Annual Business Plan and Budget will be presented to the Council for adoption at the Council Meeting to be held on 7 July 2026.

OPTIONS

The Council can endorse the Draft 2026-2027 Annual Business Plan and Budget as presented in this report or can choose to amend the Draft 2026-2027 Annual Business Plan and Budget by either:

- increasing or reducing Operating Projects; and/or
- increasing or decreasing rate revenue (as presented in separate report); 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 maintaining financial sustainability. By developing the Annual Budget with reference to the financial targets and outcomes set out in the Long-Term Financial Plan (LTFP), will ensure that the Council continues to move in the right direction to maintain its record of Financial Sustainability.

The Council's Draft Long-Term Financial Plan (LTFP) outlines a clear commitment to debt reduction and the achievement of positive financial sustainability. Rate modelling has been undertaken and presented in a separate report as part of the broader Rating Review, which provides detailed analysis of various rating scenarios, including their financial impacts and alignment with long-term financial objectives, and should be considered in conjunction with this document. Major projects have been proposed to be removed from the LTFP in accordance with LTFP Scenario 4, which formed the basis of the Draft Budget- Option 2, as presented at the Council meeting held on 7 April 2026.

By aligning the Annual Budget with the revised financial targets and outcomes set out in the LTFF, the Council will continue to progress toward its objective of maintaining financial sustainability.

The *'in-principle'* adoption of the Draft 2026-2027 Annual Business Plan and Budget as presented in **Attachment B**, will deliver an Operating Deficit of \$2,600,309 based on an 7% increase in Rate Revenue.

Notwithstanding this, the *'in-principle'* adoption of the Draft 2026-2027 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.

RECOMMENDATION

That subject to further consideration of the Draft 2026-2027 Budget by the Council following the receipt and consideration of any public submissions in respect to the 2026-2027 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 ___% be adopted 'in principle' for the 2026-2027 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 2026-2027 Financial Year up to a maximum of \$7.0 million in addition to the existing borrowings and Cash Advance Facilities for the purposes of funding Capital Expenditure.*
- (f) That the Draft 2026-2027 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 2026-2027 Annual Business Plan, as contained within Attachment B, prior to it being released for public consultation.*

Cr Callisto left the meeting at 11.03pm.
Cr Callisto returned to the meeting at 11.05pm.
Cr Wilkinson left the meeting at 11.16pm.
Cr Robinson left the meeting at 11.21pm.
Cr Moorhouse left the meeting at 11.21pm.
Cr Wilkinson returned to the meeting at 11.23pm.
Cr Granozio left the meeting at 11.23pm.
Cr Moorhouse returned to the meeting at 11.23pm.
Cr Robinson returned to the meeting at 11.24pm.
Cr Granozio returned to the meeting at 11.25pm.

Cr Callisto moved:

That subject to further consideration of the Draft 2026-2027 Budget by the Council following the receipt and consideration of any public submissions in respect to the 2026-2027 Annual Business Plan:

- (a) That a Rate Revenue increase, of 7.9%, 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 5.45% be endorsed 'in principle'.*
- (c) That an average commercial rate increase of 11.39% be endorsed 'in principle'.*
- (d) That a rate cap under Section 153 on residential properties of two (2) times the rate revenue increase of 15.8% be adopted 'in principle' for the 2026-2027 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 a rate rebate cap under Section 166(1)(l)(i) on Commercial, Industrial and Vacant properties of two (2) times the rate revenue increase of 15.8% be adopted 'in principle' for the 2026-2027 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.*
- (f) That the Council endorses 'in principle' Loan Borrowings for the 2026-2027 Financial Year up to a maximum of \$7.0 million in addition to the existing borrowings and Cash Advance Facilities for the purposes of funding Capital Expenditure.*
- (g) That the Draft 2026-2027 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.*
- (h) That the Chief Executive Officer be authorised to make editorial changes to the Draft 2026-2027 Annual Business Plan, as contained within Attachment B, prior to it being released for public consultation.*

Seconded by Cr Sims.

Cr Knoblauch left the meeting at 11.30pm and did not return.

Amendment

Cr Piggott moved:

That subject to further consideration of the Draft 2026-2027 Budget by the Council following the receipt and consideration of any public submissions in respect to the 2026-2027 Annual Business Plan:

- (a) That a Rate Revenue increase, of 7.9%, 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 5.45% be endorsed 'in principle'.*
- (c) That an average commercial rate increase of 11.39% be endorsed 'in principle'.*
- (d) That a rate cap under Section 153 on residential properties of two (2) times the rate revenue increase of 15.8% be adopted 'in principle' for the 2026-2027 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 a rate rebate cap under Section 166(1)(l)(i) on Commercial, Industrial and Vacant properties of two (2) times the rate revenue increase of 15.8% be adopted 'in principle' for the 2026-2027 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.*
- (f) *That the Council endorses 'in principle' Loan Borrowings for the 2026-2027 Financial Year up to a maximum of \$7.0 million in addition to the existing borrowings and Cash Advance Facilities for the purposes of funding Capital Expenditure.*
- (g) *That the Draft 2026-2027 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.*
- (h) *That the Chief Executive Officer be authorised to make editorial changes to the Draft 2026-2027 Annual Business Plan, as contained within Attachment B, prior to it being released for public consultation.*
- (i) *That a Long-Term Financial Plan not be included in the Draft 2026-2027 Annual Business Plan and that a review be performed on the Long-Term Financial Plan prior to the end of August 2026.*

Seconded by Cr McFarlane.

The amendment was put and lost.

Cr Duke moved:

That the original motion be put.

Seconded by Cr Granozio and carried.

The original motion was put and carried.

Cr McFarlane moved:

That a savings register be presented on a quarterly basis highlighting savings made across the organisation.

The motion lapsed for want of a seconder.

13.7 LONG TERM FINANCIAL PLAN UPDATE

REPORT AUTHOR: General Manager, Governance & Civic Affairs
APPROVED BY: Chief Executive Officer
ATTACHMENTS: Nil

PURPOSE OF THE REPORT

The purpose of this report is to present to the Council for endorsement, the draft *Long-Term Financial Plan* which will form part of the consultation process associated with the *Draft 2026-2027 Annual Business Plan & Budget*.

BACKGROUND

The Council's current *2023-2024 – 2033-2034 Long-Term Financial Plan*, was adopted by the Council on 5 August 2024.

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 as soon as practicable after adopting the Council's Annual Business Plan for a particular financial year.

To this end, a review of the LTFP financial targets, which takes into account the Draft 2026-2027 Budget and its impact on the financial projections set out in the Long-Term Financial Plan, was presented to the Council at its meeting held on 7 April 2026, as part of the Draft 2026-2027 Annual Business Plan & Budget (the Draft Budget).

The report presented two (2) Budget Base Options to the Council for the Draft 2026-2027 Budget and eight (8) Scenarios for consideration in respect to the Long-Term Financial Plan.

Following consideration of the matter, the Council resolved the following:

1. *That the proposed Operating and Capital Projects as set out in Attachments A and B Option 2 be endorsed "in principle".*
2. *That the Draft 2026-2027 Budget, which incorporates the proposed Operating and Capital Projects contained in Attachments A and B Option 2, be endorsed "in principle", including the following projects:*
 - *Green Connections Project; and*
 - *On-street Parking Policy Implementation (increase to \$50,000).*
3. *That Administration provide a Report to the May 2026 Council meeting outlining the specific implications of a 2% decrease in the 2026-2027 budget for each Expense grouping (except Rates, depreciation and Financing) set out in Attachment C.*
4. *The Council notes that a report on the adoption of the Draft 2026-2027 Annual Business Plan and Budget, which includes the 2026-2027 Rating Strategy, will be prepared for the Council's consideration at its meeting to be held on 5 May 2026.*
5. *That the Twelftree Reserve Public Toilet project be included in the Draft 2026-2027 Annual Budget, subject to full external funding being received.*
6. *That a letter be written to the Member for Dunstan, requesting confirmation of the Twelftree Reserve election commitment and inquiring if any surplus arising from the election commitment of \$400,000 for a public toilet in Twelftree Reserve be allocated to a public toilet in Borthwick Park.*

As a result of amendments made by the Council at its meeting held on 7 of April 2026 (as set out above), the Draft Budget has been updated and is summarised in Table 1 below.

In summary, these changes are:

Additional **Operational Project** Expenditure:

- On-Street Parking Policy Implementation which results in an increase of \$25,000 to the total Operational Project cost.

Additional **Recurring Budget** Expenditure:

- Inclusion of the Green Connections Program which results in an additional expenditure of \$30,000,
- Increase to the Youth Achiever Program of \$3,000 and,
- Continuation of the Separate Rate for the Parade Precinct which has no financial impact on the Budget, as the Separate Rate Income of \$225,000, as it is offset by expenditure of \$225,000.

TABLE 1: 2026-2027 PROPOSED STATEMENT OF COMPREHENSIVE INCOME

	Recurrent Budget	Other	Operating Projects	Proposed Budget
	2026-2027	2026-2027	2026-2027	2026-2027
	\$	\$	\$	\$
INCOME				
Rates	54,699,944			54,699,944
Statutory Charges	2,349,065			2,349,065
User Charges	4,752,960			4,752,960
Grant Subsidies, Contributions	2,868,077			2,868,077
Grants, Subsidies and Contributions - Capital	688,369			688,369
Investment Income	10,500			10,500
Other Income	605,309			605,309
Net gain - equity accounted Council businesses	-			-
Total Income	65,974,224	-	-	65,974,224
EXPENSES				
Employee Expenses	21,539,886		-	21,539,886
Materials, Contracts & Other Expenses	24,025,246	1,363,575	625,000	26,013,821
Depreciation, Amortisation & Impairment	16,804,050		-	16,804,050
Finance Costs	3,954,110		-	3,954,110
Net Loss - Joint Ventures & Associates	262,666		-	262,666
Total Expenses	66,585,958	1,363,575	625,000	68,574,533

	Recurrent Budget	Other	Operating Projects	Proposed Budget
	2026-2027	2026-2027	2026-2027	2026-2027
OPERATING SURPLUS / (DEFICIT)	(611,734)	(1,363,575)	(625,000)	(2,600,309)
Net gain (loss) on disposal or revaluation of assets	35,601			35,601
Amounts specifically for new or upgraded assets	-			-
NET SURPLUS (DEFICIT)	(576,133)	(1,363,575)	(625,000)	(2,564,708)

As set out above, eight (8) Long-Term Financial Plan Scenarios were also presented to the Council. Whilst the recommendation contained in the Council Report did not explicitly recommend the endorsement of LTFP Scenario 4, the Options Section of the Report stated that the recommended Option was endorsing “in principle” the draft 2026-2027 Budget Option 2 adjusted to the Capital Projects as outlined in LTFP Scenario 4 which in turn incorporates the proposed Budget Option 2.

As such, whilst the Council’s resolution does not explicitly endorse “in-principle” LTFP Scenario 4, it has been assumed that by adopting Draft Budget Option 2, the Council implicitly endorsed “in principle” LTFP Scenario 4.

STRATEGIC DIRECTIONS

CityPlan 2030 Alignment

The Council’s Strategic Management Plan, *CityPlan 2030: Shaping Our Future*, provides the framework upon which the Council’s Strategic Management Plans are developed. The Council’s suite of Strategic Management Plans currently incorporates *CityPlan 2030*, the LTFP, the Infrastructure and Asset Management Plans and the Annual Business Plan and Budget.

The LTFP is the primary financial management document which links the Council’s Strategic Management Plans, *City Plan 2030*, Whole-of-Life Asset Management Plans and the Annual Business Plan and Budget.

FINANCIAL AND BUDGET IMPLICATIONS

The LTFP is the primary financial management document which links the Council’s Strategic Management Plans, *City Plan 2030*, Whole-of-Life Asset Management Plans and the Annual Business Plan and Budget.

The financial projections contained within a LTFP, provide an indication of the Council’s direction and financial capacity, rather than predicting the future financial performance and position of the Council. The LTFP should be viewed as a guide to future actions or opportunities, which encourages the Council to consider the future impact of its decisions which are made, on the Council’s long-term and on-going financial sustainability. To this end, reference is made each year to the LTFP when preparing the Annual Business Plan and Annual Budget, to ensure that the broad financial outcomes which the Council has set and agreed upon are continuing to be achieved.

At this stage, the Rate Revenue set out in the LTFP is set at 7%. As Elected Members are aware, a Rating Strategy Review forms part of the Agenda for this meeting.

The Total Rates Revenue that has been factored into the Draft 2026-2027 Budget and LTFP will be adjusted based on the outcome of the Council’s decision on the Rating Review.

RISK MANAGEMENT

The various Scenarios which have been considered by the Council in conjunction with the Draft Budget have been assessed from a risk management perspective. Further information regarding the assessment and the risks associated with each Scenario is set out in the Discussion section of this report.

CONSULTATION

Elected Members

An overview of the Draft 2026-2027 Recurrent Budget, Operating Projects and Capital Works Program was provided to Elected Members at the Elected Members Information Briefing Session that was held on 10 March 2026.

The Council considered the Draft 2026-2027 Recurrent Budget, Operating Projects and Capital Works program and impact on the LTFP at its meeting held on 7 April 2026.

Audit & Risk Committee

The Council's Audit & Risk Committee considered a report on the Draft 2026-2027 Annual Business Plan and Budget at its Meeting held on 13 April 2026, and did not recommend any changes to the Council in respect to the Draft 2026-2027 Budget.

Clarification was however sought in respect to the eight (8) LTFP Scenarios and the Audit & Risk Committee supported Budget Option 2, which included the LTFP Scenario 4.

Community

Not Applicable.

Staff

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

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 2026-2027 Budget, and its impact on the financial projections set out in the Long-Term Financial Plan, has been undertaken.

Overview of Key Assumptions (applicable to all LTFP scenarios)

		2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
General Rates	Adelaide CPI + risk	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
General Rates	Population Growth	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
General Rates	Capital Investments	3.5%	3.0%	2.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
General Rates	Total	7.00%	6.50%	6.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Salaries & Wages	EBA* then WPI*	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Income & Expenses	Adelaide CPI + risk	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Interest rate - Loans	LGFA**	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Cash Advance (CAD)	RBA*** + LGFA	5.4%	5.6%	5.6%	5.7%	5.7%	5.9%	6.1%	6.5%	6.3%	6.6%

*EBA – Enterprise Bargaining Agreements and *WPI – Wage Price Index

**LGFA – Local Government Financial Association

***RBA – Reserve bank of Australia

- **CPI / Inflation** - Inflation assumptions are based on a combination of the Local Government Price Index (LGPI) and Adelaide CPI, as published by the Local Government Association of South Australia, for the first three (3) years of the Plan. These rates are then extrapolated across the remaining years of the LTFP. A minor sensitivity allowance of 0.1% has been incorporated to account for potential fluctuations.
- **Rate Revenue** - Rate Revenue growth is assumed to align with CPI, supplemented by growth in rateable properties and the financial impact of proposed capital investments.
- **Wages** - Employee cost increases are based on current known Enterprise Bargaining Agreements (EBAs), as well as those under negotiation and are informed by the Wage Price Index.
- **Borrowings** - For Cash Advance Debenture (CAD) borrowings, interest rate assumptions are based on Reserve Bank of Australia government bond yields, with an appropriate risk margin consistent with Local Government Finance Authority (LGFA) guidance. For traditional loans, fixed-term interest rates are based on LGFA quoted rates and are carried forward in the model until updated.

LTFP Review and Risk Considerations

The LTFP is updated annually to reflect changes between reporting periods and to incorporate emerging risks, opportunities, and mitigation strategies. In developing the updated LTFP, the following key risks and considerations have been identified:

- revised inflation and cost escalation assumptions;
- updated wage growth projections and staffing levels;
- a higher-than-previously forecast level of operational and capital investment approvals over the past three (3) years, resulting in higher Operational Costs, lower Surplus and in increased debt levels;
- changes to the scope and timing of capital projects (including major projects such as the pool);
- changes to capital project scope/timing (e.g. major projects like the pool); and
- updated interest rate assumptions and borrowing strategy.

To support informed decision-making, eight (8) LTFP Scenarios have been developed. While maintaining consistent core assumptions across all of the respective Scenarios, the capital investment program was varied to demonstrate differing impacts on financial outcomes and long-term sustainability.

Each scenario has been assessed for associated risks and opportunities, considering both financial implications and the Council's commitments to the community.

A key focus of the updated LTFP, has been and continues to be the management of peak debt levels and the timing of these, including strategies for debt containment and reduction.

Scenario 4 has been incorporated into the Draft 2026–2027 Budget (Option 2) and was presented to the Council for endorsement at its meeting held on 7 April 2026. Further information regarding the eight (8) Scenarios is set out below.

The eight (8) Scenarios present a range of options with each Scenario seeking to balance ongoing service delivery at current levels and capital investment against the Council's financial sustainability and the current borrowing covenant (noting that this is based on the Capital Projects that are contained in the current endorsed LTFP).

At one end, Scenarios 1 and 2 retain the full Capital Program and result in ongoing operating deficits, elevated debt levels (including potential breaches above \$110m), and Net Financial Liabilities Ratios that are well above 100% and are therefore not considered financially sustainable.

Scenarios 3, 5 and 6 improve the financial position through deferral or partial reduction of Capital Projects, however these Scenarios still involve short-term deficits and prolonged pressure on financial ratios, therefore requiring strict financial discipline if the LTFP's are to remain viable.

Scenarios 4 and 7 achieve a stronger balance by reducing or removing major Capital Projects, resulting in declining debt levels, improving operating results and Net Financial Liabilities Ratios trending below 100% over time.

Scenario 8 represents the most financially conservative position, with all major Capital Projects being deferred, resulting in the delivery of the strongest improvement in financial indicators.

It should be noted that the Long-Term Financial Plan (LTFP) scenarios impact the Draft 2026-2027 Budget primarily through finance costs, which are directly linked to the Capital Projects that are contained in the current LTFP.

However, the Scenarios also articulate the broader financial strategy over the 10-year period and are critical in demonstrating the Council's capacity to manage debt and maintain confidence in its borrowing capabilities. Collectively, the scenarios highlight the trade-off between financial sustainability and the timing and scale of service and infrastructure delivery.

LONG TERM FINANCIAL PLAN SCENARIOS (as presented at its meeting held on 7 April 2026)

A summary of the eight (8) Scenarios which were considered by the Council at its meeting held on 7 April 2026, are detailed below in Table 2.

TABLE 2: LONG TERM FINANCIAL PLAN SCENARIOS OVERVIEW

Scenario	Budget Base	Funding Submissions	IT Strategy	Gymnasium Commencement	The Parade Master Plan Commencement	Norwood Library Commencement	Notes	Finance Comment
Scenario 1	Option 1	All (Operating & Capital)	Included	2026-2027	2026-2027	2028-2029	Presented at March Workshop	Financially Unsustainable
Scenario 2	Option 2	As per ELT review	Included	2026-2027	2026-2027	2028-2029	—	Financially Unsustainable
Scenario 3	Option 2*	As per ELT review	Included	2026-2027	2029-2030	2031-2032	—	Conditionally Sustainable
Scenario 4	Option 2*	As per ELT review	Included	2026-2027	Update via renewals	Not included	No Norwood Library update	Most Financially sustainable
Scenario 5	Option 2*	As per ELT review	Included	2028-2029	2029-2030	2031-2032	—	Conditionally Sustainable
Scenario 6	Option 2*	As per ELT review	Included	Not included	2026-2027	2028-2029	No Gym	Conditionally Sustainable
Scenario 7	Option 2*	As per ELT review	Included	2028-2029	Update via renewals	2031-2032	—	Most Financially sustainable
Scenario 8	Option 2*	As per ELT review	Included	Not included	Not included	Not included	All future capital projects removed pending funding	Most Financially sustainable

* Option 2 Budget Base will be updated for revised Finance costs depending on LTFP Scenario adopted

LONG TERM FINANCIAL PLAN – SCENARIO 4

(before the additions as per resolution following the meeting held on 7 April 2026)

As set out above, the Council endorsed Draft 2026-2027 Budget that was based on TFP Scenario 4. Full detailed Financial Statements for this Scenario presented in Draft 2026-2027 Annual Business Plan (ABP).

Scenario 4 – Facilities at the Payneham Memorial Swimming Centre (PMSC) to proceed, Implement The Parade Master Plan via renewals and exclude the Norwood Library Redevelopment from the LTFP

Scenario 4 is based on Draft 2026-2027 Budget - Option 2 that was endorsed by the Council at its meeting held on 7 April 2026 and incorporates the following:

- funding for the Operating and Capital projects as recommended by the Executive Leadership Team;
- construction of the facilities at the PMSC in the 2026–2027 financial year;
- implementation of The Parade Master Plan being funded through the renewal program (any redevelopment upgrade being confirmed and included in later years subject to Grant funding); and
- the Norwood Library Redevelopment not being included in the LTFP.

Table 3 sets out the forecasted timeline for the Capital Projects proposed to be undertaken by the Council over the next ten (10) years under Scenario 4, and which have been incorporated into the Draft LTFP. Table 2 above presents the proposed Statement of Comprehensive Income that reflects this scenario.

TABLE 3: CAPITAL PROJECTS TIMELINE (SCENARIO 4)

PROJECTS IN LTFP	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
QUADRENNIAL ART PROJECT	12	-	-	-	-	-	-	-	-	-
IMPLEMENTATION PARADE MASTER PLAN	-	-	-	-	-	-	-	-	-	-
NORWOOD LIBRARY REDEVELOPMENT	-	-	-	-	-	-	-	-	-	-
FACILITIES AT THE PMSC	5,932	-	-	-	-	-	-	-	-	-
FUNDING SUBMISSIONS (OPTION 2)	303	-	-	-	-	-	-	-	-	-

Benefits:

- Strong and growing operating surpluses from 2028-2029 onward
- Debt reduces significantly over time (down to ~24m)
- Net Financial Liabilities drops below 100% relatively early and continues improving
- No breach of debt covenant (except Deficits first 2 years)

Disadvantages:

- Initial deficits for the first 2 years of the LTFP.
- Reduced capital ambition (ie, re-scoping of The Parade Masterplan).

Overall: Scenario 4 represents “Strongly aligned with LGFA covenants” (low risk).

Table 4 presents the Council’s forecasted financial position over the next ten (10) years based on Scenario 4.

TABLE 4: UPDATE TO LONG-TERM FINANCIAL PLAN - SCENARIO 4

	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035	2035- 2036
OPERATING SURPLUS/ (DEFICIT) (\$ Mn)	(2.5)	(1.4)	0.6	1.3	2.5	3.5	4.3	6.0	7.6	8.7
OPERATING SURPLUS RATIO	-3.9%	-2.0%	0.9%	1.8%	3.2%	4.3%	5.1%	6.9%	8.5%	9.3%
NET FINANCIAL LIABILITIES RATIO	155.1%	145.3%	133.2%	124.1%	112.7%	101.1%	89.0%	75.1%	59.8%	44.9%
ASSET RENEWAL FUNDING RATIO	92.7%	97.7%	94.9%	89.0%	99.6%	98.6%	99.9%	102.8%	100.7%	104.8%
INTEREST COVER RATIO	6.0%	6.5%	6.0%	5.5%	5.1%	4.5%	3.9%	3.3%	2.4%	1.6%
DEBT SERVICING RATIO	16.6%	22.1%	21.4%	11.4%	13.3%	12.8%	12.2%	11.6%	10.7%	9.3%
DEBT LEVEL (\$ Mn)	86.7	85.3	81.7	76.9	71.2	64.8	57.3	47.8	36.2	23.8

SCENARIO 1 - Full program (highest cost):

Scenario 1 represents the position in which the Council approves:

- funding of all Operating and Capital projects as presented in the Funding Submissions;
- construction of the facilities at the PMSC in the 2026–2027 financial year; and
- Commence implementation of The Parade Masterplan from 2026-2027.

Table 5 sets out the forecasted timeline for Capital projects proposed to be undertaken by the Council over the next ten (10) years incorporated into the Draft LTFP under Scenario 1.

TABLE 5: CAPITAL PROJECTS TIMELINE (SCENARIO 1)

PROJECTS IN LTFP \$’000	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035	2035- 2036
QUADRENNIAL ART PROJECT	12	-	-	-	-	-	-	-	-	-
IMPLEMENTATION PARADE MASTER PLAN	6,700	11,950	8,950	-	-	-	-	-	-	-
NORWOOD LIBRARY REDEVELOPMENT	-	-	1,000	1,500	2,500	-	-	-	-	-
FACILITIES AT THE PMSC	5,932	-	-	-	-	-	-	-	-	-
FUNDING SUBMISSIONS (OPTION 1)	4,003	-	-	-	-	-	-	-	-	-

Implications:

Benefits:

- full delivery of all strategic projects contained in the LTFP (no deferrals); and
- surpluses achieved in later years

Disadvantages:

- Operating deficits for ~6 years, breaches covenant with the LGFA
- Debt exceeds \$110m for multiple years (peaks ~\$118m)
- Net Financial Liability significantly above 100% across entire period
- High financial risk and limited flexibility

Overall: Scenario 1 represents “Non-compliant / Unsustainable”.

Table 6 sets out the Council's forecasted financial position over the next ten (10) years if Option 1 of the Draft Budget and Scenario 1 of the LTFP are adopted.

TABLE 6: DRAFT UPDATE TO LONG TERM FINANCIAL PLAN (SCENARIO 1)

	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
OPERATING SURPLUS/ (DEFICIT) (\$ Mn)	(3.5)	(2.6)	(1.3)	(1.5)	(0.6)	(0.1)	0.5	1.7	3.2	3.4
OPERATING SURPLUS RATIO	-5.3%	-3.7%	-1.7%	-2.0%	-0.8%	-0.1%	0.5%	2.0%	3.6%	3.7%
NET FINANCIAL LIABILITIES RATIO	172.9%	181.5%	183.8%	179.0%	172.6%	162.9%	152.9%	141.4%	128.4%	116.5%
ASSET RENEWAL FUNDING RATIO	92.7%	97.7%	94.9%	89.0%	99.6%	98.6%	99.9%	102.8%	100.7%	104.8%
INTEREST COVER RATIO	6.4%	7.9%	8.3%	8.4%	8.2%	7.9%	7.6%	7.3%	6.5%	6.0%
DEBT SERVICING RATIO	17.1%	23.8%	24.2%	14.7%	17.0%	16.8%	16.5%	16.3%	15.5%	14.4%
DEBT LEVEL (\$ Mn)	98.2	110.3	118.6	118.0	117.8	114.6	110.8	105.4	98.0	90.7

SCENARIO 2 - Reduced Operational and Capital Projects requested via Funding Submissions, but full capital investments:

Scenario 2 represents the position in which the Council approves:

- funding for the Operating and Capital projects as recommended by the Executive Leadership Team;
- construction of Facilities at the PMSC in the 2026–2027 financial year; and
- Implementation of The Parade Master Plan to commence from 2026-2027.

Table 7 sets out the forecasted timeline for Capital projects proposed to be undertaken by the Council over the next ten (10) years incorporated into the Draft LTFP under Scenario 2.

TABLE 7: CAPITAL PROJECTS TIMELINE (SCENARIO 2)

PROJECTS IN LTFP \$'000	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
QUADRENNIAL ART PROJECT	12	-	-	-	-	-	-	-	-	-
IMPLEMENTATION PARADE MASTER PLAN	6,700	11,950	8,950	-	-	-	-	-	-	-
NORWOOD LIBRARY REDEVELOPMENT	-	-	1,000	1,500	2,500	-	-	-	-	-
FACILITIES AT THE PMSC	5,932	-	-	-	-	-	-	-	-	-
FUNDING SUBMISSIONS (OPTION 2)	303	-	-	-	-	-	-	-	-	-

Implications:

Benefits:

- Slight improvement vs Scenario 1 (lower debt and deficits)
- Returns to surplus earlier (~2031/32)
- Debt trends downward over time

Disadvantages:

- Operating deficits still for ~5 years
- Debt levels exceeds \$110m (peak ~ \$113m) assuming all major projects in the LTFP are progressed
- Net Financial Liabilities remain greater than 100% for most of the term of the LTFP (~102% by Year 10)
- Still heavily exposed to borrowing

Overall: Scenario 2 represents a “Marginal improvement but still non-compliant”.

Table 8 presents the Council's forecasted financial position over the next ten (10) years if Scenario 2 is adopted.

TABLE 8: DRAFT UPDATE TO LONG TERM FINANCIAL PLAN (SCENARIO 2)

	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
OPERATING SURPLUS/ (DEFICIT) (\$ Mn)	(2.7)	(2.2)	(1.1)	(1.0)	(0.1)	0.5	1.1	2.5	4.0	4.4
OPERATING SURPLUS RATIO	-4.1%	-3.2%	-1.5%	-1.4%	-0.1%	0.6%	1.3%	2.9%	4.5%	4.7%
NET FINANCIAL LIABILITIES RATIO	165.6%	173.4%	175.4%	169.6%	162.3%	151.7%	140.8%	128.3%	114.3%	101.4%
ASSET RENEWAL FUNDING RATIO	92.7%	97.7%	94.9%	89.0%	99.6%	98.6%	99.9%	102.8%	100.7%	104.8%
INTEREST COVER RATIO	6.3%	7.5%	7.9%	7.9%	7.6%	7.3%	6.9%	6.6%	5.7%	5.1%
DEBT SERVICING RATIO	16.9%	23.3%	23.7%	14.2%	16.4%	16.1%	15.7%	15.4%	14.5%	13.3%
DEBT LEVEL (\$ Mn)	93.6	104.8	112.5	111.0	109.9	105.7	100.8	94.1	85.4	76.6

SCENARIO 3 - Defer The Parade Master Plan and Norwood Library redevelopment:

Scenario 3 represents a position in which the Council approves:

- funding for the Operating and Capital projects as recommended by the Executive Leadership Team;
- construction of the new facilities at the PMSC in the 2026–2027 financial year;
- Implementation of The Parade Masterplan delayed to commence from 2029-2030; and
- Norwood Library Redevelopment to commence from 2031-2032.

Table 9 sets out the forecasted timeline for Capital projects proposed to be undertaken by the Council over the next ten (10) years under Scenario 3, and which have been incorporated into the Draft LTFP.

TABLE 9: CAPITAL PROJECTS TIMELINE (SCENARIO 3)

PROJECTS IN LTFP \$'000	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
QUADRENNIAL ART PROJECT	12	-	-	-	-	-	-	-	-	-
IMPLEMENTATION PARADE MASTER PLAN	-	-	-	6,700	11,950	8,950	-	-	-	-
NORWOOD LIBRARY REDEVELOPMENT	-	-	-	-	-	1,000	1,500	2,500	-	-
FACILITIES AT THE PMSC	5,932	-	-	-	-	-	-	-	-	-
FUNDING SUBMISSIONS (OPTION 2)	303	-	-	-	-	-	-	-	-	-

Implications:

Benefits:

- Earlier return to surplus (~2028-2029)
- Debt remains well below \$110m
- Net Financial Liabilities improves to less than 100% by Year 10 (~93%)
- Balanced delivery with some deferral

Disadvantages:

- Initial operating deficits (first 2 years)
- NFL above 100% for majority of early/mid years
- Requires budget discipline and ensuring that the Council focusses on the outcomes contained in the LTFP.

Overall: Scenario 3 represents “Borderline compliant” (medium risk).

Table 10 presents the Council's forecasted financial position over the next ten (10) years if Scenario 3 is adopted.

TABLE 10: DRAFT UPDATE TO LONG TERM FINANCIAL PLAN (SCENARIO 3)

	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
OPERATING SURPLUS/ (DEFICIT) (\$ Mn)	(2.5)	(1.4)	0.6	1.2	1.7	1.6	1.7	3.0	4.5	5.0
OPERATING SURPLUS RATIO	-3.9%	-2.0%	0.9%	1.5%	2.1%	2.0%	2.1%	3.5%	5.0%	5.3%
NET FINANCIAL LIABILITIES RATIO	155.1%	145.3%	133.2%	133.3%	137.8%	139.3%	130.0%	120.2%	106.0%	92.7%
ASSET RENEWAL FUNDING RATIO	92.7%	97.7%	94.9%	89.0%	99.6%	98.6%	99.9%	102.8%	100.7%	104.8%
INTEREST COVER RATIO	6.0%	6.5%	6.0%	5.7%	6.0%	6.3%	6.2%	6.0%	5.2%	4.5%
DEBT SERVICING RATIO	16.6%	22.1%	21.4%	11.6%	14.4%	14.9%	14.9%	14.7%	13.9%	12.7%
DEBT LEVEL (\$ Mn)	86.7	85.3	81.7	83.8	90.8	95.7	91.7	87.0	77.8	68.5

SCENARIO 5 – Delay the Facilities at the PMSC and all other Major Capital projects:

Scenario 5 represents the position in which the Council approves:

- funding for the Operating and Capital projects as recommended by the Executive Leadership Team;
- construction of the Facilities at the PMSC in the 2028–2029 financial year;
- implementation of The Parade Master Plan to commence from 2029-2030; and
- Norwood Library Redevelopment to commence from 2031-2032.

Table 11 sets out the forecasted timeline for Capital projects proposed to be undertaken by the Council over the next ten (10) years under Scenario 5, and which have been incorporated into the Draft LTFP.

TABLE 11: CAPITAL PROJECTS TIMELINE (SCENARIO 5)

PROJECTS IN LTFP	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
QUADRENNIAL ART PROJECT	12	-	-	-	-	-	-	-	-	-
IMPLEMENTATION PARADE MASTER PLAN	-	-	-	6,700	11,950	8,950	-	-	-	-
NORWOOD LIBRARY REDEVELOPMENT	-	-	-	-	-	1,000	1,500	2,500	-	-
FACILITIES AT THE PMSC	-	-	5,932	-	-	-	-	-	-	-
FUNDING SUBMISSIONS (OPTION 2)	303	-	-	-	-	-	-	-	-	-

Benefits:

- Lower initial deficits vs earlier scenarios
- Debt remains under \$110m
- Net Financial Liability falls below 100% by Year 10
- Smoother financial profile than Scenario 3

Disadvantages:

- Budget deficits in first 2 years of the LTFP
- Net Financial Liabilities is greater than 100% for most of the term
- Delays delivery of key Capital Projects

Overall: Scenario 5 represents “Moderately acceptable” (balanced but still pressured).

Table 12 presents the Council's forecasted financial position over the next ten (10) years if Scenario 5 is adopted.

TABLE 12: DRAFT UPDATE TO LONG TERM FINANCIAL PLAN (SCENARIO 5)

	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
OPERATING SURPLUS/ (DEFICIT) (\$ Mn)	(2.4)	(1.0)	0.6	0.6	0.9	1.1	1.4	2.9	4.3	4.7
OPERATING SURPLUS RATIO	-3.6%	-1.4%	0.8%	0.9%	1.2%	1.4%	1.6%	3.3%	4.7%	5.1%
NET FINANCIAL LIABILITIES RATIO	145.9%	136.0%	132.7%	133.5%	139.0%	141.1%	132.2%	122.5%	108.4%	95.3%
ASSET RENEWAL FUNDING RATIO	92.7%	97.7%	94.9%	89.0%	99.6%	98.6%	99.9%	102.8%	100.7%	104.8%
INTEREST COVER RATIO	5.8%	6.0%	5.7%	5.7%	6.0%	6.3%	6.3%	6.1%	5.3%	4.7%
DEBT SERVICING RATIO	16.3%	21.5%	21.1%	11.6%	14.4%	15.0%	15.1%	14.9%	14.1%	12.9%
DEBT LEVEL (\$ Mn)	80.6	78.9	81.2	83.8	91.5	97.1	93.5	89.0	80.0	70.9

SCENARIO 6 - No Facilities at the PMSC, The Parade Master Plan proceeds in 2026-2027, the Norwood Library Redevelopment to commence in 2028-2029

Scenario 6 represents the position in which the Council approves:

- funding for the Operating and Capital projects as recommended by the Executive Leadership Team;
- No new facilities at the PMSC;
- implementation of The Parade Master Plan to commence from 2026-2027; and
- Norwood Library Redevelopment to commence from 2028-2029.

Table 13 sets out the forecasted timeline for Capital projects proposed to be undertaken by the Council over the next ten (10) years under Scenario 6, and which have been incorporated into the Draft LTFP.

TABLE 13: CAPITAL PROJECTS TIMELINE (SCENARIO 6)

PROJECTS IN LTFP	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
QUADRENNIAL ART PROJECT	12	-	-	-	-	-	-	-	-	-
IMPLEMENTATION PARADE MASTER PLAN	6,700	11,950	8,950	-	-	-	-	-	-	-
NORWOOD LIBRARY REDEVELOPMENT	-	-	1,000	1,500	2,500	-	-	-	-	-
FACILITIES AT THE PMSC	-	-	-	-	-	-	-	-	-	-
FUNDING SUBMISSIONS (OPTION 2)	303	-	-	-	-	-	-	-	-	-

Benefits:

- Lower debt than Scenarios 1 & 2
- Returns to surplus eventually
- Debt stays below \$110m

Disadvantages:

- Operating Budget deficits for ~5 years
- Net Financial Liabilities remains high (>100% until late years)
- Strategic imbalance (without the Facilities at the PMSC benefit)
- Weaker financial improvement vs Scenario 3/4

Overall: Scenario 6 represents “Not optimal / still pressure on achieving the LGFA covenants”.

Table 14 presents the Council's forecasted financial position over the next ten (10) years if Scenario 6 is adopted.

TABLE 14: DRAFT UPDATE TO LONG TERM FINANCIAL PLAN (SCENARIO 6)

	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
OPERATING SURPLUS/ (DEFICIT) (\$ Mn)	(2.6)	(1.8)	(1.0)	(1.1)	(0.4)	0.1	0.7	2.1	3.5	3.9
OPERATING SURPLUS RATIO	-3.9%	-2.6%	-1.3%	-1.5%	-0.6%	0.2%	0.8%	2.4%	3.9%	4.1%
NET FINANCIAL LIABILITIES RATIO	156.3%	164.2%	166.6%	161.3%	154.8%	145.0%	135.0%	123.3%	110.1%	98.0%
ASSET RENEWAL FUNDING RATIO	92.7%	97.7%	94.9%	89.0%	99.6%	98.6%	99.9%	102.8%	100.7%	104.8%
INTEREST COVER RATIO	6.0%	7.0%	7.4%	7.4%	7.2%	6.9%	6.5%	6.2%	5.4%	4.8%
DEBT SERVICING RATIO	16.6%	22.8%	23.1%	13.6%	15.8%	15.6%	15.3%	15.0%	14.2%	13.0%
DEBT LEVEL (\$ Mn)	87.5	98.4	106.0	104.6	103.9	100.2	95.7	89.6	81.4	73.2

SCENARIO 7 - Delay the Facilities at the PMSC + Update The Parade Master Plan via renewals + Delay Norwood Library

Scenario 7 represents the position in which the Council approves:

- funding for the Operating and Capital projects as recommended by the Executive Leadership Team;
- construction of the new Facilities at the PMSC delayed until the 2028–2029 financial year;
- implementation of The Parade Masterplan funded out of renewal program (no new development); and
- implementation of the Norwood Library Redevelopment to commence from 2031-2032.

Table 15 sets out the forecasted timeline for Capital projects proposed to be undertaken by the Council over the next ten (10) years under Scenario 7, and which have been incorporated into the Draft LTFP.

TABLE 15: CAPITAL PROJECTS TIMELINE (SCENARIO 7)

PROJECTS IN LTFP	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
QUADRENNIAL ART PROJECT	12	-	-	-	-	-	-	-	-	-
IMPLEMENTATION PARADE MASTER PLAN	-	-	-	-	-	-	-	-	-	-
NORWOOD LIBRARY REDEVELOPMENT	-	-	-	-	-	1,000	1,500	2,500	-	-
FACILITIES AT THE PMSC	-	-	5,932	-	-	-	-	-	-	-
FUNDING SUBMISSIONS (OPTION 2)	303	-	-	-	-	-	-	-	-	-

Benefits:

- Strong and sustained surpluses from 2028-2029
- Debt reduces materially (to ~\$33m)
- Net Financial Liabilities improves below 100% earlier than most scenarios
- Meets LGFA debt covenant comfortably

Disadvantages:

- Initial deficits (2 years)
- Deferral/removal of major capital projects

Overall: Scenario 7 represents “Very strong financially” (low risk, high discipline).

Table 16 presents the Council's forecasted financial position over the next ten (10) years if Scenario 7 is adopted.

TABLE 16: DRAFT UPDATE TO LONG TERM FINANCIAL PLAN (SCENARIO 7)

	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
OPERATING SURPLUS/ (DEFICIT) (\$ Mn)	(2.4)	(1.0)	0.6	0.8	1.8	2.9	3.8	5.5	7.0	8.0
OPERATING SURPLUS RATIO	-3.6%	-1.4%	0.8%	1.1%	2.3%	3.6%	4.5%	6.3%	7.7%	8.6%
NET FINANCIAL LIABILITIES RATIO	145.9%	136.0%	132.7%	124.4%	113.9%	104.1%	94.3%	83.6%	68.6%	54.0%
ASSET RENEWAL FUNDING RATIO	92.7%	97.7%	94.9%	89.0%	99.6%	98.6%	99.9%	102.8%	100.7%	104.8%
INTEREST COVER RATIO	5.8%	6.0%	5.7%	5.5%	5.1%	4.6%	4.1%	3.7%	2.9%	2.1%
DEBT SERVICING RATIO	16.3%	21.5%	21.1%	11.3%	13.4%	12.9%	12.5%	12.1%	11.3%	9.9%
DEBT LEVEL (\$ Mn)	80.6	78.9	81.2	76.9	72.0	67.2	61.7	55.2	44.1	32.3

SCENARIO 8 – Remove all Major Capital projects until costing, grants etc confirmed

Scenario 8 represents the position in which Council only approves:

- funding for the Operating and Capital projects as recommended by the Executive Leadership Team;
- no new Facilities at the Payneham Memorial Swimming Centre (PMSC;)
- not undertaking The Parade Masterplan as new Capital investment. Potentially could be funded out of renewal program (no new development) or the Project being added back in when costs and available grants are confirmed; and
- not progressing the Norwood Library Redevelopment until funding or available grants are confirmed.

Table 17 sets out the forecasted timeline for Capital projects proposed to be undertaken by Council over the next ten years under Scenario 8, and which have been incorporated into the Draft LTFP.

TABLE 17: CAPITAL PROJECTS TIMELINE (SCENARIO 8)

PROJECTS IN LTFP	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
QUADRENNIAL ART PROJECT	12	-	-	-	-	-	-	-	-	-
IMPLEMENTATION PARADE MASTER PLAN	-	-	-	-	-	-	-	-	-	-
NORWOOD LIBRARY REDEVELOPMENT	-	-	-	-	-	-	-	-	-	-
FACILITIES AT THE PMSC	-	-	-	-	-	-	-	-	-	-
FUNDING SUBMISSIONS (OPTION 2)	303	-	-	-	-	-	-	-	-	-

Benefits:

- Strongest financial position
- Rapid improvement in budget surpluses
- Debt declines significantly (~\$20m by end)
- Net Financial Liabilities well below 100% long term
- Fully compliant with debt covenant

Disadvantages:

- Initial deficits (2 years).
- No major capital projects
- Risk of underinvestment in new community assets, however renewals can still proceed

Overall: Scenario 8 represents “Most financially compliant” (but least strategic).

Table 18 presents the Council's forecasted financial position over the next ten (10) years if Scenario 8 is adopted.

TABLE 18: DRAFT UPDATE TO LONG TERM FINANCIAL PLAN (SCENARIO 8)

	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
OPERATING SURPLUS/ (DEFICIT) (\$ Mn)	(2.4)	(1.0)	0.8	1.3	2.2	3.1	3.9	5.6	7.1	8.1
OPERATING SURPLUS RATIO	-3.6%	-1.4%	1.0%	1.7%	2.8%	3.8%	4.6%	6.4%	7.9%	8.7%
NET FINANCIAL LIABILITIES RATIO	145.9%	136.0%	124.4%	115.8%	105.2%	94.4%	83.1%	70.0%	55.6%	41.6%
ASSET RENEWAL FUNDING RATIO	92.7%	97.7%	94.9%	89.0%	99.6%	98.6%	99.9%	102.8%	100.7%	104.8%
INTEREST COVER RATIO	5.8%	6.0%	5.5%	5.0%	4.6%	4.1%	3.5%	2.9%	2.1%	1.4%
DEBT SERVICING RATIO	16.3%	21.5%	20.9%	10.8%	12.8%	12.3%	11.8%	11.2%	10.4%	9.1%
DEBT LEVEL (\$ Mn)	80.6	78.9	75.1	70.5	65.2	59.2	52.2	43.3	32.2	20.5

In terms of the Long-Term Financial Plan, Scenarios 7 and 8 also represent Scenarios which demonstrate that the Council will continue to be financially sustainable.

LONG TERM FINANCIAL PLAN TARGETS

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 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 Revenue 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.

Financial targets set out in the Draft Long-Term Financial Plan, Table 19 below.

Outcome	Measure	Target
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%
Rate Stability	Rate Revenue Increase <i>The annual increase in revenue generated from general rates.</i>	Between 4% and 8%
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
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 Council's commitment to interest costs and debt repayments are met by general rate revenue.</i>	Less than 15%

2026-2027 BUDGET & LTFP SCENARIOS – COVENANT ASSESSMENT MATRIX

Table 20 provides an assessment summary of each of the eight (8) LTFP Scenarios set out above, which have been considered by the Council.

Scenario 4, and Scenarios 7 and 8 present the lowest risk options in terms of maintaining Financial Sustainability.

TABLE 20: 2026-2027 COVENANT ASSESSMENT MATRIX

Scenario	Operating Deficits	Debt > \$110m	NFL > 100%	Overall Covenant Position	Financial Sustainability	Strategic Delivery
1 – Full Program	Significant (approx. 6 years)	Yes	Yes (all years)	Non-compliant	Very High Risk	Full delivery of all initiatives
2 – Reduced Funding Submissions Projects, Full Capital	Moderate (approx. 5 years)	Yes	Yes (most years)	Non-compliant	High Risk	High level of delivery
3 – Proceed with new Facilities at the PMSC and defer The Parade Masterplan	Short-term (approx. 2 years)	No	Above 100% in early/mid years	Borderline	Medium Risk	Balanced delivery with some deferral
4 – Proceed with new Facilities at the PMSC, Remove The Parade Master Plan (Renewals)	Short-term (approx. 2 years)	No	Improves below 100% over time	Compliant	Low Risk	Reduced capital scope
5 – Delay new Facilities at the PMSC & implementation of The Parade Masterplan	Short-term (approx. 2 years)	No	Above 100% for most years	Borderline	Medium Risk	Delayed delivery
6 – No new Facilities at the PMSC and Proceed with The Parade Masterplan	Moderate (approx. 5 years)	No	Above 100% for most years	Weak / At risk	Medium–High Risk	Unbalanced delivery
7 – Delay new Facilities at the PMSC and Remove implementation of The Parade Masterplan	Short-term (approx. 2 years)	No	Improves below 100% over time	Compliant	Low Risk	Reduced capital program
8 – No Major Capital Projects unless grant funding is achieved	Short-term (approx. 2 years)	No	Well below 100% over time	Strongly compliant	Very Low Risk	Minimal capital delivery for new Capital Projects

OPTIONS

The Council has endorsed “in principle” Draft 2026-2027 Budget which is based on LTFP Scenario 4.

Clearly, as the Draft Budget has been endorsed “in-principle” the Council can choose to continue to endorse the Draft Budget without any change and release it for consultation or it can choose to change the Draft Budget as it sees fit –noting that any changes may impact on the Deficit and the LTFP, which at this stage is based on LTFP Scenario 4.

The draft LTFP will be amended as required, following the Council’s consideration of the Rating Review which has been undertaken by LGIQ and the Draft 2026-2027 Annual Business Plan and Budget as endorsed “in-principle” by the Council.

CONCLUSION

The Draft 2026-2027 Annual Business Plan & Budget and the draft Long-Term Financial Plan will be released for public consultation as required by the *Local Government Act 1999*.

RECOMMENDATION

That the 2023-2024 – 2033-2034 Long-Term Financial Plan, based on Scenario 4, as contained in this report, be adopted “in-principle”.

Cr Sims moved:

That the 2023-2024 – 2033-2034 Long-Term Financial Plan, based on Scenario 4, as contained in this report, be adopted “in-principle”.

Seconded by Cr Duke and carried unanimously.

13.8 FINANCE REPORT - MARCH 2026

REPORT AUTHOR: Senior Finance Business Partner
APPROVED BY: Chief Executive Officer
ATTACHMENTS: Nil

PURPOSE OF THE REPORT

The purpose of this report is to provide the Council with information regarding its financial performance for the period ended 31 March 2026.

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 quarterly financial reports detailing its financial performance compared to its Budget.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Financial sustainability is as an ongoing high priority for the Council. The Adopted Budget forecast an Operating Surplus of \$754,356 for the 2025-2026 Financial Year. At the Council meeting held on 7 October 2025, the Council considered and endorsed the First Budget Update, which reported a forecast Operating Surplus of \$424,693, that included Works in Progress Operational and Capital Projects Carried Forward (Works in Progress) from the 2024-2025 Financial Year of \$329,663 and \$32,592,499 respectively. Subsequently, at the Council meeting held on 3 March 2026, the Council endorsed the Mid-Year Budget Update, which reported a forecast Operating Surplus of \$422,693.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

Elected Members
Not Applicable.

Community
Not Applicable.

Staff
Not Applicable.

Other Agencies
Not Applicable.

DISCUSSION

For the period ended March 2026, the Council's financial performance remained stable, with a year- to-date Operating Surplus of \$2,940,766 against a year-to-date Budgeted Operating Surplus of \$993,764 resulting in a favourable variance of \$1,947,002. There are number of variances across income and expense categories, impacting the overall performance. Details of the overall financial performance are set out in Table 1 below.

TABLE 1: OVERVIEW OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2026

LYTD Actual		YTD Actual	YTD Revised Budget	Var	Var %
\$'000		\$'000	\$'000	\$'000	
	Revenue				
35,504	Rates Revenue	38,491	38,350	141	0%
1,884	Statutory Charges	2,124	1,769	355	20%
3,091	User Charges	3,329	3,334	(5)	(0%)
2,835	Grants, Subsidies and Contributions	3,089	2,462	626	25%
9	Investment Income	9	41	(33)	(79%)
78	Reimbursements	103	18	85	481%
545	Other Income	625	382	243	64%
43,946	Total Revenue	47,769	46,356	1,413	3%
	Expenses				
12,714	Employee Expenses	14,366	15,290	924	6%
10,779	Contracted Services	11,822	11,373	(449)	(4%)
1,255	Government Levies	1,258	1,267	9	1%
889	Parts, Accessories & Consumables	841	946	105	11%
948	Utilities	1,049	953	(97)	(10%)
747	Insurance	750	811	61	8%
658	Subscriptions, Memberships & Licences	773	692	(81)	(12%)
204	Legal Expenses	249	141	(107)	(76%)
1,250	Other Expenses	1,312	1,301	(11)	(1%)
9,809	Depreciation, amortisation & impairment	10,273	10,272	(0)	(0%)
1,060	Finance Costs	2,135	2,317	182	8%
0	Net Loss - Joint Ventures & Associates	0	-	(0)	0%
40,313	Total Expenses	44,828	45,363	535	1%
3,633	Operating Surplus/(Deficit)	2,941	994	1,947	196%

Income Variances

Statutory Charges: The higher than budgeted statutory income is primarily due to higher than budgeted Development Assessment fees, due to a higher number of Development Applications being submitted and higher income generated from Hoarding Licences associated development projects being undertaken across the City.

The Budget was revised as part of the Third Budget Review report presented to the Council on 7 April 2025. Accordingly, these revisions will be reflected in the 2025-2026 Budget from April 2026.

Grants, Subsidies & Contributions:

The increase in grant income compared to the Adopted Budget is primarily due to the delay in receipt of the Local Roads & Community Infrastructure (LRCI) Program Grant which was due to be received in 2024-2025 and the Supplementary Local Roads Grant income being higher than what was budgeted for. The Budget was revised as part of the Third Budget Review report that was presented to the Council at its meeting held on 7 April 2025. Accordingly, these revisions will be reflected 2025-2026 Budget from April 2026.

Investment Income:

The decrease in investment income compared to the Adopted Budget is due to lower interest earnings on Council's cash deposits with the Local Government Finance Authority (LGFA) and ANZ Bank in line with the reduced cash balance. Any available cash is transferred to the LGFA Cash Advance Debenture (CAD) account to reduce finance costs on borrowings.

Reimbursements:

An increase in reimbursements compared to the Budget is mainly due to higher cost recovery recharges including reimbursements to the Council for insurance claims that have been lodged during the year.

Other Income:

The favourable variance in Other Income is mainly due to higher than forecast insurance rebates. This variance has been revised in the Third Budget Review.

Expenses Variances

Employee Costs:

There is an underspend of \$923,572 against the budget due to vacant positions that have not yet been filled. While some of these roles are temporarily covered by contract staff, several positions are currently in the recruitment process or were filled during the year. The Budget was revised as part of the Third Budget Review report that was presented to the Council at its meeting held on 7 April 2025.

Contracted Services:

The negative variance of \$449,144 is primarily attributed to higher than budgeted spend on tree maintenance (planting, pruning and removal) and unscheduled street sweeping. Work schedules for future months will be re-assessed to work towards reducing the variance by the end of this financial year. The Budget was revised as part of the Third Budget Review report that was presented to the Council at its meeting held on 7 April 2025.

Parts, Accessories & Consumables:

The positive variance of \$104,936 is due to the timing of purchases for parts and consumables for the Depot compared to the Adopted Budget. It is anticipated that actual expenditure will align with the budget by the end of this financial year.

Utilities:

The unfavourable variance of \$96,635 primarily relates to electricity charges. This variance is largely attributable to invoices from the *Flow* electricity contract, which supplies wind generated renewable energy. The variance is driven by a combination of timing differences between actual expenditure and budget phasing, and lower than anticipated consumption of contracted wind energy. The under-consumption is largely due to the Payneham Memorial Swimming Centre not being operational during the period. As a result, excess wind generation under the contract has been exposed to wholesale spot market prices, which were lower than originally anticipated. As this is the first year of the contract, annual expenditure was initially budgeted on a straight-line basis. However, it has since become evident that costs fluctuate in line with wind generation cycles. In addition, wind pricing in 2025 declined significantly compared to 2024, further contributing to the unfavourable variance.

Insurance:

The positive variance in insurance is partially due to the non-renewal of the Council's events cancellation insurance due to the new limitations in the cover and partially due to the Council's asset insurance being slightly lower than budget.

Subscriptions, Memberships & Licences:

The unfavourable variance of \$81,185 in Subscription and Licence expenses is primarily attributable to the timing of IT software subscriptions and licences.

Legal Fees:

The unfavourable variance of \$107,480 in legal fees is primarily attributable to higher than budgeted costs associated with the review of a number of leases, title transfers, drafting of development agreements and the legal advice across various operational and strategic matters.

Finance Costs:

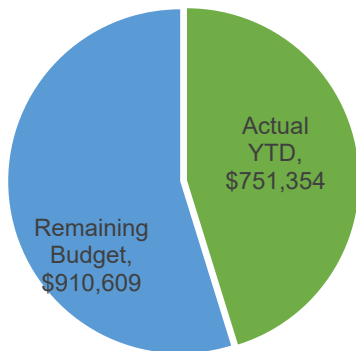
Finance costs are \$181,584 below budget, primarily due to lower-than-forecast borrowings. This variance is driven by timing differences in the payment of capital invoices compared to the budget.

Project Overview

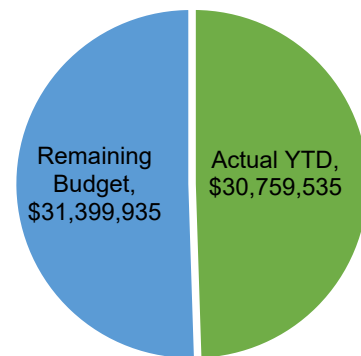
The Council's financial performance has been based on recurring expenses and on the progress of Operating and Capital Projects.

Graph 1 and Graph 2 below provide an overview of actual year-to-date (YTD) expenditure on Operating and Capital Projects, respectively, as at 31 March 2026.

GRAPH 1: OPERATING PROJECTS



GRAPH 2: CAPITAL PROJECTS



Tables 1 and Table 2 below, provide a detailed breakdown of expenditure on both Operating and Capital projects, those carried forward from the previous financial year and new projects initiated as part of the 2025-2026 Adopted Budget. At the start of this financial year, significant focus has been placed on completing carried forward projects from the previous financial year.

TABLE 2: OPERATING PROJECTS OVERVIEW AS AT 31 MARCH 2026

Operating Project Name	Full Year Budget	YTD Actual	% Full Year Budget Utilised	Expected Completion Date
WILLIAM STREET LIGHTING UPGRADE	115,000	-	0%	Jun-26
STREET LIGHTING RENEWAL & UPGRADE	15,000	8,083	54%	Jun-26
VERGE UPGRADE	40,000	6,864	17%	Jun-26
PUBLIC CONSULTATION FOR TRAFFIC MANAGEMENT CONCEPT DESIGNS	40,000	-	0%	Jun-26
ON-STREET PARKING POLICY IMPLEMENTATION IN NORWOOD & KENSINGTON	40,000	7,227	18%	Jun-26
TRAFFIC MANAGEMENT AT NINTH AVENUE CHRISTMAS LIGHTS DISPLAY	63,000	72,245	115%	Completed
URBAN GREENING PROGRAM	10,000	2,512	25%	Jun-26
URBAN TREE CANOPY REGIONAL MAPPING CONTRIBUTION	10,000	10,000	100%	Completed
DEVELOPMENT OF TREE INVENTORY	20,000	20,000	100%	Completed
40KMP/H SPEED LIMIT IMPLEMENTATION IN KENSINGTON & FELIXSTOW	45,000	7,400	16%	Jun-26
PUBLIC HEALTH PLAN	13,000	-	0%	Jun-26
LIBRARY SERVICES REVIEW	50,000	5,970	12%	Jun-26
FIRSTVAL FESTIVAL	4,000	4,654	100%	Completed
CULTURALLY DIVERSE EARLY LITERACY PROJECT	3,300	2,655	80%	Jun-26
ART & CULTURE PLAN YEAR 2 IMPLEMENTATION	45,000	7,249	16%	May-26
2026 AFL GATHER ROUND	200,000	201,428	101%	Completed
RAISING THE BAR ADELAIDE	38,000	20,198	53%	Completed
EASTSIDE BUSINESS AWARDS	50,000	15,850	32%	Apr-26
TOUR DOWN UNDER STAGE	55,000	51,616	94%	Completed
GLYNDE HEAVY VEHICLE TRAFFIC STUDY	25,000	23,659	95%	May-26
IT STRATEGY	623,415	223,480	36%	Jun-26
FOOD SECRETS OF GLYNDE	30,489	24,000	79%	Jun-26
DOG & CAT MANAGEMENT PLAN EDUCATION CAMPAIGN	7,248	-	0%	Jun-26
ST PETERS BILLABONG	50,615	4,460	9%	Completed
HERITAGE PROTECTION OPPORTUNITIES	49,691	12,600	25%	Jun-26
MARRYATVILLE PRECINCT MASTER PLAN	19,205	19,205	100%	Completed
TOTAL	1,661,963	751,354	45%	

TABLE 3: CAPITAL PROJECTS OVERVIEW AS AT 31 MARCH 2026

Capital Project Name	Full Year Budget	YTD Actual	% Full Year Budget Utilised	Expected Completion Date
RENEWAL PROGRAMM incl TRINITY VALLEY	28,518,243	11,365,487	40%	Jun-26
PAYNEHAM MEMORIAL SWIMMING CENTRE - YEAR 3	26,235,274	15,817,130	60%	Jun-26
ADEY RESERVE PLAYGROUND & ST PETERS CHILDCARE CENTRE & PRE-SCHOOL	120,000	49,287	41%	Jun-26
KENT TOWN PUBLIC REALM UPGRADE	400,000	19,787	5%	Jun-26
BUILDING ACCESSABILITY IMPROVEMENTS	100,000	-	0%	Jun-26
QUADRENNIAL ART PROJECT	279,000	96,000	34%	Jun-26
LANGMAN GROVE SPEED CUSIONS	143,840	127,659	89%	Completed
THE PARADE MASTER PLAN DETAILED DESIGN & CONSTRUCTION	970,226	91,221	9%	Jun-26
BLACK SPOT GRANT	1,112,793	137,923	12%	Jun-26
GEORGE STREET UPGRADE	2,869,671	1,722,256	60%	Completed
PRIVATE LANEWAY	97,874	422,031	100%	Completed
IT STRATEGY	78,550	79,000	101%	Jun-26
40KM SPEED LIMIT HACKNEY TO MARDEN	5,000	-	0%	Jun-26
RICHMOND ST, HACKNEY & EIGHTH AVE, ST PETERS	50,000	-	0%	Jun-26
TRAFFIC MGMT PAYNEHAM SOUTH, FIRLE & TRINITY GDNS	70,000	-	0%	Jun-26
	61,050,471	29,927,782	49%	
*SALARY CAPITALISATION	\$ 1,108,999	\$ 831,753		
TOTAL CAPITAL INVESTMENT AS REPORTED IN ABP	62,159,470	30,759,535	49%	

TABLE 4: STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

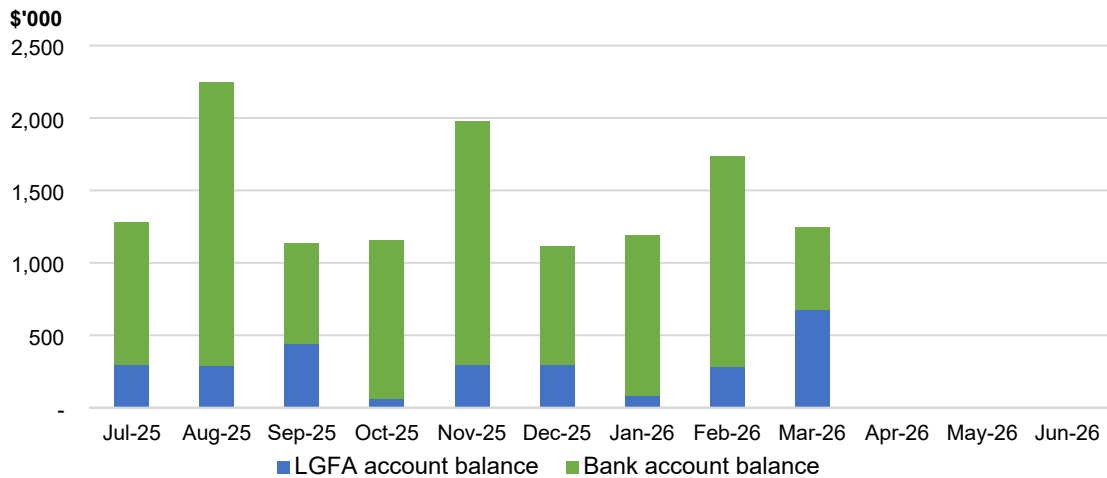
	30 June 2025 Actual \$'000	31 March 2026 Actual \$'000	Movement \$'000	%
ASSETS				
<u>Current Assets</u>				
Bank and Cash	1,986	1,251	735	37%
Accounts receivables	3,548	1,887	1,661	47%
Less: Provision for Bad Debts	(282)	(259)	(23)	8%
Total Current Assets	5,252	2,878	2,374	45%
<u>Non-current Assets</u>				
Financial Assets	140	140	(0)	0%
Investments in Joint Ventures	3,110	3,110	(0)	0%
Infrastructure, Property, Plant and Equipment	699,867	720,179	(20,312)	-3%
Other Non-current Assets	44,855	44,855	(0)	0%
Total Non-current Assets	747,972	768,285	(20,313)	-3%
Total Assets	753,224	771,163	(17,939)	-2%
LIABILITIES				
<u>Current Liabilities</u>				
Trade and Other Payables	13,153	8,390	4,763	36%
Borrowings	1,171	54,396	(53,225)	-4545%
Provisions	3,393	3,305	88	3%
Total Current Liabilities	17,717	66,091	(48,374)	-273%
<u>Non-current Liabilities</u>				
Borrowings	38,978	5,703	33,275	85%
Provisions	398	398	0	0%
Investments in Joint Ventures	741	640	101	14%
Total Non-current Liabilities	40,117	6,741	33,376	83%
Total Liabilities	57,834	72,832	(14,998)	-26%
NET ASSETS	695,390	698,331	(2,941)	0%
EQUITY				
Accumulated Surplus	70,622	70,622	0	
Profit/(Loss) for the year-to-date	-	2,941	(2,941)	
Asset Revaluation Reserves	624,768	624,768	(0)	
TOTAL EQUITY	695,390	698,331	(2,941)	0%

Treasury

The Council's cash balance continues to be maintained at a minimum level, with all available funds being transferred to offset the Cash Advance Debenture (CAD) facility to minimise interest payments and overall financing costs. This is illustrated in Graph 3 below, which presents the Council's monthly cash balances that are below held in both the ANZ and LGFA bank accounts.

Borrowings remain below the anticipated level, as illustrated in Graph 4, consistent with the timing and progression of major projects (mainly due to the extended completion date for the Trinity Valley Stormwater Project and alignment of the payment schedule for the Payneham Memorial Swimming Centre). However, with several key activities now underway and project delivery accelerating, it is expected that borrowing levels will continue to increase over the coming months in line with planned funding requirements.

GRAPH 3: CASH BALANCE



GRAPH 4: BORROWINGS

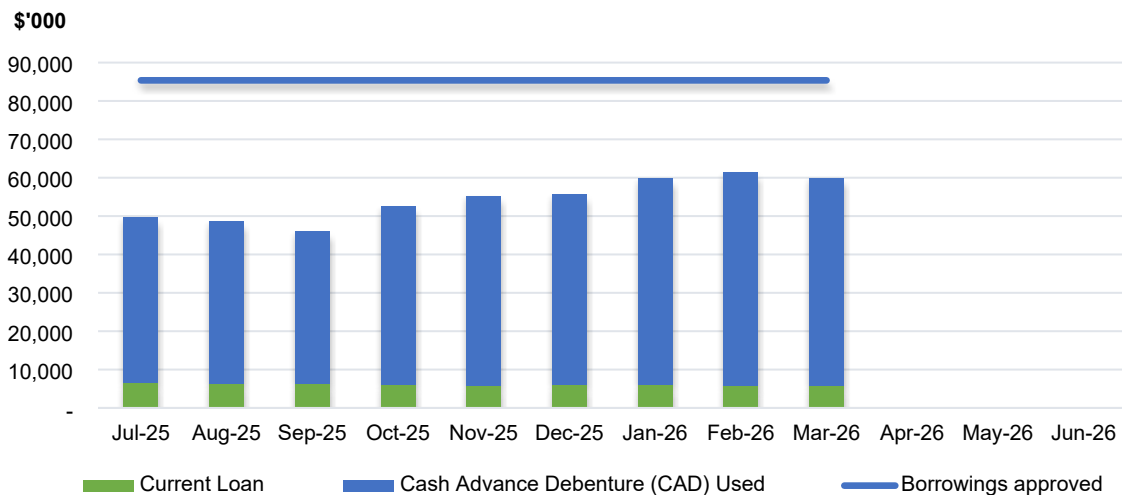


TABLE 5: TOTAL BORROWINGS

	Actuals as at 31 March 2026	Budgeted Borrowings as at 30 June 2026
Fixed Rate Loans	(5,703,294)	(50,341,895)
Cash Advance Debenture (CAD)	(54,396,009)	(28,183,105)
TOTAL BORROWINGS	(60,099,303)	(78,525,000)
Fixed %	9.5%	64.1%
Variable %	90.5%	35.9%

The Adopted Budget includes an assumption that \$45,000,000 of borrowings under the Cash Advance Debenture (variable loan) facility will be converted to a Fixed Rate loan by 30 June 2026. This assumption will be re-evaluated and confirmed later in this financial year, taking into consideration prevailing interest rate conditions and overall cash flow requirements.

At present, fixed interest rates remain materially higher than variable rates, with the LGFA fixed rate at 6.07% compared to the LGFA variable CAD rate of 5.60%. As a result, any decision to fix borrowings will be carefully assessed to ensure it represents the most cost-effective outcome for Council.

OPTIONS

Not Applicable. This report is provided for information purposes only.

CONCLUSION

Not Applicable.

RECOMMENDATION

That the report be received and noted.

Cr Granozio moved:

That the report be received and noted.

Seconded by Cr Duke and carried.

Cr Piggott left the meeting at 11.46pm.

13.9 ERA WATER DRAFT 2026-2027 ANNUAL BUSINESS PLAN & BUDGET

REPORT AUTHOR: General Manager, Governance & Civic Affairs
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to present to the Council for endorsement, the ERA Water Draft 2026-2027 Annual Business Plan and Budget.

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 by 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.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The Draft 2026-2027 Budget is forecasting an Operating Deficit of \$561,300. Based on this Council's holding share (33.00%), this Council's share of the Operating Deficit, which will be required to be included in the Council's 2026-2027 Budget, is \$187,081.

The Draft Budget includes water sales to this Council of \$246,140, which is based on water consumption of 76.7ML. The Council's Draft 2026-2027 Budget includes \$375,825, 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 \$97,375.

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 2026-2027, which is in line with the 2025-2026 arrangements.

The ERA Water Draft 2026-2027 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 received 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, significant capital projects will be undertaken during 2026-2027, including the following:

- new connections for schools, Gum Reserve and the Marden Soccer Complex (Azurri Practice Pitches);
- network upgrades and pressure reducing valves;
- a headwall at Fourth Creek, Langman Reserve (Burnside) Bore upgrade, Penfold Park works, a second UV treatment unit and a second bore at Scales Reserve; and
- purchase of 20ML groundwater under license.

Operating costs are forecast to be \$856,800 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 asset revaluation that has been undertaken by Tonkin (Consultants), in 2024-2025 and includes an additional \$51,000 for new assets in 2026-2027.

At its meeting held on 18 March 2026, the ERA Water Audit & Risk Committee approved the draft 2026-2027 Annual Business Plan and Budget and recommended that the draft 2026-2027 Annual Business Plan and Budget be presented to the Constituent Councils for approval.

A copy of the Draft 2026-2027 Annual Business Plan and Budget is contained in **Attachment A**.

OPTIONS

The Council can choose not to endorse the Draft 2026-2027 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 Regional Subsidiary's 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.

RECOMMENDATION

*The Council advises ERA Water that pursuant to Clauses 6.1 and 5.1 of the ERA Water Charter, the Council has considered and hereby approves the Draft 2026-2027 Annual Business Plan and Budget, as contained in **Attachment A**.*

Cr Holfeld moved:

The Council advises ERA Water that pursuant to Clauses 6.1 and 5.1 of the ERA Water Charter, the Council has considered and hereby approves the Draft 2026-2027 Annual Business Plan and Budget, as contained in Attachment A.

Seconded by Cr Callisto and carried unanimously.

Cr Piggott returned to the meeting at 11.47pm.

13.10 EASTERN HEALTH AUTHORITY DRAFT 2026-2027 ANNUAL BUSINESS PLAN & BUDGET

REPORT AUTHOR: General Manager, Governance & Civic Affairs
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to present to the Council, the Eastern Health Authority (EHA) Draft 2026-2027 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.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

As a Constituent Council, there are financial implications for the Council's Budget, emanating from the EHA Draft 2026-2027 Annual Business Plan and Budget.

As a receiver of services from EHA, the Council's Draft 2026-2027 Budget includes an annual fee of \$691,412 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.

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

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

EHA's Draft 2026-2027 Annual Business Plan EHA has developed to align with the strategic objectives contained within EHA's Strategic Plan – *Towards 2033*:

1. *Deliver great public and environmental health services;*
2. *Grow our immunisation programs;*
3. *Strengthen food safety practices across our region; and*
4. *Govern well and demonstrate leadership within the public health sector.*

EHA's main source of income to fund its operations is from contributions (ie fees for service), from its Constituent Councils. To deliver the 2026-2027 Annual Business Plan, EHA requires a total of \$2,281,900 to fund its proposed operational expenditure.

The key assumptions that have been used to prepare EHA's Draft 2026-2027 Annual Business Plan, include the following:

- a "business-as-usual" approach;
- CPI Adelaide as at December 2025 of 3.8%;
- annual public sector wage growth as at December 2025 of 4.0% (the current Enterprise Agreement expires on 30 June 2026); and
- no changes to the 2026-2027 School Immunisation Program.

As set out above, the Council's Draft 2026-2027 Budget includes a funding allocation for the provision of environmental health services of \$691,412, compared to \$667,000 (an increase of 3.55%) in 2025-2026.

EHA are forecasting a "break even" Operating Result for 2026-2027.

A copy of the Eastern Health Authority's Draft 2026-2027 Annual Business Plan and Budget is contained in **Attachment A**.

OPTIONS

The Council can choose not to endorse the Environmental Health Authority's Draft 2026-2027 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.

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 2026-2027 Annual Business Plan and Budget.

Cr Moorhouse moved:

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 2026-2027 Annual Business Plan and Budget.

Seconded by Cr Duke and carried unanimously.

13.11 EAST WASTE DRAFT 2026-2027 ANNUAL BUSINESS PLAN & BUDGET

REPORT AUTHOR: General Manager, Governance & Civic Affairs
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to present to the Council, the East Waste Draft 2026-2027 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.

STRATEGIC DIRECTIONS

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 Annual Business 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 per property) 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 2026-2027 Common Fleet Cost charge, reflects an overall increase of 4.62% compared to the current financial year.

The Council's Draft Waste Management Collection Fees budget, reflects that the Council will be charged \$2,664.282 million (\$2,533.917 million in 2025-2026) 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.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

Elected Members

Cr Grant Piggott is a Member (Deputy Chair), of the East Waste Board.

Community

Not Applicable.

Staff

Not Applicable.

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 2026-2027 Draft Plan and Budget is based on progressing the objectives of the *East Waste 2030 Strategic Plan* and has a strong focus on improving business operations and exploring procurement and technology opportunities, whilst continuing ongoing relationship building through enhanced transparency and council engagement.

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

- market-driven increases in fuel, tyres, and fleet maintenance;
- Depreciation attributed to fleet replacement activities and reflecting the increased cost of truck assets, together with increased annual replacement due to an expanded fleet;
- Interest as a result of the timing associated with debenture loan repayments (inclusive of a new loan to be undertaken in 2027);
- Increase in Employee Costs due to an increase in staffing to meet the current operational requirements, particularly relating to the servicing of FOGO trials. In addition, 2027 is the final year of East Waste's current Enterprise Agreement which accounts for 80% of the workforce and therefore, an increase equivalent to CPI has been factored into the Employee costs for 2026-2027; and
- CPI and annual adjustments applied to key contractual obligations.

A copy of the Draft 2026-2027 Annual Business Plan & Budget is contained in **Attachment A**.

For the 2026-2027 financial year, the City of Norwood Payneham & St Peters' Common Fleet Percentage has been set at 13.879%, representing a 0.07% increase from the current financial year, which has been driven by some minor changes in collection hours.

OPTIONS

The Council can choose not to endorse the draft 2026-2027 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.

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 2026-2027 Annual Business Plan.

Cr Sims moved:

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 2026-2027 Annual Business Plan.

Seconded by Cr Holfeld and carried unanimously.

13.12 Highbury Landfill Authority Draft 2026-2027 Budget

REPORT AUTHOR: General Manager, Governance & Civic Affairs
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to present to the Council for endorsement, the Highbury Landfill Authority's draft 2026-2027 Budget.

BACKGROUND

The Highbury Landfill Authority (the Authority) is a Regional Subsidiary established pursuant to Section 43 of the *Local Government Act 1999*, for the purpose of facilitating the closure and post closure management of the former Highbury Landfill site. The City of Norwood Payneham & St Peters, together with the City of Burnside and the Town of Walkerville, make up the Constituent Councils of the Authority.

The Highbury Landfill was previously owned and operated by East Waste. At the time when the Highbury Landfill was being operated by East Waste, the Constituent Councils were the City of Norwood Payneham & St Peters, City of Burnside and the Town of Walkerville.

As such, these Councils have continued ownership of the landfill and established the Highbury Landfill Authority to manage the closure on behalf of the Constituent Councils and the "new" East Waste to manage the collection of waste from the Constituent Councils that now make up East Waste.

Pursuant to Clause 4.5 of the Authority's Charter (the Charter), the Authority must prepare an Annual Budget.

Pursuant to Schedule 2 Clause 25 (3) of the *Local Government Act 1999*, a Subsidiary, may with the approval of the Constituent Councils, amend its adopted budget at any time prior to the completion of the financial year.

The draft 2026-2027 Budget must be adopted by the Authority's Board by 30 June of each year.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The financial implications for this Council associated with the draft 2026-2027 Budget, relate to the funds that are required for the required post-closure works and management of the former landfill and the recognition of the Authority's Operating Result within the Council's Statement of Comprehensive Income. The landfill is no longer in operation however, the post-closure management of the landfill is the responsibility of the Constituent Councils through the Highbury Landfill Authority.

Based on the Authority's projected expenditure for 2026-2027, this Council's contribution will be \$100,893, which includes monitoring and site maintenance costs. This represents no increase in terms of the contribution which was provided in 2025-2026 (\$100, 893).

Upon approval by the Council and adoption by the Authority's Board, the Council's draft 2026-2027 Budget will be updated accordingly.

RISK MANAGEMENT

As an owner, this Council together with each of the Constituent Councils, are responsible for meeting the liabilities of the Authority, should the Authority not be in a position to meet those liabilities. The extent of this Council's exposure is however limited to its ownership share, which is currently 40.4%.

The Authority is sixteen (16) years into the post-closure period which is managed in accordance with the approved Risk Management Plan which has been formulated as part of a Closure Plan that has been approved by the Environment Protection Agency (EPA).

CONSULTATION

Elected Members

Not Applicable.

Community

Not Applicable.

Staff

The Council's General Manager, Governance & Civic Affairs is the Council's delegate (Board Member) on the Board of the Highbury Landfill Authority.

Other Agencies

Not Applicable.

DISCUSSION

The Authority is required to oversee the management of the landfill until a 'steady state of conditions' in respect to the gas emissions is achieved and maintained. This date is unknown.

The Authority's draft 2026-2027 Budget includes expenditure items associated with the post-closure requirements which include:

- monthly monitoring of landfill gas and annual monitoring of ground water across the landfill site;
- site maintenance, which includes ongoing maintenance for fire control, fencing and access track maintenance; and
- administration costs such as insurance, utilities, Council rates (the Landfill is located in the City of Tea Tree Gully) and costs associated with the general administration of the Authority.

The Authority is required to oversee the management of the landfill until a "steady state of conditions" in respect to the gas emissions is maintained, which could be more than 25 years. In accordance with the Risk Management Plan, the methane flare on the landfill has been modified to operate at much lower concentrations of methane gas and lower flow rates.

As Elected Members will recall, a recent application to rezone land (the 10-12 Halls Road Highbury Code Amendment), adjacent to the Highbury landfill site, seeks to allow medium density housing directly adjacent to the adjoining landfill area, immediately north of the Highbury landfill.

Whilst the Authority objected to this rezoning on the basis that it would significantly increase the risk from landfill gas migration to the proposed residential community, it is anticipated that this development will be approved.

Landfill gas continues to be generated and, as a result of the ageing infrastructure, the delivery of the gas to the upgraded flare is proving to be challenging.

On this basis, HLA's contractor Ennovo has been asked to prepare a proposal to improve the overall gas delivery system as a backup to the initial works.

The Board of the HLA, in conjunction with the Constituent Councils, will be required at some stage during the year ahead to consider how further capital works should be funded, which has not been considered as part of the draft 2026-2027 Budget.

A copy of the draft 2026-2027 Budget is contained in **Attachment A**.

OPTIONS

The Council can choose not to endorse the Authority's draft 2026-2027 Budget. There are no specific issues or activities which present a financial or risk management issue for this Council, and as such it is recommended that the Council endorse the Authority's draft 2026-2027 Budget.

CONCLUSION

Nil

RECOMMENDATION

That the Highbury Landfill Authority be advised that pursuant to Clause 4.5 of the Charter, the Council has considered and hereby approves the Authority's draft 2026-2027 Budget.

Cr Callisto moved:

That the Highbury Landfill Authority be advised that pursuant to Clause 4.5 of the Charter, the Council has considered and hereby approves the Authority's draft 2026-2027 Budget.

Seconded by Cr Duke and carried unanimously.

13.13 INDEPENDENT CHAIR OF THE BOARD OF ERA WATER - EXTENSION OF TERM

REPORT AUTHOR: General Manager, Governance & Civic Affairs
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to for the Council's consideration, a request from the Board of ERA Water to extend the term of the Independent Chair of the Board of ERA Water.

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.

As Elected Members will recall, at its meeting held on 5 August 2024, the Council considered a new management structure for ERA Water.

The new management structure was proposed following the resignation of the General Manager of ERA Water at that time and on the basis that ERA Water had, over the previous three (3) years, had three (3) General Managers. This combined with the anticipated and likely difficulty in recruiting a General Manager with the range of skills that are required, led to a review of the current management structure by the ERA Water Board.

In summary, the new management structure provides the Independent Chair of the Board with delegations and reporting arrangements for the day-to-day management of ERA Water.

Following consideration of the new management structure, the Constituent Councils endorsed the new structure and approved the extension of the term of the Independent Chairperson, Mr Jeff Tate until 19 July 2026.

At its meeting held in July 2025, the Board of ERA Water resolved to commence a review of the new structure and associated governance arrangements.

Following consideration of the review that was undertaken, at its meeting held on 27 November 2025, the Board of ERA Water resolved that, *subject to agreement with Jeff Tate, the Constituent Councils be asked to approve an extension of his tenure as Chair to 26 July 2027.*

A copy of the letter dated 9 January 2026, from Mr Jeff Tate, Independent Chair, ERA Water, seeking the Council's approval to extend the term of the current Independent Chair is contained within **Attachment A**.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

Elected Members

Cr Grant Piggott is a Member of the ERA Water Board and is aware of this matter.

Community

Not Applicable.

Staff

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

The management structure of ERA Water provides the Independent Chair of the Board with delegations and reporting arrangements for the day-to-day management of ERA Water.

As set out above, this management structure was implemented in 2024. The review of these arrangements focussed on consultation with the various stakeholders including the following:

- Mr Jeff Tate, Independent Chair;
- ERA Water Board Members;
- Direct reports;
- Chief Executive Officers of the Constituent Councils; and
- Chair of the ERA Water Audit & Risk Committee.

In summary, the review identified that there was support for continuing the current management structure of ERA Water and that governance matters are being managed effectively.

It was however also noted that some concerns were raised regarding the level of time required by the Independent Chair to undertake the role and the resourcing arrangements of ERA Water.

Following consideration of the review, the Board of ERA Water has requested the Constituent Councils to agree to a twelve (12) month extension of the term for the current Independent Chairperson, Mr Jeff Tate, to 26 July 2027, which ensures stability and continuity in terms of the operations of ERA Water.

OPTIONS

The Council can choose to approve the extension of the term of the Independent Chair of the Board of ERA Water management structure or it can choose not to approve the extension. However, based on the review which has been undertaken by the Board of ERA Water, there are no specific issues which would indicate that the Council should not support the request to extend the term for a further twelve (12) months.

CONCLUSION

The ERA Water Board has endorsed a management structure to ensure the organisation is better placed to manage its obligations under the ERA Water Charter. The structure is sound and is meeting its obligations and based on the outcome of the review, all stakeholders have supported the continuation of the current structure.

RECOMMENDATION

The Council advises ERA Water that the Council approves the extension of the term of the Independent Chairperson of the ERA Water Board, Mr Jeff Tate, for a twelve (12) month period until 26 July 2027.

Cr Holfeld moved:

The Council advises ERA Water that the Council approves the extension of the term of the Independent Chairperson of the ERA Water Board, Mr Jeff Tate, for a twelve (12) month period until 26 July 2027.

Seconded by Cr Piggott and carried unanimously.

13.15 DELEGATIONS UPDATE

REPORT AUTHOR: Manager, Governance
APPROVED BY: General Manager, Governance & Civic Affairs
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to seek the Council's approval to delegate additional powers and functions to the Chief Executive Officer.

BACKGROUND

The Council has the ability to delegate many of its decision-making powers and functions under the *Local Government Act 1999* (the Act) and a number of other Acts and Regulations. The primary purpose of delegating powers and functions, is to facilitate an efficient and effective organisation by allowing decisions to be made by the staff who carry out the day-to-day operations and to ensure that decisions are made at the appropriate level.

As a result of various legislative changes, additional powers and functions are required to be delegated to the Chief Executive Officer. These powers and functions, where appropriate, will subsequently be sub-delegated to the relevant staff by the Chief Executive Officer.

The Instrument of Delegation contains general additional powers and as well as those contained within the *Planning, Development and Infrastructure Act 2016 Act 2016* (and associated Regulations and Practice Directions) which are vested in the Council as a Council, a Designated Authority or a Designated Entity. The Instrument of Delegation is contained within **Attachment A**.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RISK MANAGEMENT

The implementation of an appropriate framework of delegations allows for decision making at appropriate levels within the organisation.

CONSULTATION

Elected Members

Not Applicable.

Community

Not Applicable.

Staff

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

Council decision making occurs either by resolution of the Council in a Council Meeting or by staff acting under delegation.

Section 44(1) of the Act enables the delegation by the Council of powers and functions under the Act or any other Act or Regulations. Therefore, in general, if an Act does not contain an express power of the Council to delegate its powers and functions under that Act, then Section 44 of the *Local Government Act 1999* may be used.

In accordance with Section 44(2) of the Act, a delegation may be made to:

- a Council Committee; or
- a subsidiary of the Council; or
- a joint planning board established under a planning agreement to which the Council is a party; or
- an employee of the Council; or
- the employee of the Council for the time being occupying a particular office or position; or
- an authorised person.

Section 44(3) of the Act places some limitations on the powers and functions which can be delegated, by identifying a number of matters that must remain solely with the Council for decision. These include:

- (a) the power to make a by-law or to determine that a by-law applies only within a part or parts of the area of the Council;
- (b) the power to declare rates or a charge with the character of a rate;
- (c) the power to borrow money or to obtain other forms of financial accommodation;
- (d) the power to adopt or revise a strategic management plan of the Council;
- (e) the power to adopt or revise an annual business plan or budget of the Council;
- (f) the power to approve expenditure of money on works, services or operations of the Council not contained in a budget adopted by the Council;
- (g) the power to approve payment or reimbursement of expenses that may be paid at the discretion of the Council and for which the Council has not adopted a formal policy or made specific financial provision;
- (h) the power to establish a subsidiary, or to participate in the establishment of a regional subsidiary;
- (i) the power to make an application or recommendation, or to report or to give a notice, to the Governor or the Minister, being an application, recommendation, report or notice for which provision is made by or under this or another Act;
- (j) the power to fix, vary or revoke a fee under section 188(1)(d) to (h) of the Act;
- (k) the power to revoke the classification of land as community land under section 194 of the Act;
- (l) a power or function excluded from delegation by the regulations.

The powers and functions contained in the attached Instrument of Delegation are varied and range from administrative powers for example, recovering expenses incurred when providing a direction relating to the management of dogs pursuant to the *Dog and Cat Management Act 1995*, to overseeing the review process in respect to an Access and Inclusion Plan pursuant to Section 18 of the *Disability Inclusion Act 2018*.

The powers and functions of the *Disability Inclusion Act 2018*, the *Dog and Cat Management Act 1985*, the *Local Government Act 1999* and the *Planning, Development and Infrastructure Act 2016* are included in the attached Instrument of Delegation due to legislative amendments, ie there are new provisions in those Acts. The powers and functions in the *Expiation of Offences Act 1996* and the *Graffiti Control Act 2001* are included in the attached Instrument of Delegation as existing legislative provisions that were not previously included in the *Local Government of South Australia Delegations Framework* and therefore not previously delegated by the Council.

Section 44(4) of the Act, provides that a delegation:

- is subject to conditions and limitations determined by the Council or specified by the Regulations;
- if made to the Chief Executive Officer, authorises the sub-delegation of the delegated power or function unless the Council directs otherwise and if made to anyone else authorises the sub-delegation of the delegated power or function with the approval of the Council; and
- is revocable at will and does not prevent the Council from acting in a matter.

All of the powers and functions contained in **Attachment A** are delegated through Section 44 of the *Local Government Act 1999*.

OPTIONS

Without appropriate delegations, a significant number of minor matters would need to be referred to the Council for decision and the task of running the Council's operation efficiently and effectively would be made unnecessarily more difficult, complex, unwieldy and unsustainable.

CONCLUSION

Delegations are an essential component in the operation of any organisation and an important governance requirement. The majority of the delegations are of an administrative nature and are necessary for the efficient and effective implementation of decisions and the administration of Council business and operations and the efficient use of limited resources.

RECOMMENDATION

That the Council resolves to grant the delegation of powers and functions of the Council to the Chief Executive Officer, as provided for in the Instrument of Delegation contained in Attachment A, effective from 6 May 2026.

Cr Duke moved:

That the Council resolves to grant the delegation of powers and functions of the Council to the Chief Executive Officer, as provided for in the Instrument of Delegation contained in Attachment A, effective from 6 May 2026.

Seconded by Cr Callisto and carried unanimously.

13.16 REPORT OF THE AUDIT & RISK COMMITTEE

REPORT AUTHOR: Manager, Governance
APPROVED BY: General Manager, Governance & Civic Affairs
ATTACHMENTS: A - B

PURPOSE OF THE REPORT

The purpose of this report is to present the Council with a report and Minutes of the meeting of the Council's Audit & Risk Committee held on 13 April 2026.

BACKGROUND

Section 126(8)(a) of the *Local Government Act 1999* (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 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.

STRATEGIC DIRECTIONS

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

Meetings of the Committee are open to the public to attend in accordance with legislative provisions.

Staff

The preparation of the Work Plan which informs this report and the Committee Meeting agenda (with reports) is informed by collaboration between the Council's Governance and Finance Units.

Other Agencies

Not Applicable.

DISCUSSION

a. General Report

The current Work Plan of the Committee is contained within **Attachment A**.

A summary of the items that were considered by the Committee at its meeting held on 13 April 2026, is provided below.

Mr Jeff Tate, Independent Chairperson of ERA Water provided a presentation to the Committee which included an overview of ERA Water's operations.

The Committee received and noted a report which provided an update on the implementation of the recommendations arising from the Review of Library Services which was undertaken in November 2024.

As Elected Members will recall the Library Service Review Report identified a broad range of recommendations representing a staged approach to the transformation of NPSP's libraries. These stages include:

- design and implementation of a new staff structure to improve service delivery and community impact;
- development and implementation of catalogue and program strategies to strengthen alignment with strategic community priorities;
- library design – create spaces that best meet the needs of the community and which support the effective operation of library services and programs; and
- renewal of the Norwood Library and thematic design/fit-out changes at the St Peters and Payneham Libraries.

The report provided an update on the progress that has been made across on the implementation of the recommendations, with the design and implementation of a new staff structure being the priority.

The Committee received and noted the report on the Council's Draft 2026-2027 Annual Business Plan & Draft Budget which was considered by the Council at its meeting held on 7 April 2026. The consideration of this report assists the Committee in meeting its legislative obligations pursuant to Section 126(4)(b) of the Act, which states that one of the functions of the Committee is to provide information relevant to a review of the Council's Annual Business Plan.

During discussion on this item, the Committee Members acknowledged the significant amount of work that has been undertaken to prepare the information presented, in the report as well as the challenges and implications presented by the consideration of a 2% decrease in expenditure.

Pursuant to Section 123(13) of the Act, the Council must, as required by the Regulations, reconsider its Annual Business Plan or Budget during the course of a financial year and, if necessary or appropriate, make any revisions. At its meeting held on 7 April 2026, the Council received and noted the 2025-2026 Third Budget Review Report which was prepared in accordance with the requirements of Regulation 9 of the *Local Government (Financial Management) Regulations 2011*.

One of the functions of the Committee in accordance with Section 126(4)(f) of the Act is:

reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.

In meeting the above function, the Committee received and noted the same report that was considered by the Council at its meeting held on 7 April 2026.

The Committee received and noted a report on the St Peters Child Care Centre & Pre-School (the Centre) which was prepared in response to a recent Emergency Action Notice that was issued by the Education Standards Board. The Committee were advised during the Meeting that the Centre had completed all of the required actions set out in the Notice within the prescribed time and the Notice was removed and the Centre reopened.

b. Minutes of the Audit & Risk Committee Meeting

The Minutes of the Committee Meeting held on 13 April 2026, including the reports presented are contained in **Attachment B**.

c. Recommendations to the Council

There were no recommendations made by the Committee to the Council at the Meeting held on 13 April 2026 that need to be considered by the Council.

RECOMMENDATION

That the report be received and noted.

Cr Callisto moved:

That the report be received and noted.

Seconded by Cr Robinson and carried unanimously.

14 COMMITTEE REPORTS & RECOMMENDATIONS

14.1 COMMITTEE REPORTS & RECOMMENDATIONS

REPORT AUTHOR: General Manager, Governance & Civic Affairs
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of the report is to present to the Council the Minutes of the following Committee Meeting for the Council's consideration and adoption of the recommendations contained within the Minutes:

- Business & Economic Development Advisory Committee – 14 April 2026
(A copy of the minutes of the Business & Economic Development Advisory Committee meeting is included as **Attachment A**.)

ADOPTION OF COMMITTEE RECOMMENDATIONS

- **Business & Economic Development Advisory Committee**

Cr Holfeld moved:

That the Minutes of the meeting of the Business & Economic Development Committee held on 14 April 2026, be received and that the resolutions set out therein as recommendations to the Council are adopted as decisions of the Council.

Seconded by Cr Wilkinson and carried unanimously.

15 OTHER BUSINESS

16 CONFIDENTIAL REPORTS

16.1 TOUR DOWN UNDER

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:

- (g) *matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.*

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.

Cr Callisto moved:

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 [Chief Executive Officer; General Manager, Governance & Civic Affairs; General Manager, Urban Planning & Environment; General Manager, Infrastructure & Major Projects; General Manager, Community Development; Manager, Governance; Chief Financial Officer; Manager, Strategic Communications & Advocacy; Manager, Development & Regulatory Services; Manager, Traffic & Integrated Transport and Administration Assistant, Governance & Civic Affairs], be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (g) *matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.*

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.

Seconded by Cr Granozio and carried.

Extension of Council Meeting

At 11.57pm Cr Holfeld moved:

That the Council meeting be extended until 12.15am.

Seconded by Cr Sims and carried unanimously.

Cr Piggott moved:

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, discussion and minutes be kept confidential until the announcements have been made.

Seconded by Cr Callisto and carried unanimously.

16.2 RICHMOND STREET BIKEWAY (STAGE 1)

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:

- (b) information the disclosure of which -*
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - (ii) would, on balance, be contrary to the public interest.*

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.

Cr Holfeld moved:

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 [Chief Executive Officer; General Manager, Governance & Civic Affairs; General Manager, Urban Planning & Environment; General Manager, Infrastructure & Major Projects; General Manager, Community Development; Manager, Governance; Chief Financial Officer; Manager, Strategic Communications & Advocacy; Manager, Development & Regulatory Services; Manager, Traffic & Integrated Transport and Administration Assistant, Governance & Civic Affairs], be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (b) information the disclosure of which -*
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - (ii) would, on balance, be contrary to the public interest.*

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.

Seconded by Cr Piggott and carried unanimously.

Cr Sims moved:

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 of 12 months.

Seconded by Cr Callisto and carried unanimously.

16.3 BUNNINGS DEVELOPMENT - LEGAL ADVICE

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:

(h) legal advice.

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.

Cr Holfeld moved:

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 [Chief Executive Officer; General Manager, Governance & Civic Affairs; General Manager, Urban Planning & Environment; General Manager, Infrastructure & Major Projects; General Manager, Community Development; Manager, Governance; Chief Financial Officer; Manager, Strategic Communications & Advocacy; Manager, Development & Regulatory Services and Administration Assistant, Governance & Civic Affairs], be excluded from the meeting on the basis that the Council will receive, discuss and consider:

(h) legal advice.

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.

Seconded by Cr McFarlane and carried unanimously.

Cr Excell moved:

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, discussion and minutes be kept confidential (other than where required to be disclosed by the Manager, Development & Regulatory Services in the performance of their associated functions and duties) until the Development is finalised.

Seconded by Cr Piggott and carried unanimously.

16.4 MARDEN PRACTICE PITCHES

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:

- (b) information the disclosure of which -
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - (ii) would, on balance, be contrary to the public interest.**
- (j) information the disclosure of which -
 - (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and*
 - (ii) would, on balance, be contrary to the public interest.**

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.

Cr Holfeld moved:

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 [Chief Executive Officer; General Manager, Governance & Civic Affairs; General Manager, Urban Planning & Environment; General Manager, Infrastructure & Major Projects; General Manager, Community Development; Manager, Governance; Chief Financial Officer; Manager, Strategic Communications & Advocacy and Administration Assistant, Governance & Civic Affairs], be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (b) information the disclosure of which -
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - (ii) would, on balance, be contrary to the public interest.**
- (j) information the disclosure of which -
 - (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and*
 - (ii) would, on balance, be contrary to the public interest.**

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.

Seconded by Cr Moorhouse and carried unanimously.

Cr Callisto moved:

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, discussion and minutes be kept confidential until the matter is finalised.

Seconded by Cr Robinson and carried unanimously.

16.5 STRATEGIC DIRECTION - COMMUNITY SERVICES

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*
- (b) information the disclosure of which—*
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council;*

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.

Cr Granozio moved:

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 [Chief Executive Officer; General Manager, Governance & Civic Affairs; General Manager, Urban Planning & Environment; General Manager, Infrastructure & Major Projects; General Manager, Community Development; Manager, Governance; Chief Financial Officer; Manager, Strategic Communications & Advocacy and Administration Assistant, Governance & Civic Affairs], 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*
- (b) information the disclosure of which—*
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council;*

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.

Seconded by Cr Wilkinson and carried.

Cr Robinson moved:

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, discussion and minutes be kept confidential until the matter is finalised.

Seconded by Cr McFarlane and carried unanimously.

17 CLOSURE

There being no further business, the Mayor declared the meeting closed at 12.15am.

Mayor Robert Bria

Minutes Confirmed on _____
(date)