Council Meeting
Minutes

3 November 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.

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City of Norwood Payneham & St Peters

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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 Josh Robinson
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)
Marina Fischetti (Governance Officer)

APOLOGIES Cr Kevin Duke

1 KAURNA ACKNOWLEDGEMENT

2 OPENING PRAYER

The Opening Prayer was read by Cr Scott Sims.

3 CONFIRMATION OF MINUTES OF THE COUNCIL MEETING HELD ON 6 OCTOBER 2026

Cr Knoblauch moved:

That the Minutes of the Council Meeting held on 6 October 2026, be taken as read and confirmed.

Seconded by Cr Callisto and carried unanimously.

4 MAYOR'S COMMUNICATION

Tuesday, 6 October	• Presided over a Council meeting, Council Chamber, Norwood Town Hall.
Thursday, 8 October	• Presided over a Citizenship Ceremony, Norwood Concert Hall.
Thursday, 8 October	• Pre-recorded interview Jemima Hickman (The Message Bureau) for the Payneham Memorial Swimming Centre.
Saturday, 10 October	• Officially opened the new Payneham Memorial Swimming Centre, Felixstow.
Saturday, 10 October	• Television interviews with Channels Seven and Nine, Payneham Memorial Swimming Centre, Felixstow.

Saturday, 10 October	• Attended the Italian Historical Society of SA Inc's launch of 'La Partenza: Voyage to a New Beginning' (Volume 2), St Peters Banquet Hall, St Peters.
Tuesday, 13 October	• Attended a meeting with the Chief Executive Officer, Mr Ray Thompson (President) and other representatives of the Trinity Gardens Bowling Club, Norwood Town Hall.
Tuesday, 13 October	• Attended an Information Session: 2026-2027 Annual Business Plan and Debt Strategy Framework, Mayor's Parlour, Norwood Town Hall
Saturday, 17 October	• Attended the Indian Bengali Cultural Association of SA Inc's Durga Puja 2026 celebration, Clovelly Park Memorial Hall, Clovelly Park.
Sunday, 18 October	• Attended the Kensington Resident's Association's 'Pizza in the Park' event, Borthwick Park, Kensington.
Monday, 19 October	• Attended a meeting of the Audit & Risk Committee, Meeting Room 3, Norwood Town Hall.
Tuesday, 20 October	• Attended a meeting with Ms Claire Clutterham MP, Federal Member for Sturt, Norwood Town Hall.
Tuesday, 21 October	• Attended a 'Food Secrets of Glynde' Bus Tour with the Hon Nadia Clancy MP, Minister for Small and Family Business; Ms Cressida O'Hanlon MP, Member for Dunstan and Ms Jenn Roberts MP, Member for Hartley.
Tuesday, 21 October	• Filming for 'South Aussie with Cosi', Payneham Memorial Swimming Centre, Felixstow.
Saturday, 24 October	• Attended the 'Democracy Sausage Sizzle' event, St Peters Town Hall Plaza, St Peters.
Saturday, 24 October	• Attended the City of Norwood Payneham & St Peters City-wide Business Forum, Hungarian Club, Norwood.
Tuesday, 27 October	• Attended an Elected Members' briefing by Ms Victoria McKirdy, Chief Executive Officer, Local Government Association of South Australia, Mayor's Parlour, Norwood Town Hall.
Saturday, 31 October	• St Peters Childcare Centre & Pre-School 50th Birthday celebration, St Peters Childcare Centre & Pre-School, Stepney.
Monday, 2 November	• Presented prizes to the winners of the 2026 Mayor's Christmas Card competition, Mayor's Parlour, Norwood Town Hall.

- **Official Opening of the Payneham Memorial Swimming Centre – 10 October 2026**

  Mayor Bria thanked The Hon Peter Malinauskas MP, Premier of South Australia, for attending the opening of the Payneham Memorial Swimming Centre and assisting with officially opening the Payneham Memorial Swimming Centre as well as all the other VIPs who attended.

  Mayor Bria also thanked the representatives from Badge Constructions, ARCH Architects and BlueFit who were present at the official opening.

  Mayor Bria also thanked all of the Council staff involved in the Project and in particular, Mario Barone, Jared Barnes, Carlos Buzzetti, Lisa Mara, Natalia Axenova, Andrew Hamilton, Michael Moshos, Allison Kane, Nick Carr, Navian Iseut and Jordan Ward.

  Mayor Bria said he was especially pleased to see former Councillors, Carlo Dottore, John Minney and Mike Stock at the Official Opening, as they were Members of the previous Council that made the decision to proceed with the re-development of the Payneham Memorial Swimming Centre.

  Mayor Bria advised the Council he personally thanked Mr Minney for his vision to push for the change to the design of the 50-metre pool from an eight-lane pool to a ten-lane pool.

  Mayor Bria said that following the official opening, he took time to walk along the line of patrons who formed the first of the three (3) groups to visit the pool, to informally welcome and thank them for their patience during the construction phase and also took the opportunity to go down the blue slide.

- **Filming for 'South Aussie with Cosi', Payneham Memorial Swimming Centre, Felixstow – 21 October 2026**

  Mayor Bria advised that the episode of 'South Aussie with Cosi' featuring the new Payneham Memorial Swimming Centre will air on Sunday, 22 November 2026.

- **50th Birthday of the St Peters Child Care Centre & Pre-school – 31 October 2026**

  Mayor Bria thanked the families who attended the 50th Birthday celebrations of the St Peters Child Care Centre & Pre-school.

  He also thanked all staff involved in organising the celebrations and acknowledged the presence of the Centre's Director, Michaela Gardener and Assistant Director, Natasha Wanten.

  Mayor Bria also acknowledged the presence of former Councillors for the Town of St Peters: Mr Gordon Barrett who was instrumental in the establishment of the Centre in 1976, Ms Judith Worrall and Mr David Cree.

5 DELEGATES COMMUNICATION

- Cr Knoblauch advised that on Saturday, 10 October 2026, he and Cr Duke attended the Payneham City Concert Band's 60 Years Anniversary celebration. During the celebration, the Band thanked and acknowledged the Council for their support over the years.

6 ELECTED MEMBER DECLARATION OF INTEREST

Cr Excell declared an interest in relation to Item 12.1.
Cr Piggott declared an interest in relation to Items 13.3 and 13.7.

7 ADJOURNED ITEMS

Nil

8 QUESTIONS WITHOUT NOTICE

Nil

9 QUESTIONS WITH NOTICE

9.1 COUNCIL ARBORIST SERVICES

SUBMITTED BY: Cr Excell
ATTACHMENTS: Nil

Cr Excell has submitted the following Question with Notice:

Can staff provide the costs incurred from using contract arborists compared with hiring a second inhouse arborist?

REASONS IN SUPPORT OF QUESTION

At the Council meeting on 6 October 2026, two representations were received by Council on the topic of tree management and maintenance practices. The representations also raised concerns about the current capacity of the City arborist and questioned the effectiveness of using contractors to respond to customer requests.

This question is intended to allow the Council to compare the costs associated with using contract arborists compared to employing a second in-house arborist.

RESPONSE TO QUESTIONS
PREPARED BY GENERAL MANAGER, URBAN PLANNING & ENVIRONMENT

Customer requests relating to tree health, tree removal, new tree plantings, and damage caused by trees to private property are initially reviewed by the City Arborist. If an inspection is required, this task is generally undertaken by the City Arborist or consulting arborists. During the inspection, the condition of the tree is assessed and any recommendations for works that may be required are provided to the City Arborist by the consulting Arborist. Any authorised pruning or removal of trees is subsequently undertaken by City Services staff or contractors, depending on the nature and complexity of the pruning or tree removal works.

From time to time, and particularly during periods of high workloads, the City Arborist will, in consultation with the General Manager, Urban Planning & Environment, outsource customer requests to consulting arborists, to assist with tree inspections and reports, updating the Forestree asset database, including tree risk assessments if the need arises. In such cases, the reports provided by the consulting arborists and any actions arising from those reports are vetted by the City Arborist, and any actions arising are implemented by City Services staff and where necessary, some tree pruning or tree removal actions are outsourced to contractors by City Services staff. In addition, some tree health referrals for Development Applications are outsourced to consulting arborists from time to time, to assist the City Arborist during periods of high workloads.

The Council's contractor budget for consulting arborists that undertake tree inspections, prepare tree reports and undertake tree risk assessments to support the City Arborist manage customer requests is $42,000 for the 2026-2027 financial year. A further budget allocation of approximately up to $40,000 may be required for this financial year as a result of legislative changes for regulated trees that has resulted in an increased need for arboriculture advice regarding regulated trees associated with development applications. This advice assesses the potential impacts of developments on the Council's street trees and vice versa. A total of up to $82,000 will need to be allocated for consulting arborists in the 2026-2027 financial year to assist in managing tree related customer requests and development application referrals. A minor allocation of this overall budget for consulting arborists is also used for proactive tree risk assessments for some identified trees in Council owned facilitates.

The cost of employing an additional in-house arborist with a classification of General Officer, Level 7 would be approximately $165,000, inclusive of employment on-costs. As such, it is not financially feasible to employ an additional in-house arborist, by using the current budget allocation for consulting arborists.

It is also worth noting that the platform and framework used to manage customer requests is currently under review. One of the key project aims is to streamline existing processes and reduce duplication in the system. The changes are likely to be implemented in the coming months and will assist in reducing the involvement of the City Arborist for minor tree related requests that can be directly assessed and implemented by qualified City Services staff. This process change will aim to free up some time for the City Arborist to spend more time on other tree management related priorities, including the annual planting program, liaising with SA Power Networks (SAPN) regarding their tree pruning program, operational guidelines to improve the care and management of young trees and the Council's approach to tree risk management.

9.2 STOLEN PLAQUES AND INSURANCE

SUBMITTED BY: Cr Sims
ATTACHMENTS: Nil

Cr Sims has submitted the following Questions with Notice:

Can the Chief Executive Officer advise:

1. *What measures have been to replace missing commemorative plaques, statues and other Council-owned metal assets?*

2. *Does the Council maintain a complete register of its plaques, statues and artworks, including designs and specifications, so they can be accurately recreated if stolen?*

3. *Is the Council's insurance current and sufficient to cover the full replacement cost of these assets, to avoid a repeat of the under-insurance experienced after the Linde Reserve thefts?*

COMMENTS IN SUPPORT OF THE QUESTIONS

Metal theft targeting heritage assets is increasing across Adelaide. In October 2026, thieves stole 100-year-old bronze plaques from the Burnside District Fallen Soldier's Memorial and a century-old brass bell from St Peters Anglican Church, drawing public condemnation from the Veterans' Affairs and Police Ministers.

Our Council has been affected before. When bronze sculptures including the "German Migration" and "The Egrets" artworks, were stolen from Linde Reserve, the Council was under-insured and could not fully fund their replacement.

This report will confirm that our commemorative assets are properly protected, documented and insured, preserving our community's heritage and protecting ratepayers from unfunded replacement costs.

RESPONSE TO QUESTIONS
PREPARED BY GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS

Response to Question 1:

Any Council owned asset that is stolen or damaged is reported to the South Australian Police and a claim is lodged with the Council's insurers to ensure that the asset can be replaced and/or repaired.

As a result of the recent thefts of plaques, Staff are currently investigating measures to improve the fixing of existing plaques to prevent and deter theft.

Response to Question 2:

The Council maintains a register of its plaques and public artworks. Staff are also undertaking a review of the register to ensure that it is current and are updating photos of each of the assets where required.

Response to Question 3:

In terms of the insurance cover for public artworks and plaques, the Council's insurance cover is current and provides coverage for these items.

However, as previously advised, insurance coverage for artwork is inherently complex, as the monetary value and full replacement cost of an artwork following its completion can be difficult to assess. Unlike standard assets (i.e. buildings or machinery etc), artwork does not have a fixed or easily determinable value. Its value can fluctuate based on market demand, artist reputation, provenance and condition and the cost of materials at the time the asset is insured. Accurate appraisal by qualified experts is therefore required, and in this case, values must be regularly updated.

Accordingly, while the Council maintains current insurance cover for these assets, it cannot be guaranteed that the insurance proceeds would, at all times, fully cover the replacement cost of an individual artwork in all circumstances. The adequacy of the insured values is reviewed as part of Council's insurance arrangements.

In some cases, as was the case with the artworks that were stolen from Linde Reserve, the replacement cost of the artwork is subject to the costs that is provided by the artist who originally produced the artwork and who in some cases, owns the copyright for the artwork.

On this basis, Elected Members will recall, that at its meeting held on 7 July 2025, the Council resolved that the artworks at Linde Reserve and any future artworks commissioned by the Council, would be made of materials that are not of value, (i.e. concrete, stone, marble, etc).

The use of materials that are of no value is the most effective means of reducing the risk of theft of public artworks and plaques.

10 DEPUTATIONS

10.1 STREET TREES IN KENT TOWN

SPEAKER/S

Ms Kate Eatts

ORGANISATION/GROUP REPRESENTED BY SPEAKER/S

Kent Town Residents Association

COMMENTS

Ms Kate Eatts has written to the Council requesting that she be permitted to address the Council in relation to Greening and Street Trees.

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

Ms Kate Eatts addressed the Council on this matter.

11 PETITIONS

Nil

12 NOTICES OF MOTION

12.1 MAGILL ROAD SPEED LIMIT

SUBMITTED BY: Cr Piggott
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 Piggott.

NOTICE OF MOTION

1. *That Administration write to the Chief Executive, Department of Infrastructure and Transport Council seeking progress in respect to the study into traffic on Magill Road (between Portrush and Fullarton Roads) to inform consideration of a 50 km/h speed limit, noting that the study was confirmed by the then Minister of Police, Hon. Blair Boyer MP in March 2026.*

2. *That copies of the letter be sent to the Hon Cressida O'Hanlon MP, Member for Dunstan and the Hon. Michael Brown, Minister for Police.*

REASONS IN SUPPORT OF MOTION

On 7 October 2025, Council voted to support a community campaign aimed at reducing the speed limit to 50km/h on the section of Magill Road that runs between Portrush Road and Fullarton Road. Specifically, Council resolved:

> *That the Minister for Infrastructure and Transport (DIT) be advised that the Council supports the introduction of a 50km/hr. speed limit for Magill Road (between Portrush Road and Fullarton Road) and requests that the Department for Infrastructure and Transport undertake a formal speed limit review considering the movement and place framework for this section of Magill Road*.

This Motion was actioned, but no correspondence has been received from DIT.

The community campaign has the support of the Member for Dunstan, Hon Cressida O'Hanlon MP. In a letter to her from the then Minister for Police, Hon. Blair Boyer MP confirmed DIT's commitment to perform a study. A copy of that letter is contained in **Attachment A**.

The Motion seeks to directly correspond with the Chief Executive of DIT.

STAFF COMMENT
PREPARED BY MANAGER, TRAFFIC & INTEGRATED TRANSPORT

At its meeting held on 7 October 2025, the Council considered a Petition regarding the speed limit along Magill Road, between Portrush Road and Fullarton Road, and following consideration of the Petition, resolved the following:

> *"That the Minister for Infrastructure and Transport (DIT) be advised that the Council supports the introduction of a 50km/hr speed limit for Magill Road (between Portrush Road and Fullarton Road) and requests that the Department for Infrastructure and Transport undertake a formal speed limit review considering the movement and place framework for this section of Magill Road."*

In accordance with this resolution, Mayor Bria wrote to the Hon Emily Bourke MLC, Minister for Infrastructure and Transport on 24 November 2025, advising of the Council's decision and formally requesting that the Department for Infrastructure and Transport (DIT) undertake a review of the speed limit along this section of Magill Road.

On 12 December 2025, the Council received correspondence from the Office of the Minister for Infrastructure and Transport, acknowledging receipt of the letter and advising that the matter had been referred to the Hon Blair Boyer MP, then Minister for Police, as it fell within this Minister's portfolio of responsibilities.

Council staff have subsequently been made aware of correspondence from the then Minister for Police to the Hon Cressida O'Hanlon MP, Member for Dunstan, in March 2026, confirming DIT's commitment to undertake a traffic study to inform consideration of a reduced speed limit along this section of Magill Road, as referenced in **Attachment A**.

Subsequent to this correspondence, changes to Ministerial portfolios have occurred, with the Hon Joe Szakacs MP now holding the Infrastructure and Transport portfolio and the Hon Michael Brown MP, holding the Police portfolio, which includes responsibility for road safety.

To date, the Council has not received any further formal advice regarding the progress or outcomes of the proposed speed limit review.

Council staff can prepare correspondence to the Chief Executive of the Department for Infrastructure and Transport requesting an update on the progress of the speed limit review, as outlined in this Notice of Motion.

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 vote in regard to this matter.

Cr Piggott moved:

1. *That Administration write to the Chief Executive, Department of Infrastructure and Transport Council seeking progress in respect to the study into traffic on Magill Road (between Portrush and Fullarton Roads) to inform consideration of a 50 km/h speed limit, noting that the study was confirmed by the then Minister of Police, Hon. Blair Boyer MP in March 2026.*

2. *That copies of the letter be sent to Ms Cressida O'Hanlon MP, Member for Dunstan and the Hon. Michael Brown, Minister for Police.*

Seconded by Cr Knoblauch and carried.

Cr Excell voted in favour of the motion.

12.2 TREE STRATEGY 2022-2027

SUBMITTED BY: Cr Excell
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 Excell.

NOTICE OF MOTION

1. *That a report be provided before the end of this Council term, on progress towards the targets and delivery of actions in the Tree Strategy 2022–2027 strategy.*

2. *That, as part of the considerations for the next iteration of the Council's Tree Strategy, consideration be given to:*

    a. *Planting a maximum of 500 new trees annually, maximising trees per property where space allows and installing tree inlets or similar treatments for all new Council street trees where practicable; and*

    b. *Installing tree inlets or similar treatments as part of the annual kerb renewal program, and the financial implications to Council for such an approach.*

REASONS IN SUPPORT OF MOTION

At the Council meeting on 6 October 2026, two Deputations were received by Council on the topic of tree management and maintenance practices.

This motion responds to some of the key points raised by the representors as follows:

Expanding the Installation of TREENET Inlets across the City

The representors proposed that installing TREENET inlets when planting trees and renewing nearby kerbs would direct stormwater to trees and deliver a more sustainable and efficient approach that could also reduce cracking caused by heaving.

In response to a question from Elected Members to the Chief Executive regarding the Council's current approach to installing TREENET inlets, the Chief Executive advised that staff implement the inlet policy adopted in the Tree Strategy and that the Council may request changes.

The proposed motion intends to consider replacing the current Action 3.1.1 minimum annual planting target with a maximum of 500 trees, allowing fewer trees to be planted, but TREENET inlets to be provided as standard, where practicable.

TREENET inlets increase planting costs and would create budget pressure if the existing planting target remained unchanged.

The motion also proposes to consider amending Action 4.1.2, which provides for the continued rollout of TREENET inlets under the TREENET Inlet Criteria.

TREENET Inlet Criteria - Tree Strategy 2022–2027:

- *near new or young trees;*
- *near trees of poor health;*
- *upstream from existing stormwater infrastructure;*
- *low grade (to maximise infiltration);*
- *in an urban hot spot as identified on the State Government's Urban Heat and Tree Mapping Viewer;*
- *in a high pedestrian use footpath or bikeway;*
- *in an industrial area; or*
- *associated with upcoming Capital Works.*

Given the breadth of these criteria, the motion proposes that consideration be given to the introduction of a requirement to install TREENET inlets as part of the annual kerb renewal program where practicable.

This would ensure that over time, all street trees would benefit from improved access to water and reduce the time and effort in determining whether TREENET inlets apply based on the assessment criteria.

Effectiveness of the current Tree Strategy Compared to an Urban Forest Asset Management Plan

The representors questioned whether the Tree Strategy and its actions adequately address the changing climate and whether a dedicated Urban Forest Asset Management Plan would be more effective.

A progress report on the Tree Strategy 2022–2027 would assess delivery against its actions, targets and objectives and help quantify the effectiveness of the current approach.

STAFF COMMENT
PREPARED BY GENERAL MANAGER, URBAN PLANNING & ENVIRONMENT

The Report as requested can be provided.

Cr Excell moved:

1. *That a report be provided before the end of this Council term, on progress towards the targets and delivery of actions in the Tree Strategy 2022–2027 strategy.*

2. *That, as part of the considerations for the next iteration of the Council's Tree Strategy, consideration be given to:*

    a. *Planting a maximum of 500 new trees annually, maximising trees per property where space allows and installing tree inlets or similar treatments for all new Council street trees where practicable; and*

    b. *Installing tree inlets or similar treatments as part of the annual kerb renewal program, and the financial implications to Council for such an approach.*

Seconded by Cr Wilkinson and carried unanimously.

12.3 2027-2028 BUDGET BID INCLUSION - FUTURE TREES HUB

SUBMITTED BY: Cr Holfeld
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 Holfeld.

NOTICE OF MOTION

1. *That staff prepare a Funding Submission for consideration as part of the 2027-2028 Budget to enable the Council to become a founding member of the Future Trees Hub.*

2. *A report in respect to the Council's management of the Council's tree canopy, including an update to strategic and operational changes, be provided to the Council in October 2027.*

REASONS IN SUPPORT OF MOTION

Our tree canopy is facing greater challenges due to climate change, development and pests and disease. The Future Trees Hub is a proposed collaboration between researchers at Adelaide University, local and state government, utilities, arboriculture firms and nurseries to produce a greater range of diversification and resilience across council planted and maintained trees. As a council who values our tree canopy, I believe we should be at the forefront of support for the Future Trees Hub.

A comprehensive report into our tree management as a council can outline what changes have been made and what we need to be doing to achieve the outcomes from the Tree Strategy 2022-2027 and the tree management component of the future Urban Greening & Biodiversity Strategy. How strategic aims are planning to be actioned over the life of the new strategy, along with how we currently operationally manage trees on a proactive and reactionary basis can be presented.

STAFF COMMENT
PREPARED BY GENERAL MANAGER, URBAN PLANNING & ENVIRONMENT

A Funding Submission and report can be prepared, as requested.

Cr Holfeld moved:

1. *That staff prepare a Funding Submission for consideration as part of the 2027-2028 Budget to enable the Council to become a founding member of the Future Trees Hub.*

2. *A report in respect to the Council's management of the Council's tree canopy, including an update to strategic and operational changes, be provided to the Council in October 2027.*

Seconded by Cr Sims and carried unanimously.

13 STAFF REPORTS

13.1 DEBT REDUCTION STRATEGY

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

PURPOSE OF THE REPORT

The purpose of this report is to present the proposed Debt Reduction Strategy for the Council's consideration and endorsement.

BACKGROUND

The Council has experienced a significant increase in debt associated with new approved major capital investments. Debt reduction has been identified as an important component of Council's long-term financial sustainability. This is consistent with recommendations from the Essential Services Commission of South Australia (ESCOSA) and is part of the overall strategy that the Council as endorsed to implement the recommendations set out in the Advice that has been provided to the Council by ESCOSA.

In seeking to pursue the adoption of a Debt Reduction Strategy, the Council recognises the importance of maintaining a prudent and disciplined approach to borrowing and budgeting generally, while ensuring that sufficient capacity remains to fund essential infrastructure and respond to future community needs.

In line with this approach, as Elected Members are aware, the Council's current Long-Term Financial Plan (LTFP) has been reviewed and all new large/significant capital projects have been rescheduled in terms of timing and /or removed and in some cases, rescoped.

As a result, the current LTFP provides a clear baseline for the progressive reduction of the Council's debt over the next ten years.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The Debt Reduction Strategy seeks to guide the Council's long-term financial and budgetary decisions, with implementation reflected through the Long-Term Financial Plan, Annual Business Plan and annual budget processes. Achieving the intended reduction in debt will require discipline in managing operating expenditure, prioritising essential asset renewal over discretionary new capital projects and carefully assessing the affordability and funding of future initiatives.

The Strategy is intended to progressively reduce borrowing requirements and associated interest costs over time, while successfully maintaining the Council's capacity to continue to deliver services and meet infrastructure renewal obligations. The financial implications will be continuously reviewed through regular monitoring of debt levels, operating performance, capital expenditure and relevant financial sustainability indicators, with adjustments being made where necessary to respond to changing financial circumstances and Council priorities.

RISK MANAGEMENT

The implementation of the Debt Reduction Strategy involves balancing the objective of reducing debt while maintaining essential services, renewing the City's infrastructure and responding to emerging community needs. The key risks associated with the Strategy include changes in revenue and expenditure forecasts, interest rate movements, unexpected asset renewal or maintenance requirements and the ongoing competing demands for capital investment (ie new capital projects).

An overly restrictive approach to borrowing or repayment of debt may also limit the Council's capacity to respond to unforeseen events or undertake essential infrastructure projects. These risks will be managed through regular review of the Long-Term Financial Plan, ongoing monitoring of debt levels and financial sustainability indicators, prioritisation of capital expenditure, and assessment of the financial implications of significant new initiatives before commitments are made.

CONSULTATION

Elected Members

An Elected Members Information Session on the Debt Reduction Strategy was held on 13 October 2026, where an overview, the proposed framework, risks and available options were presented.

DISCUSSION

The Long-Term Financial Plan provides the framework for managing the timing and level of future borrowings.

Feedback on the Council's Annual Business Plan and Budget and the Recommendations contained in the ESCOSA Advice, reinforce the importance of maintaining a disciplined approach to debt reduction and budgeting generally.

The objective of endorsing a Debt Reduction Strategy is not simply to reduce debt - it is to establish a debt level and repayment path that the Council can sustainably maintain. The Council has a choice between the speed of debt reduction and the amount of funding retained that is retained for future investment. Any strategy should establish a clear, sustainable and measurable path to reduce debt while maintaining the capacity to continue to deliver the provision of essential infrastructure.

Since 2023, the Council's debt has increased from $8.6 million to a budgeted $80.1 million in 2026-2027. This increase has primarily resulted from new capital projects that have been approved by the Council, which have required significant investment and additional borrowing to fund the delivery of this infrastructure.

These projects include:

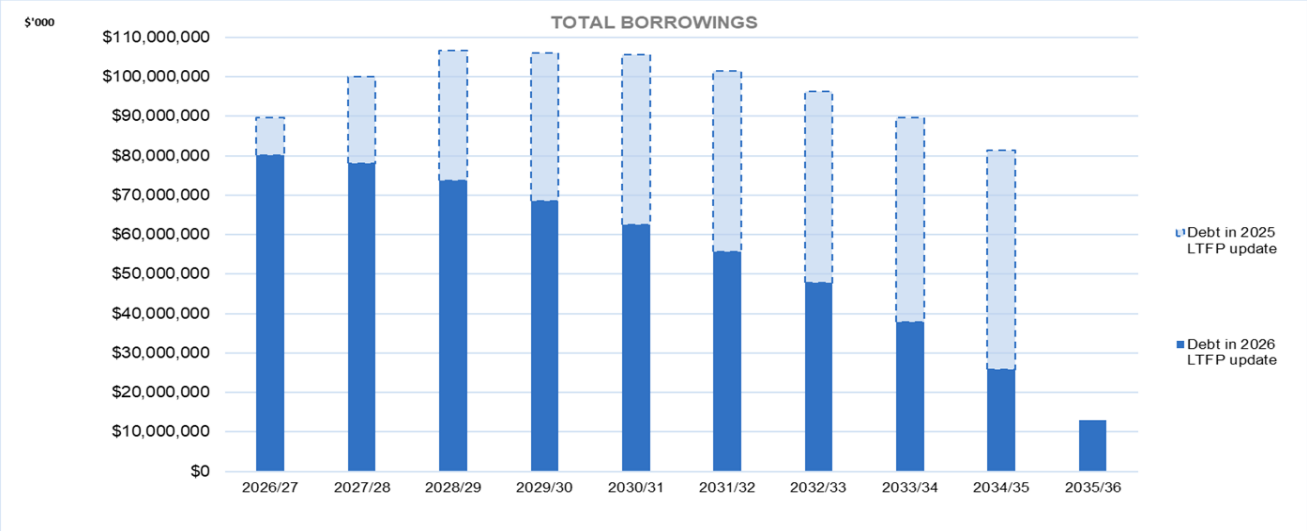
- Burchell Reserve
- Dunstan Adventure Playground
- Cruickshank Reserve
- River Torrens Linear Path
- Private Laneways Policy implementation
- Quadrennial Art Program
- George Street Redevelopment
- Kent Town Public Realm (footpaths, kerbing and landscaping)
- Payneham Memorial Swimming Centre
- Various Traffic related Investments (Langman Drive Speed Cushions, implementation of the 40km default speed limit, various Traffic Management projects, etc).

The resulting debt position has increased the Council's borrowing obligations and associated interest costs, highlighting the importance of a disciplined approach to future capital investment, operational expenditure, prioritisation of expenditure and debt management to support ongoing long-term financial sustainability. The challenge now is to transition from a period of significant borrowing to a period of controlled and planned debt reduction.

Current Long-Term Financial Plan Update

The Council has amongst other initiatives, proposed to manage and progressively reduce its debt position through a more disciplined approach to capital investment, operating performance and financial sustainability. The current Long-Term Financial Plan (LTFP), which assumes no new large capital projects are added beyond the existing approved program, demonstrates a clear downward trajectory in borrowings, with debt reducing from approximately $80.2 million in 2026-2027 to $13.0 million by 2035-2036. This represents a reduction of approximately $67.1 million (84%) over the LTFP period (Refer to Table 1 below).

Table 1: DEBT TARGET - PROJECTIONS AS REFLECTED IN ABP 2026-2027 LONG TERM FINANCIAL PLAN UPDATE



Proposed Debt Management Framework

A summary of the proposed Debt Management Framework is set out below.

1. Debt Reduction Strategies – Ongoing and currently in progress
- cost monitoring and income opportunities. Operating performance improvements through expenditure control, annual reviews of fees and charges, improved cost recovery and directing available surplus funds towards debt reduction where appropriate;
- maintaining operating surpluses;
- external funding opportunities to continue to be pursued to reduce reliance on borrowings;
- further savings to continue to be sought through reviews of contracts, productivity improvements, process automation and digitisation;
- reviewing asset utilisation and service levels to ensure resources are allocated efficiently; and
- aligned with community needs and long-term financial sustainability.

2. Establish a minimum annual debt reduction target
- a clear commitment within the LTFP and annual budget.

3. Limit new debt-funded discretionary projects
- new borrowings should only be considered where this is financially sustainable and supported by the Council's long-term financial capacity.

4. Prioritise essential capital expenditure

Focusing on optimising the new capital program by deferring non-essential projects, reviewing project scope and prioritising asset renewal over the creation of new assets. Capital investment should focus on:
- renewal;
- compliance;
- essential infrastructure;
- service continuity; and
- projects with a clearly demonstrated strategic need.

5. Monitor debt quarterly
- Reporting as part of Finance quarterly reports.
- Actual debt and forecast debt.

6. Review annually
- The strategy should be reviewed annually as part of the LTFP and budget cycle.

Proposed Debt Management and Reduction Strategy

It is proposed to retain the current LTFP debt trajectory as the baseline debt reduction pathway, recognising that the LTFP currently assumes no additional new capital projects beyond those projects that have been endorsed by the Council and already included in the LTFP. However, it is acknowledged that the Council may need to consider additional capital investment over the next ten (10) years in response to changing infrastructure needs, asset renewal requirements or emerging priorities. Any such investment may change the debt trajectory currently that is forecast in the LTFP.

To commit to and maintain financial discipline and ensure that future capital investment decisions are considered within the Council's broader debt reduction objectives, it is recommended that the Council establish a minimum debt reduction target. The target would provide a measurable benchmark against which future borrowings and new capital projects can be assessed.

Table 2: EFFECT OF ANNUAL DEBT REDUCTION METHOD

	Repay More	**Repay Less**
Debt balance	Falls faster	Remains higher
Interest costs	Lower over time	Higher over time
Available funds	Lower	Higher
New capital capacity	Potentially reduced	Potentially greater
Financial resilience	Improves sooner	Improves more slowly
Future ratepayer burden	Potentially lower	Potentially higher

Debt reduction involves a 'Trade-off' as shown below.

Higher debt reduction	**Slower debt reduction**
↓	↓
Lower debt	More capacity for investment
↓	↓
Lower future interest costs	Higher debt for longer
↓	↓
Greater financial resilience	Higher cumulative finance costs and financial exposure.
Less cash available in the short term for:	**Higher pressure on Surpluses**
new capital investment; discretionary projects; and other service initiatives.	

The less the Council repays each year, the more funding remains available for investment - but under this approach, the longer the debt remains higher and the greater the cumulative finance cost. Without a defined debt reduction strategy, increased financial capacity may create pressure for further investment and borrowing, thereby increasing the risk that the Council's debt position remains at or near current levels over the next 10 years. This is not a desirable outcome.

To commit to and maintain financial discipline and ensure that future capital investment decisions are considered within the Council's broader debt reduction objective, it is proposed that the Council establish a minimum debt reduction target. The target would provide a measurable benchmark against which future borrowing and new capital projects can be assessed.

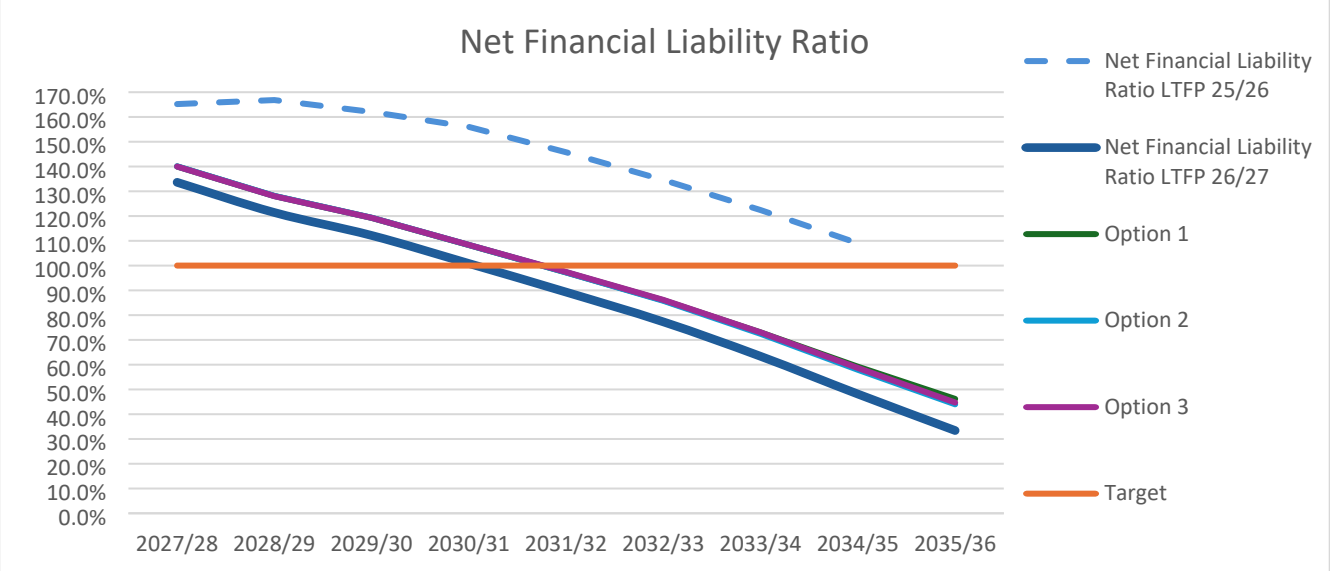
Table 3: PROPOSED OPTIONS TO ESTABLISH A MINIMUM ANNUAL DEBT REDUCTION TARGET

	Options	Action	Option description	Advantages	Considerations	
Current	**Based on current LTFP**	All available cash is put towards Debt repayment.	Disciplined approach, fast Debt repayment, limit funds available for reinvestment.	Focuses on the end-state target. Clear Objective, clear benchmark for future, all available cash directed towards debt repayment	The best end goal result with the potential minimum debt that could be achieved, restrictive on all further cash investments.	✓
Option 1	**Flat percentage per annum (after 2027-2028)**	Fixed % reduction of debt.	Establish a minimum annual debt reduction expressed as a fixed percentage of the relevant debt base. The percentage remains consistent each year.	Simple, consistent methodology. Easy to monitor against the annual budget and LTFP	The dollar value of repayment changes, may not align equally with the Council's cash flow requirements. The speed of debt reduction needs to be tested.	!
Option 2	**Set dollar amount per annum**	Fixed $ reduction of debt.	Establish a minimum annual dollar reduction in debt. This provides a simple and transparent target that can be readily monitored against actual results.	Clear and transparent, Easy to incorporate into financial planning, Provides certainty, can be directly linked to the LTFP	A fixed amount represents a larger percentage reduction when debt is lower, may become restrictive in some years	✓
Option 3	**Target Percentage % of base or $ value of debt as at 2025-2036**	% of opening annual debt.	Establish the target as a percentage of debt outstanding at the beginning of each financial year.	Focuses on the end-state target, Clear Objective, Allows flexibility, clear benchmark for future.	The pathway to the target needs to be established. A target alone does not determine the annual repayment. Discipline to be established.	~

Table 4: SUMMARY OF DEBT REDUCTION OPTIONS AND FINANCIAL IMPLICATIONS

YEAR	CURRENT LTFP			OPTION 1			OPTION 2			OPTION 3		
	Annual Debt reduction %	Annual Re-Pmt ($m)	Debt Balance ($m)	**Annual Debt reduction %**	Annual Re-Pmt ($m)	Debt Balance ($m)	Annual Debt reduction %	**Annual Re-Pmt ($m)**	Debt Balance ($m)	**Debt target %**	Annual Re-Pmt ($m)	Debt Balance ($m)
2027/28	3%	$ 2.2	$ 78.0	**3%**	$ 2.0	$ 78.2	2%	**$ 2.0**	$ 78.2	**98%**	$ 1.6	$ 78.6
2028/29	5%	$ 4.3	$ 73.7	**5%**	$ 3.9	$ 74.2	4%	**$ 3.0**	$ 75.2	**95%**	$ 2.4	$ 76.1
2029/30	7%	$ 5.2	$ 68.5	**5%**	$ 3.7	$ 70.5	7%	**$ 5.0**	$ 70.2	**90%**	$ 4.0	$ 72.1
2030/31	9%	$ 6.0	$ 62.5	**5%**	$ 3.5	$ 67.0	7%	**$ 5.0**	$ 65.2	**85%**	$ 4.0	$ 68.1
2031/32	11%	$ 6.8	$ 55.7	**5%**	$ 3.4	$ 63.7	8%	**$ 5.0**	$ 60.2	**78%**	$ 5.6	$ 62.5
2032/33	14%	$ 7.8	$ 47.9	**5%**	$ 3.2	$ 60.5	8%	**$ 5.0**	$ 55.2	**70%**	$ 6.4	$ 56.1
2033/34	21%	$ 10.0	$ 37.9	**5%**	$ 3.0	$ 57.5	9%	**$ 5.0**	$ 50.2	**60%**	$ 8.0	$ 48.1
2034/35	32%	$ 12.1	$ 25.8	**5%**	$ 2.9	$ 54.6	10%	**$ 5.0**	$ 45.2	**50%**	$ 8.0	$ 40.1
2035/36	49%	$ 12.7	$ 13.0	**5%**	$ 2.7	$ 51.8	11%	**$ 5.0**	$ 40.2	**40%**	$ 8.0	$ 32.1
		$ 67.1			$ 28.3			$ 40.0			$ 48.1	
Total Interest			$ 30.63			$ 42.62			$ 40.56			$ 41.24
Net Financial Liability			33.4%			46.2%			44.0%			44.7%
Operating Surplus			10.0%			7.9%			8.8%			8.8%
Interest Cover			1.1%			3.2%			2.3%			2.3%

	Flat %	**Set $ per annum**	**Target Debt Balance**
Primary focus	Annual reduction	Annual repayment	End-point debt
Annual repayment certainty	High	Very high	Medium
Flexibility	Medium	Low	High
Long-term debt outcome	Variable	Variable	Defined
Easy to monitor	High	High	Medium
Long-term strategic focus	Medium	Medium	High



The 10-year Net Financial Liability Ratio (NFLR) projections indicate a similar overall trajectory across all three options. However, the point at which the Ratio falls below the Council's 100% target is delayed from the currently projected 2030-31 to 2031-32 under each option, reflecting a one-year deferral in achieving the target.

The preferred option should provide a target that is achievable, measurable and sufficiently disciplined to influence future capital investment decisions, while recognising that annual operating results, interest rates, capital requirements and other financial circumstances may vary.

Lower debt repayments provide greater capacity for re-investment but result in higher debt and finance costs over time.

Higher repayments reduce finance costs and the ten-year debt balance however this limits the funds that are available for re-investment.

Application to Future Capital Projects

Capital Renewal Program (road resurfacing, kerb and footpath renewal, building capital maintenance and drainage infrastructure) is essential to maintaining Council's assets, services and infrastructure to the endorsed standard and should and indeed can, continue without interruption or change. Significant investment is budgeted each year to the renewal of the City's infrastructure across the key asset classes (ie roads, kerbing, footpaths, open space and recreation and buildings). Continued investment is important to ensure that these assets remain fit for purpose, infrastructure risks are managed and higher costs associated with the deferral of the renewal program are avoided.

The debt reduction target should form part of the financial assessment of any new capital project proposed for inclusion in the LTFP. Any proposed new capital project that would materially change the current LTFP debt trajectory should demonstrate the following:

- strategic alignment and a clear demonstrated community need based on data and evidence;
- affordability and long-term financial sustainability;
- Whole-of-Life capital and operating costs;
- available funding, including grants and other external contributions;
- the impact on the Council's debt and the Financial Sustainability Indicators; and
- how the project can be accommodated while maintaining the proposed minimum debt reduction target, or otherwise clearly identify the implications of not achieving the target.

This approach provides the Council with the flexibility to respond to future capital investment needs while maintaining a clear and measurable commitment to debt reduction. It also establishes a consistent financial framework against which future capital proposals can be assessed, supporting transparent and disciplined decision-making.

Key Risks and Mitigation

The principal risks to achieving the debt reduction trajectory are cost escalation, higher interest rates, lower than anticipated operating results, reduced grant funding, unforeseen asset renewal requirements and the introduction of new major capital projects. These risks will be managed through annual reviews of the LTFP, capital project prioritisation and staging, monitoring of financial sustainability indicators, maintaining appropriate operating results and ensuring any proposed new borrowing is supported by a clear business case and affordability assessment.

The debt reduction strategy will be reviewed annually as part of the LTFP and annual budget process. This will include consideration of the actual debt position against the projected trajectory, progress against the minimum annual debt reduction target, borrowing requirements, interest costs, financial sustainability indicators and any proposed changes to the capital program.

OPTIONS

The Debt Reduction Strategy is required to ensure that debt reduction remains a clear focus and priority for the Council, while retaining the capacity to make prudent and affordable investment decisions where these are necessary and deliver sustainable and justifiable long-term benefits to the community.

The Strategy must also provide sufficient flexibility to respond to essential infrastructure requirements and changing financial circumstances. In addition to the current debt position set out in the Councils LTFP, three (3) options (as set out in Table 3) have been developed for the Council's consideration, with each option providing different levels of commitment and flexibility in respect to achieving debt reduction.

The options have been assessed against the respective impacts of the options on the Council's debt trajectory, interest costs, operating results, cash requirements, future capital capacity and financial sustainability. The assessment has also taken into consideration the balance between maintaining a clear and measurable commitment to debt reduction and retaining sufficient flexibility to respond to strategic investment opportunities. A summary of the options and the respective advantages and disadvantages of each option is provided in **Table 3** to assist Council in determining its preferred approach.

CONCLUSION

The proposed Debt Reduction Strategy provides a framework for progressively reducing the Council's debt, strengthening ongoing long-term financial sustainability and improving the Council's ongoing capacity to continue fund essential new infrastructure and services.

While both Options 2 and 3 provide benefits, having considered the respective advantages and disadvantages, staff recommend the adoption of Option 2, as this Option establishes a minimum annual debt repayment target.

As illustrated in the T**able 4**, this could be set at $2 million in 2027-2028, $3 million in 2028-2029 and $5 million per annum (starting from 2029-2030), however, the Council can elect to adopt a lower minimum from 2029-2030, such as $4 million, to provide greater flexibility to accommodate unforeseen expenditure and/or changing financial circumstances. This approach establishes the Councils clear responsibility and accountability for debt reduction while at the same time allowing the Council to maintain a responsible level of financial flexibility. As with all options, achieving the desired level of debt requires ongoing discipline.

Following the Council's endorsement of its preferred option, staff will assess the financial implications of the proposed debt reduction targets, including impacts on debt balances, interest costs, operating results, cash requirements, capital expenditure and financial sustainability indicators. The implications for the Council's future capital capacity will be identified, with new borrowings generally being avoided while the Council remains above its target debt trajectory.

Available operating cash will be prioritised towards essential asset renewal and debt reduction before any discretionary new capital initiatives. Exceptions may be considered for compelling strategic or inter-generational investments where the financial impacts remain consistent with the Long-Term Financial Plan (LTFP) and the Council's respective financial sustainability objectives. The adopted approach will be incorporated into the LTFP and annual budget processes, with annual reporting established to monitor progress against the debt reduction targets and assess the need for any adjustments in response to changing financial circumstances.

RECOMMENDATION

That the Debt Reduction Strategy incorporating Option 2 as set out in the report be endorsed with the annual debt reduction amount of $___ million commencing from the 2029-2030 Financial Year.

Cr Wilkinson left the meeting at 7.44pm.
Cr Wilkinson returned to the meeting at 7.45pm.

Cr McFarlane moved:

1. *That the Council adopts Option 2 as a minimum debt reduction requirement with $2m in 2027-2028, $3m in 2028-2029 and $5m per annum commencing from 2029-2030 to 2035-2036; and*

2. *That Administration prioritise additional available debt repayments where resources are available after remaining prudent liquidity and funding of essential services and evidenced based asset renewal and ratio is met.*

Seconded by Cr Wilkinson and carried.

13.2 FINANCIAL RESULTS 2025-2026

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

PURPOSE OF THE REPORT

The purpose of this report is to provide the Council with the 2025-2026 Audited Financial Statements as well as a comparison of the Council's Audited Financial Result to the 2025-2026 Adopted Original Budget and the 2025-2026 Audit Completion Report prepared by the Council's Auditors.

BACKGROUND

As required by Section 127 of the *Local Government Act 1999* (the Act), the Council must prepare Annual Financial Statements in accordance with the *Local Government (Financial Management) Regulations 2026* (the Regulations).

Regulation 10 of the Regulations requires the Council to prepare and consider a report, no later than 31 December in each year, showing the Audited Financial results for the previous financial year, compared with the Estimated Financial results set out in the Budget, presented in a manner consistent with the Model Financial Statements.

Pursuant to Section 126(4)(a) of the Act, the Council's Audit & Risk Committee (the Committee), is required to review the Council's Annual Financial Statements to ensure that the Statements present fairly the state of affairs of the Council.

To this end, the Committee considered the Council's Audited Annual Financial Statements at its Meeting held on 19 October 2026 and following consideration of the staff report and the Statements, the Committee recommended that the Audited Annual Financial Statements for the year ended 30 June 2026, be adopted by the Council.

The Council's 2025-2026 Financial Statements comparing the actual result to the 2025-2026 Adopted Original Budget are contained in **Attachment A**.

The Council's 2025-2026 Audited Financial Statements are contained in **Attachment B**.

The 2025-2026 Audit Completion Report prepared by the Council's Auditors, Galpins, is contained within **Attachment C**.

STRATEGIC DIRECTIONS

The financial information contained in this report is based on the 2025-2026 Annual Financial Statements, the 2025-2026 Adopted Budget and the various policies adopted by the Council, as these impact on the Councils financial performance (e.g. Rating Policy).

FINANCIAL AND BUDGET IMPLICATIONS

The 2025-2026 financial results reflect a stronger operating position, with income growth outpacing increases in expenditure and delivering an Operating Surplus of $1.15 million (1.8% of income).

This improvement was supported by increased Grant income, higher statutory income and other sundry income, offset by higher cost on materials, contactors and depreciation. Significant investment of $45.46 million (excluding grants received specifically for new or upgraded assets) in capital projects was undertaken, with a strong focus on new infrastructure, while some renewal works were deferred to align with project delivery timeframes.

Key financial indicators highlight a positive operating performance, though net financial liabilities increased due to new required and approved borrowings and the Asset Renewal Funding Ratio increased above the target, reflecting timing adjustments in expenditure on renewals.

Overall, the Council remains in a sound financial position, while continuing to balance operational needs, service delivery, and investment in community infrastructure.

Compared with the Adopted Budget Operating Surplus of $754,356, the Council's 2025-2026 financial results report a significantly higher Operating Surplus of $1.15 million. The variance was predominantly driven by higher quarterly revenue through the Federal Governments Financial Assistance Grants when compared with previous years. This was due to a reduced Financial Assistance Grant advancement, with 50% of the total 2025-2026 grant received in June 2025, compared with approximately 85% received in advance in prior years.

Details of the main drivers behind the variances between the 2025-2026 Actual Results and Operating Surplus forecasted in the Adopted Original Budget, are contained in the Discussion Section of this report.

After capital items, the Council is reporting a Total Comprehensive Income of $29.455 million against an Adopted Net Surplus of $23.591 million, with the favourable variance being driven by the revaluation of Infrastructure, Property, Plant & Equipment.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

Elected Members

Elected Members have received regular reports on the Councils financial performance throughout the year.

A report on the Annual Financial Statements and Audit Report, was presented and considered by the Council's Audit & Risk Committee on 19 October 2026.

Mayor Bria and Cr Piggott are Members of the Council's Audit & Risk Committee.

Community

Not Applicable.

Staff

Responsible Officers, General Managers and Council's External Auditors.

Other Agencies

Not Applicable.

DISCUSSION

The 2025-2026 Annual Financial Statements have been finalised, providing the Council with a comprehensive assessment of its financial performance for the year. This report not only compares actual results against the Adopted Original Budget and identifies year-on-year (YoY) variances, but also highlights key achievements, explains material variances, and assesses the implications for Council's financial sustainability. The analysis offers valuable insights into how effectively the Council has managed its resources, balanced operational and capital priorities, and positioned itself to meet future service delivery and infrastructure needs.

FINANCIAL PERFORMANCE 2025-2026 vs ORIGINAL ADOPTED BUDGET 2025-2026

The 2025-2026 Actual Results are compared to the Original Adopted Budget, as presented in Table 1, and further detailed in **Attachment A**.

TABLE 1: FINANCIAL PERFORMANCE 2025-2026 vs ORIGINAL ADOPTED BUDGET

	Budget 25/26	Actuals 25/26	B vs A variance	B vs A variance
	$'000	$'000	$'000	%
Income				
Rates	51,135	51,326	**191**	0%
Statutory Charges	2,239	2,760	**521**	23%
User Charges	4,370	4,118	**(252)**	-6%
Grants, Subsidies & Contributions - Operating	2,654	3,903	**1,249**	47%
Grants, Subsidies & Contributions - Capital	1,051	649	**(402)**	-38%
Investment Income	55	11	**(44)**	-80%
Other Income	522	949	**427**	82%
Net Gain Joint Ventures & Associates	-	90	**90**	0%
Total Income	**62,026**	**63,806**	**1,780**	**3%**
Expenses				
Employee costs	20,340	19,717	**623**	3%
Materials, contracts & other expenses	23,594	24,995	**(1,401)**	- 6%
Depreciation, amortisation & impairment	13,697	14,580	**(883)**	- 6%
Finance costs	3,378	3,114	**264**	8%
Net loss Joint Ventures & Associates	263	253	**9**	4%
Total Expenses	**61,272**	**62,659**	**(1,387)**	**- 2%**
Operating Surplus/(Deficit)	**755**	**1,147**	**(393)**	**-52%**
Capital Expenditure renewals	12,887	14,871	**(1,984)**	-15%
Capital Expenditure new	13,080	30,587	**(17,507)**	-134%
Indicators				
Operating Surplus/(Deficit)	1.2%	1.8%	**1%**	
Net Financial Liabilities	147.7%	119.1%	**-29%**	
Assets Renewal Funding	96.2%	110.9%	**15%**	

STATEMENT OF COMPREHENSIVE INCOME

Operating Income & Expenses

The Council delivered an Operating Surplus of $1.15 million, compared to the Adopted Budget, with forecasted Operating Surplus of $754,052, which resulted in a favourable variance of $393,107. The major variances (over 5%) from the Adopted Operating Surplus are outlined in Table 2 below.

TABLE 2: MAJOR VARIANCES FROM ADOPTED OPERATING SURPLUS

INCOME	Reasons for the Variance	Amount ($)
Statutory Charges	Statutory Charges were favourable to the Adopted Budget mainly due to higher income derived from Development Assessment fees and Hoarding licences. This is a result of an increase in both the number Development Applications that have been lodged and approval of more hoarding licences for major development projects in the City.	520,770
User Charges	User Charges were below the Adopted Budget, primarily due to lower than anticipated childcare fee revenue from the St Peters Childcare & Preschool. This variance was mainly due to the temporary closure of the centre for 14 days in March 2026, together with lower overall enrolment levels throughout the year.	(252,274)
Grants, subsidies & contributions - Operating	Grant funding received was favourable to the Adopted Budget due to unbudgeted funding received under the 2025-2026 Special Local Roads Program and Supplementary Local Roads Grants. In addition, the advance payment of the *Financials Assistance Grant for 2025-2026 by the Commonwealth Government* received in June 2025 was lower than previous years (50% of the Total 2025-2026 Grant allocation as opposed to 85% previously), which resulted for the higher balance received in quarterly payments during 2025-2026.	1,249,447
Grants, subsidies & contributions - Capital	The timing and instalments amount for the *Roads to Recovery Grant* have been revised, resulting in changes to the scheduled grant payments. Total amount for Five (5) year grant commitment remains unchanged, payment schedule will be updated in 2026-2027 Budget Reviews once information is confirmed.	(402,253)
Investment Income	Investment Income was unfavourable to the Adopted Budget driven primarily by lower interests earned on Councils deposits with the Local Government Finance Authority (LGFA). To minimise interest costs, surplus cash balances are applied against the Cash Advance Debenture (CAD) Loan, reducing the outstanding loan balance and associated interest expenses.	(43,951)

Other Income	Other Income was favourable to the Adopted Budget driven primarily by: • Local Government Association of South Australia Workers Compensation scheme special distribution payment received • The receipt of Local Government Finance Authority's annual bonus payments calculated in relation to the average deposit and loan levels held during the financial year, • Other unbudgeted sundry income such as Tree fund income and an increased number of skip bin hoarding permits. Reimbursements were favourable to the Adopted Budget driven primarily by: • Insurance re-imbursements for claims made during the year, which was offset by expenditure to replace or repair items subject to the insurance claim.	427,260
EXPENSES		
Employee Costs	Employee costs were favourable compared to the Adopted budget due to vacancies throughout the year, resulting in cost savings from unfilled positions and lower overall employee expenditure than anticipated.	622,957
Materials, contracts & other expenses	Materials, contracts & other expenses were unfavourable against the Adopted Budget primarily due to: • Contractor costs have increased due to the use of contractors to fill critical roles vacancies, resulting in higher hourly rates compared with directly employed staff. • In addition, contracted services being unfavourable due to an overspend in Infrastructure maintenance in Street Trees contracted services due to higher demand in Trees pruning, planting and removal. Some maintenance during the year was outsourced to contractors. Moreover, contract renewals for Street Seeping and Waste resulted in higher costs than budgeted towards the end of the year. • Utilities being unfavourable due to higher than forecasted renewable energy expenses throughout the year and timing of the water charges for grass maintenance in May and June 2025 that was invoiced to the Council in July 2025 at the higher cost than expected. • Legal fees being unfavourable due to compliance and regulatory matters that required legal advice during the year. • Unplanned maintenance costs being unfavourable mainly in relation to repair and maintenance on Council owned buildings. • Above overspent has been offset by unspent cost on Operational Project that were deferred to the next Financial Years as carry forwards.	(1,401,343)
Depreciation, amortisation & impairment	Depreciation expense was greater than anticipated mainly due to the net impact on Depreciation arising from asset revaluation and unit cost update for the civil infrastructure asset class (i.e. roads, kerbs, footpaths) in 2024–2025, partially offset by the deferred whole asset capitalisation of the Trinity Valley Upgrade works.	(882,650)

Finance Costs	Finance costs were favourable to the Adopted Budget primarily due to a lower-than-expected level of borrowings. This was mainly attributed to the timing of the carry forwards for the Trinity Valley Stormwater Upgrade Project and the rephasing of the Payneham Memorial Swimming Centre contract payment plan.	264,370

Capital Expenditure

When compared to the Adopted Original Budget (excluding Carry Forwards/Works-in-Progress), there is an increased expenditure of $19.491m on Capital Projects for both New Capital and Renewal. This is a result of Carry Forwards/Works-in-Progress from 2024-2025 that were completed throughout the 2025-2026 Financial Year.

Statement of Finance Position (Balance Sheet)

The Net Assets of the Council at 30 June 2026 is $725 million, against an Adopted Budget of $668 million, a favourable variance of $57 million.

Major reasons for the variance in the Net Assets include:

Assets

Current Assets were favourable compared to the Adopted Budget by $2.261 million. This was predominantly due to the favourable variance in Trade & other receivables as a result of the issuance of invoices in June 2026.

Non-Current Assets were favourable compared to the Adopted Budget by $41.348 million. This was mainly due to Other Non-current assets which represent Capital Works-in-Progress as of 30 June 2026 (amount to $59.359 million). This variance was mainly as a result of the completion date revision for the Payneham Memorial Swimming Pool and part of the Trinity Valley Drainage upgrade works that are yet to be capitalised.

Liabilities

Current Liabilities were favourable by $7.712 million primarily due to lower Trade & Other Payables, reflecting the prior-year inclusion of higher-than-usual accruals for the Payneham Memorial Swimming Centre Redevelopment Project instalments and the TV grant received in advance, which were recognised in 2025-26 as the projects progressed. The favourable variance also reflects a reduction in current borrowings.

Non-Current Liabilities were favourable compared to the Adopted Budget by $5.439 million. This was mainly due to the long-term borrowings planned to be drawn down as part of the Adopted Budget which were not required as of 30 June 2026, due to revision of the delivery timeline for the Payneham Memorial Swimming Centre Redevelopment Project and the Trinity Valley Stormwater Drainage Upgrade Project.

Budgeted borrowings were based on the assumptions that all New and Renewal Capital projects included in 2025-2026 Adopted original budget would be delivered during the 2025-2026 Financial Year. While new additional loans are approved each year as required by the Council, drawdown of the loan facility occurs on an ‘as needed’ basis. As at, 30 June 2026, changes in the delivery timelines for Major Capital Projects or phasing/sequencing (mainly with the Payneham Memorial Swimming Centre Redevelopment Project, the Trinity Valley Stormwater Drainage Upgrade Project and the George Street Streetscape Upgrade Project), resulted in borrowings to be at approximately 90% of the total approved Loan Budget for the 2025-2026 Financial year.

Statement of Cash Flow

For the 2025-2026 Financial year, the Council is reporting a net cash and cash equivalents of $970,000.

The Council generated $10.983 million from operating activities after operating expenses, with the funds used towards the Councils Capital Infrastructure Works Program and the Asset Replacement Program.
Proceeds from borrowings of $32.54 million less principal repayments on Council's borrowings of $1.211 million was used to fund New Major Capital projects.

Financial Performance 2025-2026 vs Financial Performance 2024-2025

In the 2025-2026 Financial year, the Council recorded total income of $63.806 million, an increase of $4.657 million (8%) compared to previous 2024-2025 Financial year. The growth was driven by higher rates rate income ($3.98 million, 8%), an increase in grant funding ($0.44 million), and growth in non-rate income ($0.23 million).

Total expenses increased by $5.81 million (10%), mainly due to higher employee costs ($2.23 million, 13%) with variance driven by Wage increase in line with the Enterprise Bargaining Agreements as well as the impact of vacancies being filled, increased materials, contracts and other expenses ($1.82 million, 8%). Higher finance costs ($1.56 million) resulting from expected new borrowings during 2025-2026 in line with the progression of Major Capital projects. This resulted in an Operating Surplus of $1.15 million (1.8% of income), compared with a $2.3 million surplus in 2025-2026. The reason for the higher Operating Surplus in 2024-2025, was predominantly due to the delay in advancement of 85% of the Federal Governments 2024-2025 Financial Assistance Grant which was due to be received on 28 June 2024. The Grant totalling $1.267 million was received by the Council on 1 July 2024 and therefore, recognised in the financial year 2024-2025.

The impact of Asset revaluations undertake during the 2025-2026 financial year are detailed below in Table 4.

TABLE 4: IMPACT OF ASSET REVALUATION

Asset Class	Revaluation Increase/(Decrease) $million	Comments
Land	7.734	Represents a 3.0% increase in Fair Value based on the Latest available Local Government Price Index as at 30 June 2026.
Buildings and Other Structures	1.972	Represents a 3.0% increase in Fair Value based on the Latest available Local Government Price Index as at 30 June 2026.
Open space Assets	0.862	Represents a 3.7% increase in Fair Value based on the unit price assessment undertaken by Tonkin Consulting.
Road Infrastructure	6.874	Represents a 4.8% increase in Fair Value based on the unit price assessment undertaken by Tonkin Consulting.
Kerbing	1.627	Represents a 2.6% increase in Fair Value based on the unit price assessment undertaken by Tonkin Consulting.
Footpaths	1.681	Represents a 4.1% increase in Fair Value based on the unit price assessment undertaken by Tonkin Consulting.
Linear Park	0.082	Represents an 4.6% increase in Fair Value based on the unit price assessment undertaken by Tonkin Consulting.
Storm-water Drainage	3.817	Represents a 4.6% increase in Fair Value, based on the unit price assessment undertaken by Tonkin Consulting.
Off- Roads Carparks	0.122	Represents a 4.6% increase in Fair Value, based on the unit price assessment undertaken by Tonkin Consulting.
Traffic Control Assets	0.256	Represents a 4.5% increase in Fair Value, based on the unit price assessment undertaken by Tonkin Consulting.
Footbridge	0.137	Represents a 4.6% increase in Fair Value, based on the unit price assessment undertaken by Tonkin Consulting.
Total	**25.134**	

Financial Ratios

Key financial indicators shows stable operating performance (1.8% for 2025-2026), while net financial liabilities increased to 119.1% reflecting new borrowings in 2025-2026 Financial year towards Payneham Memorial Swimming Centre Construction project, and the asset renewal funding ratio increased from 83% in 2024-2025 to 110.9% in 2025-2026, primarily due to adjustments in the timing of certain renewal works, which were rescheduled to align with the delivery timeframe of another project in the same area.

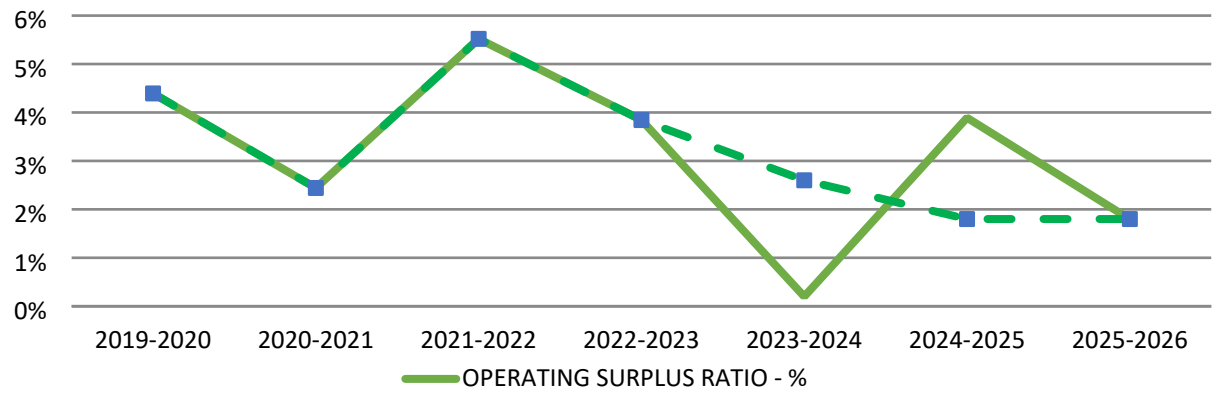
Financial indicators represented by the following three (3) Financial Ratios:

- Operating Surplus Ratio (refer to Figure 1);
- Net Financial Liabilities Ratio (refer to Figure 2); and
- Asset Renewable Funding Ratio (refer to Figure 3).

TABLE 5: INDICATORS

	2024-2025	2025-2026
Operating Surplus Ratio	3.9%	1.8%
Net Financial Liability Ratio	87%	119%
Asset Renewal Funding ratio	83%	111%

FIGURE 1: OPERATING SURPLUS RATIO

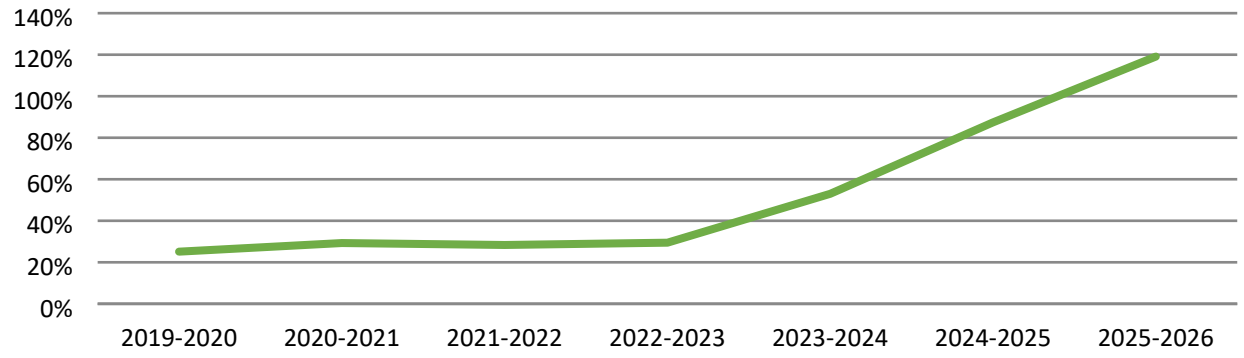


The Long-Term Financial Plan 2024-2034 Target: between 0% and 10%

The Operating Surplus Ratio expresses the Council's Operating Surplus/ (Deficit) as a percentage of Operating Revenue.

The dotted line represents the adjusted Operating Surplus, excluding the impact of the delayed receipt of the *Financial Assistance Grant*. Members may recall that, in 2023-2024, the advance payment of the *2024-2025 Financial Assistance Grant*, which would ordinarily have been received in June 2024, was delayed by the State Government. The adjusted result illustrates the Operating Surplus that would have been achieved had the grant been received as anticipated.

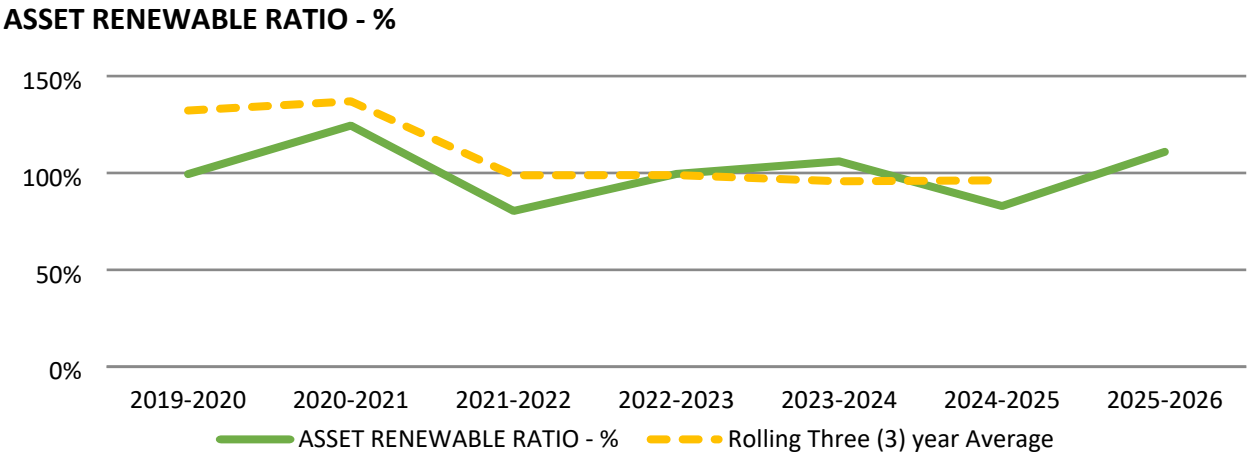
FIGURE 2: NET FINANCIAL LIABILITIES RATIO



The Long-Term Financial Plan 2024-2034 Target: less than or equal to 100%

The Net Financial Liabilities Ratio measures the extent to which the net amount owed by the Council is met by its Operating Revenue. Net Financial Liabilities are represented by Total Liabilities less Current Assets.

FIGURE 3: ASSET RENEWAL FUNDING RATIO



The Long-Term Financial Plan 2024-2034 Target: between 90% and 110% on a 3 year rolling average.

The Asset Renewal Funding Ratio measures whether the Council is renewing or replacing existing physical assets (roads, footpaths, buildings etc.), at the same rate the stock of assets is "wearing out." Asset Renewal Funding Ratio, is measured against the extent of the renewal expenditure incurred, compared to the planned renewal expenditure, as set out in the Council Asset Management Plans.

The Council's Long Term Financial Plan 2024-2034 has set a target of between 90% and 110%, on a three (3) year rolling average. In some instances, the Council may be required to accelerate or decelerate the renewal or replacement of its existing asset base.

2025-2026 Audit Completion Report

The Council's External Auditors, Galpins Trading Pty Ltd, have completed the statutory audit of the Council for the 2025-2026 Financial Year and have issued an unqualified Audit Report on the Annual Financial Statements for the financial year ended 30 June 2026. A copy of the Audit Opinion is contained in **Attachment C**.

In the Auditors opinion, the financial report prepared by the Council presents fairly, in all material respects, the Council's financial position as at 30 June 2026 and its financial performance for the year ended 30 June 2026 in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

The report identified one Low Risk finding relating to eighteen (18) employees with annual leave balances in excess of 300 hours (approximately 2 years of entitlement) and recommended that strategies be implemented to systematically reduce these leave balances and prevent employees from accumulating excessive balances.

OPTIONS

There are no options associated with this issue.

CONCLUSION

The Council concluded the financial year with an Operating Surplus of $1.15 million (2024-2025: $2.301 million).

After Capital Items, which includes the impact of assets revaluations and grant funding specifically for asset upgrades or renewals and asset disposals, the Council is reporting a Total Comprehensive Income of $29.455 million (2024-2025: $66.955 million).

The Council's Auditor, Galpins, have completed the audit of the Council's Financial Statements and have advised that they will sign an unqualified Independent Auditors' Reports in the form prescribed, upon the Presiding Member of the Audit Committee signing the "Council Certificate of Audit Independence".

There were no significant issues raised during the audit of this year's Financial Statements which would prevent the Audit Committee recommending to the Council to adopt the 2025-2026 Financial Statements.

RECOMMENDATION

1. *That the comparative analysis of the audited Annual Financial Statements and original adopted 2025-2026 budget as contained in **Attachment A**, be received and noted.*

2. *That the Annual Financial Statements for the year ended 30 June 2026, as contained in **Attachment B**, be adopted.*

3. *That the Auditor's Report provided by the Council's Auditors, Galpins Trading Pty Ltd to the Council, regarding to the 2025-2026 Audit Completion Report, as contained in **Attachment C**, be received and noted.*

Cr Sims left the meeting at 8.11pm.
Cr Sims returned to the meeting at 8.12pm.

Cr Callisto moved:

1. *That the comparative analysis of the audited Annual Financial Statements and original adopted 2025-2026 budget as contained in **Attachment A**, be received and noted.*

2. *That the Annual Financial Statements for the year ended 30 June 2026, as contained in **Attachment B**, be adopted.*

3. *That the Auditor's Report provided by the Council's Auditors, Galpins Trading Pty Ltd to the Council, regarding to the 2025-2026 Audit Completion Report, as contained in **Attachment C**, be received and noted.*

Seconded by Cr Knoblauch and carried unanimously.

13.3 THE PAYNEHAM MEMORIAL SWIMMING CENTRE REDEVELOPMENT PROJECT - LOCAL GOVERNMENT FINANCE AUTHORITY PROGRESS REPORT

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 the latest update that has been provided to the Local Government Finance Authority (LGFA) regarding the Payneham Memorial Swimming Centre Redevelopment Project.

BACKGROUND

As Elected Members are aware, the Council has entered into a Loan Arrangement with the Local Government Finance Authority (LGFA) for the Payneham Memorial Swimming Centre Project.

As part of the Special Conditions of the loan, the Council is required to provide the LGFA with information regarding the status of the Project.

On 1 October 2026, the Payneham Memorial Swimming Centre Redevelopment Project Progress Report (the Project Progress Report), was forwarded to the LGFA, in accordance with the Special Conditions of the loan.

A copy of the Progress Report is contained in **Attachment A**.

Following this, on 12 October 2026, the Chief Executive Officer of the LGFA acknowledged receipt of the Council's letter and confirmed that the Special Condition set out in Section 2.2.1 of *Annexure A to Convertible Cash Advance Debenture No. 5 – Special Conditions* dated 1 November 2024 and *Annexure A to Convertible Cash Advance Debenture No. 30 – Special Conditions* dated 8 May 2026 had been satisfied.

A copy of the LGFA's response is contained in **Attachment B**.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

Elected Members

Not Applicable.

Community

Not Applicable.

Staff

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

In accordance with the Special Conditions that have been imposed by the Local Government Finance Authority (LGFA) on the loan approval for this Project, the Council is required to provide the LGFA with information on the status of the Project.

The update that has been provided to the LGFA is the period ending 30 September 2026.

As stated in the Progress Report which has been provided to the LGFA, the Payneham Memorial Swimming Centre Redevelopment Project reached Practical Completion on Monday, 24 August 2026. The Project is now in its final stage, with financial billing and minor defect works being finalised.

It is expected that the Project will be completed within the Council-endorsed construction budget of $63.9 million. The final instalment of the State Government Grant is expected to be received following the finalisation of the Project charges. Funding milestones have been met, with grant income and expenditure remaining aligned with expectations. Overall, the Project remains on track for finalisation, with the remaining activities focused on closing out financial matters, minor defects and the final Grant requirements.

A copy of the *Payneham Memorial Swimming Centre Redevelopment Project Progress Report* that has been provided to the LGFA South Australia, is contained in **Attachment A**.

Subsequently, on 12 October 2026, the Chief Executive Officer of the LGFA acknowledged receipt of the Council's letter and confirmed that the Special Condition outlined below had been satisfied:

2.2 The Corporation must provide to LGFA:

2.2.1 on a quarterly basis aligned with the Council's budget review cycle reporting that shows the PMSC Redevelopment budget versus actual and lists any material approved variations with the report signed by the NPSP CEO.

All other Terms and Conditions, including Special Conditions, contained within *Debenture No. 5 and Debenture No. 30* remain in full force and effect. The LGFA acknowledges the actions taken by the council to ensure it remains within the approved debt limit of $110 million and appreciates the Council's continued commitment to meeting the agreed Special Conditions.

A copy of LGFA South Australia Chief Executive Officer's response letter to the Council on the *Payneham Memorial Swimming Centre Redevelopment Project Progress Report* is contained in **Attachment B**.

OPTIONS

Not applicable.

RECOMMENDATION

That the report be received and noted.

Cr Piggot declared a General Conflict of Interest in this matter, as he is a Member of the Board of the Local Government Finance Authority. Cr Piggott advised that he would remain in the meeting and take part in the discussion and voting regarding this item.

Cr Sims moved:

That the report be received and noted.

Seconded by Cr Callisto and carried unanimously.

Cr Piggott voted in favour of the motion.

13.4 REGIONAL SUBSIDIARIES - AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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

PURPOSE OF THE REPORT

The purpose of this report is to present the 2025-2026 Audited Financial Statements of the Regional Subsidiaries of which the Council is a Member.

BACKGROUND

Clause 28 of Schedule 2 of the *Local Government Act 1999* (the Act), prescribes that a Regional Subsidiary must provide a report to each Constituent Council for the preceding financial year which incorporates the Subsidiaries Audited Financial Statements. This report must be incorporated into the Annual Report of each constituent Council.

The Audited Financial Statements of each of the Regional Subsidiaries of which the Council is a Constituent Member, have been prepared in accordance with the *Local Government (Financial Management) Regulations 2026.*

Regulation 24(4) of the Local Government (*Financial Management*) Regulations 2026, requires that the Chief Executive Officer of a Council, must ensure that the Audited Financial Statements of a Subsidiary are laid before the Council as soon as is reasonably practicable following receipt of the audited Financial Statements by the Chief Executive Officer.

As such, the following Audited Financial Statements are attached to this report as follows:

- Eastern Health Authority Inc. as contained in **Attachment A**;
- Eastern Waste Management Authority Inc as contained in **Attachment B**;
- ERA Water as contained in **Attachment C**; and
- Highbury Landfill Authority Inc. as contained in **Attachment D**.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The financial performance of the Regional Subsidiaries of which this Council is a Member, are accounted for in the Council's Annual Financial Statements.

The Council has included in its reported Operating Surplus, based on the respective ownership shares as detailed in Table 1, a Net Loss associated with its Regional Subsidiaries of $163,095 (2024-2025: $12,874 Net Income).

RISK MANAGEMENT

Not Applicable.

CONSULTATION

Elected Members

- Cr Piggott is a Board Member of East Waste Management Authority, ERA Water.
- Cr Granozio is a Board Members of the Eastern Health Authority Board of Management.
- Cr Moorhouse is a Board Member of the Eastern Health Authority Board of Management.

Community

Not Applicable.

Staff

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

Table 1 below sets out the Net Surplus (Deficit) of the respective Regional Subsidiaries for the year ended 30 June 2026, together with the Council's share of the Operating Result which has been accounted for in the Council's 2025-2026 Audited Financial Statements.

TABLE 1: REGIONAL SUBSIDIARY NET SURPLUS/ (DEFICIT)

Regional Subsidiary	Net Surplus/ (Deficit)	Council's Share of Net Surplus / (Deficit)	
	$	Percentage	$
Eastern Health Authority	297,680	30.34%	90,305
Eastern Waste Management Authority	(248,000)	12.50%	(31,000)
ERA Water	(560,228)	33.33%	(186,743)
Highbury Landfill Authority	(88,355)	40.36%	(35,657)

Important points to highlight resulting from the 2025-2026 Financial year are,

- Eastern Health Authority

  The Eastern Health Authority Inc. reported an Operating Surplus of $297,680 in 2025-2026 ($199,496 in 2024-2025). The Authority reported higher Council contributions, higher user charges due to an increase in worksite vaccinations and higher investment income as a result of an increase in the Authority's cash deposits. This increase in income was partially offset by an increase in employment costs due to staff vacancies filled during the year and increase in IT licences and support costs.

  EHA does not currently have borrowing facilities to access cash. Cash and cash equivalents are the sole means for managing finances. The Authority's cash and cash equivalents is sufficient to maintain the current level of expenditure.

  As a result of the audit, the Building and Motor Vehicle lease modification calculation was prepared to reflect changes to the lease arrangement and Employee provision balances and their classification withing the financial statements were accurately stated.

• Eastern Waste Management Authority	The Operating Income Statement shows a year end Net Deficit of $248,000 ($274,000 in 2024-2025) which is primarily attributed to higher Materials, contracts and other expenses due to fleet Maintenance expenses as a result of breakdowns and urgent repairs to heavy fleet, higher software and licencing costs, education expenditure, registration and insurance costs and expenditure on consultants. The cash balance at the end of the 2026 financial year period, shows a net increase of approximately $1.0 million compared with the 2025 financial year closing balance, with Cash and Cash Equivalents increasing from $1.72 million at 30 June 2025 to $2.70 million at 30 June 2026. The improved cash position was also supported by a reduction in Trade and Other Receivables from $1.82 million at 30 June 2025 to $1.20 million at 30 June 2026, reflecting improved debtor management and cash collection outcomes during the year.
• ERA Water	ERA Water reported a Net Deficit of $560,228 for the 2025-2026 financial year (Net Deficit 2024-2025 $585,102). This was predominantly due to amounts received specially for new or upgraded assets ($147,803) which was partially offset by a decrease in user charges. During 2025-2026 irrigation season, South Australia experienced significant rain events in late spring and early summer (November and December) and again in late summer and early autumn (February and March), which impacted the need for irrigation. The relatively humid conditions during much of the irrigation season and heavy dew late in the season were also identified as reasons for less water being used. Interruptions to supply and onsite irrigation problems further impacted on consumption.
• Highbury Landfill Authority Inc.	The Highbury Landfill Authority Inc. reported an Operating Deficit of $88,355 in financial year 2025-2026, compared to an Operating Surplus of $296,607 in 2024-2025 which was primarily due to reduced Provisions released to the Proft & Loss Statement as a result of re-measurement adjustment provisions. The Authority has an ongoing obligation to manage the post-closure phase of the former Highbury landfill in accordance with the South Australian Environment Protection Authority (SA EPA) Guidelines and approved Closure Plan. The minimum post-closure period is 25 years that commenced on 1 July 2009. A provision for the Highbury Landfill has been accrued. A Net Present Value (NPV) calculation has been made by estimating cashflows to manage the Highbury site as set out in the SA EPA guidelines. The cash outflows have been escalated at an inflation forecast of 3.8% per annum (2.1% in 2024-2025) and the discount rate used is equivalent to the 10-year Commonwealth Bond indicative rates as at 30 June 2026. This NPV calculation has been incorporated into the provision and represents the Authority's best estimate of its future liability to manage the Highbury Landfill post-closure phase.

OPTIONS

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

CONCLUSION

The financial performance of the Regional Subsidiaries of which this Council is a Member, is accounted for in the Council's Annual Financial Statements.

The Council has included in its reported Operating Surplus, based on the respective ownership shares as detailed in Table 1, a net loss associated with its Regional Subsidiaries of $163,095 (2024-2025: $12,874 net income).

RECOMMENDATION

That the report be received and noted.

Cr Moorhouse left the meeting at 8.27pm.
Cr McFarlane left the meeting at 8.27pm.

Cr Sims moved:

That the report be received and noted.

Seconded by Cr Knoblauch and carried unanimously.

Cr Moorhouse returned to the meeting at 8.29pm.
Cr McFarlane returned to the meeting at 8.29pm.

13.5 2026-2027 ANNUAL BUSINESS PLAN - INFRASTRUCTURE MANAGEMENT AND GOVERNANCE, COMMUNICATIONS & ADMINISTRATION

APPROVED BY: Chief Executive Officer
ATTACHMENTS: Nil

PURPOSE OF THE REPORT

The purpose of this report is to provide information to the Council on the expenditure that is included within the Infrastructure Management and Governance, Communications & Administration categories of the 2026-2027 Annual Business Plan.

BACKGROUND

As Elected Members will recall, at its meeting on 7 July 2026, the Council adopted the 2026-2027 Annual Business Plan (ABP), following consideration of the Council's service priorities, operating requirements, capital works program, available funding and long-term financial sustainability. As with all ABPs and Budgets that are prepared by Councils, this Council's ABP sets out expenditure across a number of broad range of service and organisational categories, including Infrastructure Management and Governance, Communications & Administration.

These categories encompass a wide range of activities and functions that support both the direct delivery of Council services that are provided by the Council and the organisation's statutory and corporate responsibilities.

As Elected members will recall, at its meeting held on 1 September 2026, in response to a Motion on Notice, the Council resolved the following:

"That prior to the end of January 2027, administration present a Workshop and a subsequent Report to Council providing detail of the expenditure within the following categories:

1. *Infrastructure Management, listed as $39.64 of every $100 paid in rates in the 2026-2027 Annual Business Plan; and*
2. *Governance, Communications & Administration, listed as $15.29 of every $100 in rates in the 2026-2027 Annual Business Plan."*

In response to this resolution, an Elected Members Information Briefing Session was held on Tuesday 13 October 2026.

This report provides information on the composition of the two categories, the nature of the services that are contained within these categories of expenditure and the distinction between gross expenditure and the net cost funded that is through rate revenue.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

Elected Members

Not Applicable.

Community

Not Applicable.

Staff

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

As with all ABP's, this Council's ABP identifies the key activities and functions incorporated within these categories. The two categories of Infrastructure Management and Governance, Communications & Administration, comprise a broad range of activities and functions and represent a significant proportion of the organisation's overall operating functions. The functions are not discrete expenditure programs and include, among other functions, asset management, roads and traffic management, public lighting, stormwater, building and civil maintenance, Finance and Rates, Human Resources, Information Technology, Customer Services, Records Management, Corporate Governance, Council and Elected Members, Communications and the Chief Executive's Office.

It is also important to note that the $54.93 per $100 of expenditure is not gross expenditure. It represents the proportion of rates required to fund the net cost of these functions after taking into account associated income and other funding sources. The figures are therefore net rates funding attributed to the functions, rather than being directly spent as cash expenditure.

The expenditure and associated income funding requirements within the two categories are summarised below:

Infrastructure Management - listed as $39.64 of every $100 paid in rates in the 2026-2027 Annual Business Plan.

FUNCTION	$m
Asset Management (Response team)	$0.42
Footpath, Kerb & Watertable	$0.68
Infrastructure Management	$0.54
Grants Commission grant	-$1.39
Public Lighting (ie street lighting)	$0.73
Road & Traffic Management	$0.90
Stormwater Drainage Network	$0.24
Streetscape Maintenance	$0.03
Asset Maintenace (incl. Buildings and Civil)	$2.83
Depreciation (funding Capital Renewal Infrastructure maintenance)	$16.65

Infrastructure Management expenditure of $21.65 million comprises the costs associated with both the day-to-day delivery of services and programs and the maintenance and renewal of the City's infrastructure asset base. Of this amount, 30.1% ($6.5 million) relates to the direct costs of service delivery and asset maintenance, comprising 43.6% labour costs and 56.4% materials and contractors and includes traffic management-related operational projects. Depreciation represents the largest individual component at 76.3% ($16.65 million).

While depreciation is a non-cash accounting expense, the rate revenue that is collected to fund the annual cost of asset "consumption" contributes to the Council's capacity to undertake its asset renewal program. Accordingly, depreciation is relevant to understanding the full annual cost of consuming, maintaining, and renewing the City's infrastructure assets. Grant income of $1.4 million, representing 6.4% of Infrastructure Management, offsets the gross expenditure and reduces the net cost that is ultimately funded through rate revenue.

Understanding the Major Cost Drivers

Depreciation - $16.65m
- Provides an accounting measure of the cost of using assets to deliver services.
- Links the operating budget to the Council's long-term asset renewal requirements as per the Councils endorsed Asset Management Plans for the respective asset classes.

Asset maintenance - $2.83m
- Maintenance of buildings, civil assets and Depot.
- Includes costs of internal resources and materials and external contractors,
- Supports the ongoing condition and functionality of the City's infrastructure.

Grant income - ($1.39m)
- Reduces the net cost of the Infrastructure Management function that is funded from rates revenue. Represented by Roads-to-Recovery, Special Local Roads funding and Supplementary Local Roads grants.

Road & Traffic Management - $0.9m
- Includes the cost of internal resources, materials and external contractors.
- Operational Projects approved by the Council (for e.g. On Street Parking Policy, 40km signs, 9th Avenue Christmas Lights Traffic Monitoring)

Governance, Communications & Administration - listed as $15.29 of every $100 paid in rates in the 2026-2027 Annual Business Plan.

FUNCTION	$m
Chief Executives Office & Administration	$0.99
Strategic Communications & Advocacy	$0.18
Corporate Expenses (Insurances, Fleet, etc.)	$0.24
Financial Assistance Grants	-$0.79
Citizen Services Operations	$0.51
Corporate Records Management Operations	$0.34
Local Government Election	$0.30
Corporate Governance (incl. Legal expenses)	$0.94
Council / Elected members	$0.42
Finance, Procurement & Rates Management	$1.11
HR & Employee Services (Work Health Safety, Training, Recruitment, Organisational improvement, etc.)	$1.32
Information Technology	$1.70
IT Strategy Implementation	$0.88
Subsidiaries - Joint ventures and Associates	$0.19

This category covers a broad range of corporate and organisation-wide services and functions, many of which support the delivery of all Council services rather than a single service area. Of the total cost, 88.4% ($7.3 million) relates to IT, Human Resources, Finance, Governance and other organisational-wide services that enable the Council to meet its operational and statutory responsibilities. Financial Assistance Grants of $0.8 million (representing 9.5% of the category), is recognised as income and therefore offsets the gross expenditure and reduces the net cost ultimately funded through rates.

Understanding the Major Cost Drivers

Information Technology and IT Strategy ($2.6m)
- Includes costs of IT Resources and Information Technology Infrastructure.
- IT Strategy Implementation as approved by the Council ($0.9m).

Finance & Rates Management ($1.1m)
- Includes costs of Finance operations and Rates Resources.
- Finance External Audit costs.
- Procurement services.

HR & Employee Services ($1.3m)
- Corporate Training and Organisational Development.
- Work Health & Safety.
- Recruitment and Employment Costs.
- Organisational Improvement & Transformation.
- Human Resources operations.

Corporate Governance and Legal ($1.4m)
- Includes costs of Elected Members (i.e. Allowances, training, etc)
- Includes costs of internal Resources
- Civic expenses.
- Legal costs.
- Service reviews and Internal Audits expenses.

Chief Executive's Office & Administration ($1m)
- Includes costs of internal Resources in Chief Executives Office and administration.
- Eastern Region Alliance and associated contributions.
- Cost of Local Government Subscriptions.

These functions provide organisation-wide support and enable the Council to meet its legislative, governance, financial, workforce and associated operational requirements such as procurement, WHS, legal costs, etc.

The 2027-2028 Annual Business Plan process provides the appropriate framework for the Council to consider service priorities and statutory requirements, cost pressures, available revenue and funding sources and the Councils long-term financial sustainability when determining the budget for the next financial year.

While the Motion refers to expenditure presented in the 2026-2027 Annual Business Plan, its stated rationale is to inform the development and subsequent consideration of the 2027-2028 Annual Business Plan. As part of that process, Council will consider the services required to meet statutory obligations and community expectations; key cost pressures including employee costs and enterprise agreements, insurance, utilities, contracts, asset maintenance and renewal, and technology and systems; available funding through rates, grants, subsidies, user charges, other income and external funding opportunities; and the longer-term financial implications, including asset renewal requirements, the operating position, debt reduction, the Long-Term Financial Plan and Council's capacity to sustainably fund future services and infrastructure.

OPTIONS

Not Applicable. This report is presented for information only.

CONCLUSION

The information contained in this report, demonstrates that these categories comprise a broad range of services and organisation-wide functions, rather than discrete expenditure programs and that the aggregate cost of $54.93 per $100 of rates revenue represents net rates funding rather than gross expenditure. Consideration of future service priorities, cost pressures, funding sources and any changes to service levels or expenditure is assumed to be appropriately undertaken through the 2027–2028 Annual Business Plan and budget process, having regard to the Council's priorities and long-term financial sustainability.

RECOMMENDATION

That the report be received and noted.

Cr Knoblauch moved:

That the report be received and noted.

Seconded by Cr Callisto and carried unanimously.

13.6 IMPLEMENTATION OF THE IT STRATEGY - 2025-2026

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 provide the Council with an update on the implementation of the first year of the IT Strategy.

BACKGROUND

As part of the 2024-2025 Budget, the Council allocated funding for the preparation of an IT Strategy on the basis that a number of the organisation's technology systems and software have been in place for some time and are required to be progressively updated.

It was intended that the review and preparation of an IT Strategy would highlight any systems/software that are at or are nearing the end of their life and identify deficiencies in terms of the current IT solutions moving forward, with the overall objective of having a fully integrated IT system and architecture.

Following the review which was undertaken by BRM Advisory and in response to the findings and recommendations set out as part of the review, an IT Strategy was prepared by BRM Advisory.

In this respect, prior to the preparation of the strategy, it was important to undertake a ‘stock-take” (service review) of the current IT infrastructure and the information was then used to inform the preparation of the endorsed IT Strategy.

At its meeting held on 1 September 2025, the Council endorsed the IT Strategy.

The IT Strategy is articulated in an IT Strategic Roadmap (the Roadmap) that sets out a comprehensive three (3) year plan to ensure that the Council’s IT systems and functions continue to evolve and remain relevant and contemporary and reflect increasing levels of capability, governance and alignment with the Council’s objectives.

A copy of the Year 1 and Year 2 Projects set out in the IT Road Map is contained in **Attachment A**.

As Elected Members will recall, following the Council’s endorsement of the IT Road Map, the Council allocated funding as part of the 2025-2026 Budget to progress implementation of the first year of the IT Road Map. However, due to the funding required to implement the Year 1 projects set out in the IT Roadmap, it was determined that the Year 1 projects would be delivered over two (2) financial years.

At its meeting held on 6 October 2026, following consideration of a Notice of Motion, the Council resolved that a report be prepared for the Council’s information regarding the implementation of the IT Roadmap.

STRATEGIC DIRECTIONS

CityPlan 2030 Alignment

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The Council has allocated funding as part of the 2026-2027 Budget for the remaining projects set out in Year 1 of the IT Road Map.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

Elected Members

Elected Members have been provided with updates on the implementation of the first year of the IT Strategy at the Council Meetings held on 3 November 2025 and 4 August 2026, through the reporting of the Chief Executive Officer's KPIs.

Community

Not Applicable.

Staff

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

The IT Roadmap has been developed in a manner that is cognisant of the Council's finances and priorities but at the same time, aims to increase investments and bring the IT Service and supporting tools and infrastructure into alignment with minimum levels of resourcing expected of a Council of a similar size and budget.

Year 1 of the Roadmap focusses on business support, auditing of assets, reforming and reconfiguring the network, migrating to off-premises (cloud), procuring new PCs and laptops and redeploying and reconfiguring Microsoft 365 with full functionality.

The first year of the IT Road Map has been delivered within the allocated budget. Table 1 below sets out details of the first year Projects.

TABLE 1: IT ROAD MAP YEAR 1 PROJECTS

Projects	Status
Project Management Support (Additional 2 FTE) Secure resources and establish delivery mechanism, governance and oversight to implement the interventions.	**Completed.** An external IT Specialist has been engaged on a contract basis until 30 June 2027. BRM Advisory are assisting when required.
ICT Service Uplift (Additional 1 FTE) Secure additional business support either via in-house or outsourced managed model.	**Completed.** A managed service support agreement has been established for the management of the network and help desk functions.
Asset Audit, Tagging and Renewal Planning Capture, tag and develop renewal schedule for all IT assets (including mobile phones).	**Completed**.
Network Design and Performance Enhance network performance, reduce risks, and upgrade internet and Wi-Fi infrastructure.	**Completed**. The network has been completely overhauled and upgraded.

Projects	Status
Data Storage Solution (Off Premises) Transition data storage from on-premises to a supported cloud environment.	**In Progress**. A review of the current data has commenced as part of the transition process.
Devices Replace existing "Lite Client" PCs with a combination of mini desktop PCs and laptops.	**In Progress**. Laptops have been procured and a deployment plan is being finalised for the roll out of the new devices.
Microsoft 365 Redeployment Confirm subscription and deploy to core staff full access and ensure configuration and operation of Teams and SharePoint.	**Completed**.

In addition to the projects set out in Table 1 above, the following projects have been undertaken:

- audit of all IT equipment and associated software licences and subscriptions;
- review of existing contractual arrangements with various IT service providers;
- new WiFi infrastructure is now in place and new access points (the WiFi network has been completely rebuilt to make sure all staff and any visitors who attend our sites have reliable access to the internet – this includes all sites where there is a NPSP network); and
- the internet has been upgraded with a greater bandwidth;

In addition, a new Payroll system has been implemented due to the new legislative requirements associated with Payday Super, which came into effect on 1 July 2026.

Payday Super is an Australian superannuation reform that requires employers to pay their employees' compulsory superannuation guarantee (SG) contributions at the same time as their regular salary and wages, rather than on a quarterly schedule.

It is important to note that the Payroll project was not initially included as part of the IT Road Map, however to ensure compliance with the legislative requirements that came into effect on 1 July 2026, a new Payroll system was required to be implemented and funded as part of the IT Road Map.

2026-2027 IT Road Map Projects

The following projects will be undertaken in 2026-2027 in accordance with the IT Road Map:

- migration of data to prepare for the new cloud network server;
- rollout out of laptops;
- investigation of a new telephone system; and
- ERP Scoping (for the main system) – review requirements, compare options and prepare for an approach to market.

Stage 2 of the Payroll project is also scheduled to be completed which includes Employee Self Services, Electronic Timesheets and Leave forms, etc.

All projects set out above have commenced.

As part of the implementation of the IT Road Map, several policies and procedures are also required to be prepared and/or reviewed and updated. This work will also be undertaken over the next 12 months.

OPTIONS

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

CONCLUSION

The IT Roadmap has set out a comprehensive three (3) year plan to ensure that the Council's IT systems and functions evolve to remain relevant and contemporary and reflect increasing levels of capability, governance, and alignment with the Council's objectives.

RECOMMENDATION

That the report be received and noted.

Cr Robinson moved:

That the report be received and noted.

Seconded by Cr McFarlane.

Cr Excell left the meeting at 8.35pm
Cr Excell returned to the meeting at 8.37pm

The motion was put and carried unanimously.

13.7 LOCAL GOVERNMENT FINANCE AUTHORITY - ELECTION FOR THE POSITIONS OF REPRESENTATIVE MEMBERS OF THE BOARD OF TRUSTEES

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

PURPOSE OF THE REPORT

The purpose of this report is to advise the Council of the nominations that have been received for election to the Board of Trustees of the Local Government Finance Authority to enable the Council to exercise its vote.

BACKGROUND

Elected Members will recall that in August 2026, the Local Government Finance Authority (LGFA) called for nominations from Councils to fill the two (2) Representative Member positions of the Board of Trustees of the LGFA (the Board).

The LGFA has received seven (7) nominations for the two (2) Representative Member positions on the Board. An election is therefore required to determine the positions, which is being conducted by postal ballot.

The seven (7) nominees for the two (2) positions, in the order as set out on the Ballot Paper, are:

- Mr Chris Cowley, Chief Executive Officer, Town of Gawler;
- Ms Samantha Grieve, Manager, Finance & Procurement, City of Port Adelaide Enfield;
- Cr Grant Piggott, City of Norwood Payneham & St Peters
- Mr Michael Sedgman, Chief Executive Officer, City of Adelaide;
- Cr John Smedley, City of Holdfast Bay;
- Cr John Woodward, City of West Torrens; and
- Mr Simon Zbierski, Manager Finance, Corporation of the City of Campbelltown.

A copy of the Ballott Paper and Candidate Information is contained in **Attachment A**.

In order to comply with the Rules of the LGFA, the casting of the vote by the Council must be conducted as follows:

1. The voting must be on the official ballot paper; and
2. The Council, must by resolution, determine which candidates (being not more than two (2)) they wish to elect.

All votes are to be forwarded to the Returning Officer by Friday, 20 November 2026.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RECOMMENDATION

That the Council determines:

1. _____; and
2. _____

as the preferred candidates for the Representative Members for the Board of Trustees of the Local Government Finance Authority.

Cr Piggott declared a material conflict of interest in this matter, on the basis that he has been nominated as a Representative Member to the Board of Trustees of the Local Government Finance Authority and left the meeting at 8.42pm.

Call for Nominations

The Mayor called for nominations for the positions of Representative Members of the Local Government Finance Authority Board of Trustees.

The following nominations were received:

- Cr Grant Piggott;
- Mr Chris Cowley;
- Ms Samantha Grieve; and
- Mr Michael Sedgman.

Voting by Secret Ballot

A secret ballot was conducted. The General Manager, Governance & Civic Affairs was appointed as Returning Officer for the counting of votes.

Completion of Counting of Votes

The votes were counted and the results were declared to the Council as follows:

- Cr Grant Piggott (9 votes);
- Mr Michael Sedgman (6 votes);
- Ms Samantha Grieve (4 votes); and
- Mr Chris Cowley (3 votes).

Cr Sims moved:

That the Council determines:

1. Cr Grant Piggott; and
2. Mr Michael Sedgman.

as the preferred candidates for the Representative Members for the Board of Trustees of the Local Government Finance Authority.

Seconded by Cr McFarlane and carried unanimously.

Cr Piggott returned to the meeting at 8.48pm.

13.8 SCHEDULE OF COUNCIL MEETINGS FOR 2027

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

PURPOSE OF THE REPORT

The purpose of this report is to seek the Council's approval of the 2027 meeting dates for the Ordinary Meetings of the Council.

DISCUSSION

As Elected Members will recall, at its Meeting held on 3 November 2025, the Council resolved that Ordinary Meetings of the Council would be held on the first Tuesday of each calendar month.

Ordinary Meetings of the Council commence at 7:00pm and are held in the Council Chambers, Norwood Town Hall, 175 The Parade, Norwood. It is proposed to continue with the same meeting schedule in 2027, with the exception of the January 2027 and May 2027 Ordinary Council Meetings.

Section 81(5) of the *Local Government Act 1999* (the Act) prescribes that Ordinary Council Meetings may not be held on Sundays or on public holidays. The only public holidays which fall on a Tuesday throughout 2027, namely Australia Day in January and Boxing Day in December, do not impact on the first Tuesday of the month meeting cycle.

Given the Christmas/New Year period, it has been custom and practice to hold the January Council Meeting later in the month. To this end, it is recommended that the January 2027 Council Meeting be held on Tuesday, 19 January 2027.

In respect to the May 2027 Council Meeting, as Elected Members are aware, the Local Government Elections will be held in 2027, with the scrutiny and count scheduled to take place on Saturday, 10 April 2027.

On this basis, early advice from the Electoral Commission of South Australia, has indicated that the outcome of the Election may not be declared by the Electoral Commissioner of South Australia until late April 2027.

As all candidates who are elected need to have made their respective Declarations, as required by Section 60 of the Act and Regulation 6 of the *Local Government (General) Regulations 2013*, prior to the first Meeting of the new Council term, the May 2027 Council Meeting may not be able to be held in the first Tuesday of the month.

Section 81(4) of the Act, states that the Chief Executive Officer must appoint the time and place at which the first Ordinary Meeting of the Council will be held after a General Election of the Council.

Therefore, the date of the first Council Meeting of the newly elected Council will be determined by the Chief Executive Officer, following the Declaration of the Election by the Electoral Commissioner of South Australia.

RECOMMENDATION

1. *That the Ordinary Meetings of the Council for 2027, be held on the following days commencing at 7:00pm in the Council Chambers, Norwood Town Hall, 175 The Parade, Norwood:*

    - *Tuesday, 19 January 2027;*
    - *Tuesday, 2 February 2027;*
    - *Tuesday, 2 March 2027;*
    - *Tuesday, 6 April 2027;*
    - *Tuesday, 1 June 2027;*
    - *Tuesday, 6 July 2027;*
    - *Tuesday, 3 August 2027;*
    - *Tuesday, 7 September 2027;*
    - *Tuesday, 5 October 2027;*
    - *Tuesday, 2 November 2027; and*
    - *Tuesday 7 December 2027.*

2. *That the Council notes that the first Ordinary Meeting of the Council to be held in May 2027 at the conclusion of the 2027 Local Government Elections, will be scheduled by the Chief Executive Officer in accordance with Section 81(4) of the Local Government Act 1999.*

Cr Knoblauch moved:

1. *That the Ordinary Meetings of the Council for 2027, be held on the following days commencing at 7:00pm in the Council Chambers, Norwood Town Hall, 175 The Parade, Norwood:*

    - *Tuesday, 19 January 2027;*
    - *Tuesday, 2 February 2027;*
    - *Tuesday, 2 March 2027;*
    - *Tuesday, 6 April 2027;*
    - *Tuesday, 1 June 2027;*
    - *Tuesday, 6 July 2027;*
    - *Tuesday, 3 August 2027;*
    - *Tuesday, 7 September 2027;*
    - *Tuesday, 5 October 2027;*
    - *Tuesday, 2 November 2027; and*
    - *Tuesday 7 December 2027.*

2. *That the Council notes that the first Ordinary Meeting of the Council to be held in May 2027 at the conclusion of the 2027 Local Government Elections, will be scheduled by the Chief Executive Officer in accordance with Section 81(4) of the Local Government Act 1999.*

Seconded by Cr Robinson and carried unanimously.

13.9 REPORT OF THE AUDIT & RISK COMMITTEE

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

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 that was held on 19 October 2026.

BACKGROUND

Section 126(8)(a) of the *Local Government Act 1999* (the Act) requires that the Council's Audit & Risk Committee (the 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 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, this report also presents the Minutes of the Committee Meeting 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 the Council considers any recommendations that are provided 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 across the relevant Council Units including Governance and Finance.

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 19 October 2026, is provided below.

At the meeting, the Committee received two (2) presentations. The first presentation was delivered by the Council's General Manager, Infrastructure & Major Projects and provided an update on the Council's Major Projects and the second presentation was delivered by the Council's Chief Financial Officer which provided an overview of the proposed 2027-2028 Annual Business Planning and Budget preparation process.

Section 126(4)(a) of the Act prescribes that one of the legislated functions of the Committee, is to review the Council's Annual Financial Statements to ensure that the Statements present fairly the state of affairs of the Council.

The Committee therefore considered the Council's 2025-2026 Financial Results and recommended to the Council that the Annual Financial Statements for the year ended 30 June 2026, be adopted.

In addition, the Committee also noted the comparative analysis of the audited Annual Financial Statements to the Council's original adopted 2025-2026 Budget, as well as noting the 2025-2026 External Audit Completion Report.

The Committee resolved to go into confidence to facilitate the required confidential discussion with the Council's External Auditor, Mr Tim Mulhausler from Galpins Pty Ltd. In accordance with Regulation 20 of the *Local Government (Financial Management) Regulations 2026*, all staff present left the Meeting at that time until this discussion concluded.

The Committee also considered and received and noted a report regarding the 2025-2026 Audited Financial Statements for each of the Regional Subsidiaries of which the Council is a constituent member, these being:

- Eastern Health Authority;
- Eastern Waste Management Authority;
- ERA Water; and
- Highbury Landfill Authority.

In addition, the Committee resolved to bring to the Council's attention the significant cash holdings of the Subsidiaries, taking into account that they are established as fee for service entities. In this respect, the cash reserves that are held by East Waste has been the subject of discussion over a number of years.

The Committee received and noted two (2) reports that have been previously presented to the Council at its meeting held on 6 October 2026, in relation to the following:

- the *Local Government Finance Authority (LGFA) Progress Report* on the Payneham Memorial Swimming Centre Redevelopment Project which was dated 30 September 2026; and
- the 2026-2027 First Budget Review.

Both of these reports were provided in support of the Committee's role as prescribed in Section 126(4)(f) in relation to:

"Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis".

In addition to receiving and noting the 2026-2027 First Budget Review, the Committee resolved to recommend to the Council that it undertake close scrutiny to its capacity to deliver the Renewal Program, including Carry Forwards as part of the 2026-2027 Second Budget Review.

Section 126(4)(c) of the Act requires that the Committee has the legislated function to monitor the responsiveness of the Council to recommendations for improvement based on previous audits, including those raised by the Council's Auditor. To this end, a progress report on previous Internal and External Audit actions was received and noted by the Committee with Committee Members acknowledging the significant volume of work that has been undertaken by staff in addressing and progressing the various recommendations.

In keeping with the *Audit & Risk Committee Terms of Reference*, the Committee approved its 2027 Meeting Dates and Work Plan which had been updated to include:

- the Quarterly Business Unit Reports for the St Peters Child Care Centre & Preschool, the Norwood Concert Hall, the Payneham Memorial Swimming Centre and the Norwood Swimming Centre; and
- a report on the progress of ESCOSA Recommendations to meeting of the Committee.

Aside from reviewing the adequacy of the Council's financial management systems and practices as required by Section 126(4)(f) of the Act, Section 126(4)(i) of the Act provides that the Committee is also responsible for reviewing any Prudential Management Reports obtained by the Council pursuant to Section 48(1) of the Act. In support of these legislated functions and the overall role of the Committee to provide independent assurance and advice to the Council, as set out in Section 126(1a) of the Act, the Committee reviewed the Council's Draft Prudential Management Policy as contained in **Attachment B** and resolved to recommend to the Council that it now be adopted by the Council.

Section 126(4)(b) of the Act prescribes that one of the functions of the Council's Audit & Risk Committee is to propose and provide information relevant to, a review of the Council's strategic management plans. In addition, Section 126(4)(f) of the Act prescribes that the Committee will also review the adequacy of the Council's financial management systems and practices on a regular basis.

To this end, the Committee received and noted the proposed Debt Reduction Strategy presentation that was provided to Elected Members and the Independent Members of the Committee at the Elected Members information Briefing Session held on Tuesday 13 October 2026. Development of a Debt Reduction Strategy is a recommendation from the independent report which had previously been prepared by Ms Bennetts from LGiQ (Consultants) following Council's receipt of ESCOSA's *Local Government Advice City of Norwood Payneham & St Peters February 2026* (the ESCOSA Advice).

b. Minutes of the Audit & Risk Committee Meeting

The Minutes of the Committee Meeting held on 19 October 2026, including the reports that were presented and considered by the Committee, are contained in **Attachment C**.

c. Recommendations to the Council

At its meeting held on 19 October 2026, the Committee made recommendations to the Council in respect to the following matters:

- Financial Results 2025-2026;
- 2026-2027 First Budget Review; and
- Prudential Management Policy

The recommendation that the Committee made in respect to the Financial Results 2025-2026 report is as follows:

“that the Annual Financial Statements for the year ended 30 June 2026, as contained in Attachment B be adopted.”

This recommendation has been included in the separate report on the Financial Results 2025-2026which is included in the Agenda for the Council meeting being held on Tuesday 3 November 2026.

The Committee recommendations made in relation to the 2026-2027 First Budget Review and the Prudential Management Policy, are included for the Council’s consideration in the recommendation set out below.

While it was not a recommendation to the Council, in relation to the Audit Financial Statements for the Regional Subsidiaries, the Committee resolved to:

“bring to the attention of the Council the significant cash holdings of regional subsidiaries of which the Council is a constituent member taking into account that the subsidiaries are established as fee for service entities”.

In order to achieve this, the resolution has been included in the recommendation set out below.

RECOMMENDATION

1. *That the report be received and noted.*

2. *That Council undertakes close scrutiny to its capacity to deliver the Renewal Program, including Carry Forwards as part of the Second 2026-2027 Budget Review.*

3. *That the Draft Prudential Management Policy, as contained in Attachment B, be adopted.*

4. *That Council notes the Audit & Risk Committee’s observation in relation to the cash holdings of the various Regional Subsidiaries of which the Council is a Constituent Council.*

Cr Sims moved:

1. *That the report be received and noted.*

2. *That Council undertakes close scrutiny to its capacity to deliver the Renewal Program, including Carry Forwards as part of the Second 2026-2027 Budget Review.*

3. *That the Draft Prudential Management Policy, as contained in Attachment B, be adopted.*

4. *That Council notes the Audit & Risk Committee’s observation in relation to the cash holdings of the various Regional Subsidiaries of which the Council is a Constituent Council.*

Seconded by Cr Knoblauch and carried unanimously.

14 COMMITTEE REPORTS & RECOMMENDATIONS

14.1 COMMITTEE REPORTS & RECOMMENDATIONS - BUSINESS & ECONOMIC DEVELOPMENT ADVISORY COMMITTEE - 20 OCTOBER 2026

REPORT AUTHOR: Governance Officer
APPROVED BY: Manager, Governance
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of the report is to present to the Council the Minutes of the following Committee Meetings for the Council's consideration and adoption of the recommendations contained within the Minutes:

- Business & Economic Development Advisory Committee – 20 October 2026
  (A copy of the minutes of the Business & Economic Development Advisory Committee meeting is attached.)

ADOPTION OF COMMITTEE RECOMMENDATIONS

- **Business and Economic Development Advisory Committee**

  Cr Holfeld moved:

  That the Minutes of the meeting of the Business & Economic Development Advisory Committee held on 20 October 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 Granozio and carried unanimously.

15 OTHER BUSINESS

15.1 Cash Reserves - Eastern Health Authority Board and East Waste Board

Cr Piggott moved:

That the Chief Executive Officer writes to the Board of the Eastern Health Authority and Board of East Waste requesting that the respective Boards provide information to the Constituent Council Chief Executive Officers regarding the following:

- *details of the Cash Reserves held by the subsidiaries; and*
- *the potential for the Cash Reserves to be redistributed back to the respective Constituent Councils.*

Seconded by Cr Moorhouse and carried unanimously.

16 CONFIDENTIAL REPORTS

16.1 COUNCIL EVENT

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.

RECOMMENDATION 3

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.

Cr Sims 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; Chief Financial Officer; Manager, Governance; and Governance Officer], 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 Holfeld and carried unanimously.

Cr Sims left the meeting at 8.58pm.
Cr Sims returned to the meeting at 8.59pm.

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 announcements have been made.

Seconded by Cr Holfeld and carried unanimously.

17 CLOSURE

There being no further business, the Mayor declared the meeting closed at 9.03pm.

_____

Mayor Robert Bria

Minutes Confirmed on _____
(date)