

ANNUAL BUSINESS PLAN & BUDGET

2026–2027

Gawler



ACKNOWLEDGEMENT OF COUNTRY

The Town of Gawler acknowledges this land we meet on today is the traditional lands for the Kaurna people and that we respect their spiritual relationship with their country. We also acknowledge the Kaurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kaurna people today.

Kadlitiyarlu tampinthi yalaka ngadlu Kaurna yartangka inparrinthi. Ngadludlu tampinthi, parnaku tuwila yartangka. Kaurna Miyurna yaitya yarta-mathanya Wama Tarntanyaku, parnaku yailtya, parnaku tapa puru purruna. Kaurna Miyurna ithu yailtya purruna, yarta kuma puru martinthi, puru warri-apinthi, puru tangka martulayinthi.

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MAYORS' MESSAGE

> “These projects are about building the foundations that will help Gawler continue to thrive for many years to come



I am pleased to present the Town of Gawler's 2026–2027 Annual Business Plan and Budget.

I recognise that any discussion about rates comes at a time when many households and businesses are continuing to feel the pressure of rising living costs. Like every organisation, Council is also experiencing increasing costs to deliver services, maintain infrastructure and meet community expectations. The challenge for us has been finding the right balance between affordability today and ensuring we continue to invest in the future of our town.
When setting this year's budget, Council has worked hard to strike that balance.

We have not simply passed rising costs directly on to the community. Instead, we have challenged ourselves to find savings, improve the way we operate and carefully prioritise where ratepayer funds are invested. At the same time, we have remained committed to the long-term financial discipline required to keep Council sustainable.

That means maintaining operating surpluses, managing debt responsibly and continuing the important work of addressing our infrastructure renewal backlog. While these may not always be the most exciting parts of local government, they are essential if we are to leave future generations with a stronger community rather than a bigger bill.

The 4.3% increase in general rate revenue is consistent with Council's adopted Long Term Financial Plan and allows us to continue delivering the services our community relies upon while investing in the infrastructure needed to support a growing town.

Gawler continues to experience significant growth and with that growth comes both opportunity and responsibility. Our roads, footpaths, sporting facilities, parks, community spaces and public infrastructure all need ongoing investment to ensure they continue to meet the needs of our community both today and into the future.

This year's Annual Business Plan includes important investments across a range of community assets and infrastructure projects. These projects are not simply about maintaining what we already have; they are about building the foundations that will help Gawler continue to thrive for many years to come.

I would also like to thank those members of our community who took the time to engage with Council throughout the development of this Plan. Community feedback plays an important role in shaping our priorities and helping us make informed decisions on behalf of the broader community.

While not every decision will please everyone, I believe this Plan reflects a sensible and responsible approach. It acknowledges the pressures many people are facing today while ensuring we continue to invest in the future of our town.

On behalf of Council, I thank our community for your continued support. I look forward to working alongside our elected members, staff, community groups, businesses and residents as we deliver the commitments contained within this Plan and continue building a better Gawler together.

Nathan Shanks
MAYOR

CEO'S MESSAGE

> This Plan reflects our commitment to continuous improvement and innovation



The 2026–2027 Annual Business Plan & Budget represents a continued commitment to delivering on our vision of Gawler as a liveable, cohesive, active, innovative and sustainable community. It reflects a balanced and disciplined approach, one that responds to growth, maintains essential services, and strengthens our long-term financial position.

This year's plan has been developed in alignment with our Community Plan 2035 and informed through meaningful engagement with our community. Our focus remains on delivering practical outcomes that matter, maintaining and renewing infrastructure, enhancing community spaces, and supporting a thriving local economy.

A key priority for 2026–2027 is investment in our infrastructure and community assets. Significant projects such as the upgrade of the Gawler Aquatic Centre, improvements to streets and roads, new walking connections, and continued revitalisation of our Town Centre are designed to improve accessibility, safety, and liveability across the town. These initiatives ensure we are not only maintaining our existing assets, but also preparing for future growth and demand.

Financial sustainability remains central to this Plan. Council is forecasting an operating surplus of $795,000, supported by strong financial discipline, zero-based budgeting, and a continued focus on efficiency. Our Long Term Financial Plan provides a clear framework to ensure that services and infrastructure are delivered in a financially responsible and sustainable manner, balancing the needs of current and future ratepayers.

We recognise that rates are an important consideration for our community. The proposed increase of 4.3%, which translates to a $90 increase for the average residential ratepayer, has been carefully aligned to maintain service levels, meet rising costs, and support the renewal of essential infrastructure while striving to remain fair and affordable in a time of uncertainty and rising costs.

This Plan reflects our commitment to continuous improvement and innovation. Initiatives such as strengthening in-house service delivery, investing in digital systems, transitioning towards more sustainable practices, all contribute to a more responsive and efficient organisation. Importantly, this Annual Business Plan demonstrates our ongoing commitment to listening to our community. Through consultation and engagement, we have sought to ensure that the priorities, services and initiatives outlined in this Plan reflect the aspirations and needs of the people of Gawler.

As we move into 2026–2027, we will continue to focus on delivering value, strengthening our financial resilience, and investing in the infrastructure and services that support our growing community.

I would like to thank our Elected Members, staff, and community for their ongoing contribution and support in shaping the future of Gawler.

Chris Cowley
CHIEF EXECUTIVE OFFICER

STRATEGIC PLANNING FRAMEWORK

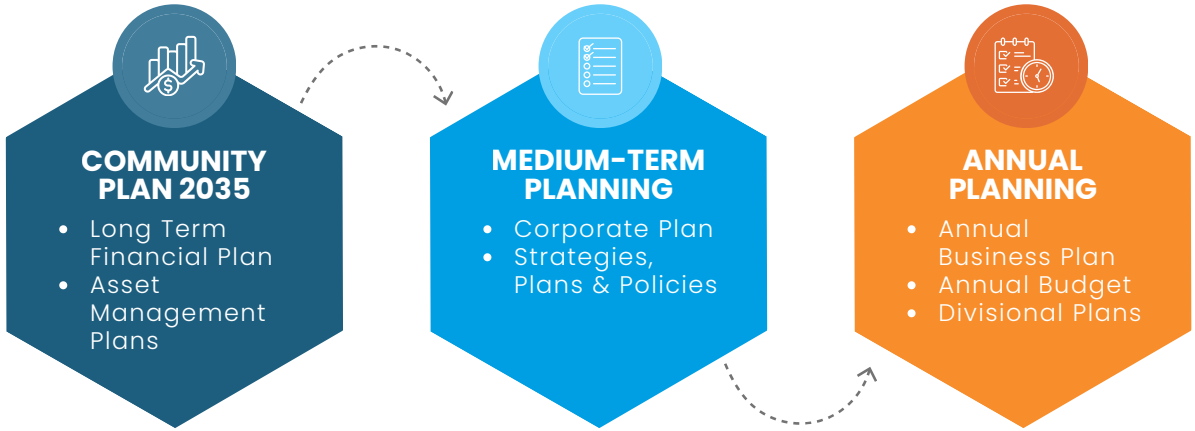
Our Annual Business Plan is a key document in Council's overall Planning Framework. It sets out Council's proposed projects, services, and programs for the 2026-2027 financial year.

The Annual Business Plan supports our long-term strategic directions, which are outlined in Council's Gawler Community Plan 2035, as well as our Long Term Financial Plan, Asset Management Plans, the Corporate Plan and other topic specific strategies and plans.

Council's Strategic Framework is underpinned by the Gawler Community Plan 2035, which has set a vision for the Town to be a "*liveable, cohesive, active, innovative, and sustainable community*".

The Strategic framework guiding Council in identifying community needs and aspirations includes:

- Long Term - Gawler Community Plan 2035, Long Term Financial Plan and Asset Management Plans
- Medium Term - Corporate Plan, specific strategies and plans
- Short Term - Annual Business Plan, Budget and Divisional Plans





OUR **COMMUNITY**

27,182* **Population** *(*2024 estimate, Australian Bureau of Statistics)*	**Mayor** and 10 Council Members	**12,964** Rateable Properties

Community Facilities & Active Spaces

Recreation

21 Playgrounds

3 Outdoor Fitness Stations

Major Sporting Facilities

- Gawler Aquatic Centre
- Gawler Sport & Community Centre
- Skate BMX Park, and Basketball Courts

Trails & Cycling

- 7 walking trails
- Gawler Cycle Way

42km2
Area

474
Hectares of Open Space

192
Sealed roads (19km unsealed)

Major Industries

- Retail trade
- Health
- Community Service
- Education







OUR STRATEGIC DIRECTION

The Gawler Community Plan 2035 is Council's highest level strategic document and is a reflection of our future aspirations for Gawler.

The Plan has been developed through extensive engagement with our community and reflects the community and organisations shared aspirations for Gawler as our town grows and evolves.

Our Vision: Town of Gawler is a liveable, cohesive, active, innovative and sustainable community.

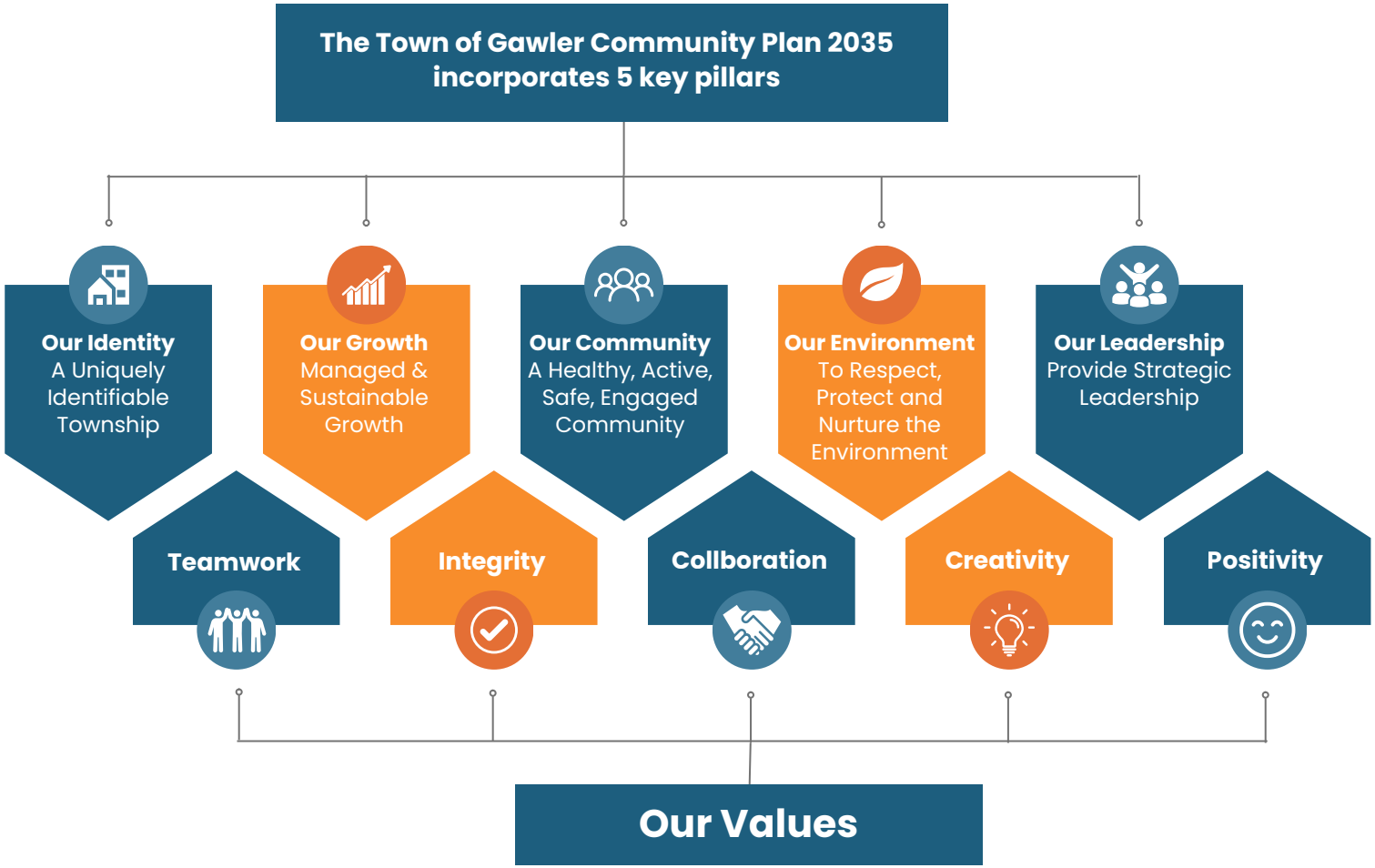
Our Mission: The Town of Gawler is dedicated to enhancing its liveable urban environment, capitalising on its natural beauty and strategic importance as a regional centre. We embrace an engaged local community and prioritise innovation and sustainability.

> "Town of Gawler is a liveable, cohesive, active, innovative and sustainable community

COMMUNITY PLAN 2035

The Town of Gawler delivers programs, projects, and initiatives, each contributing to the achievement of one of five goals as set out in the Community Plan 2035. The five goals represent the shared values and aspirations that provide direction for how we continue to deliver our vision.

Each of the goals guides Council's daily operations and service delivery outcomes. These outcome areas, associated goals, objectives, and strategies have formed critical reference points in reporting Annual Business Plan and business achievements.

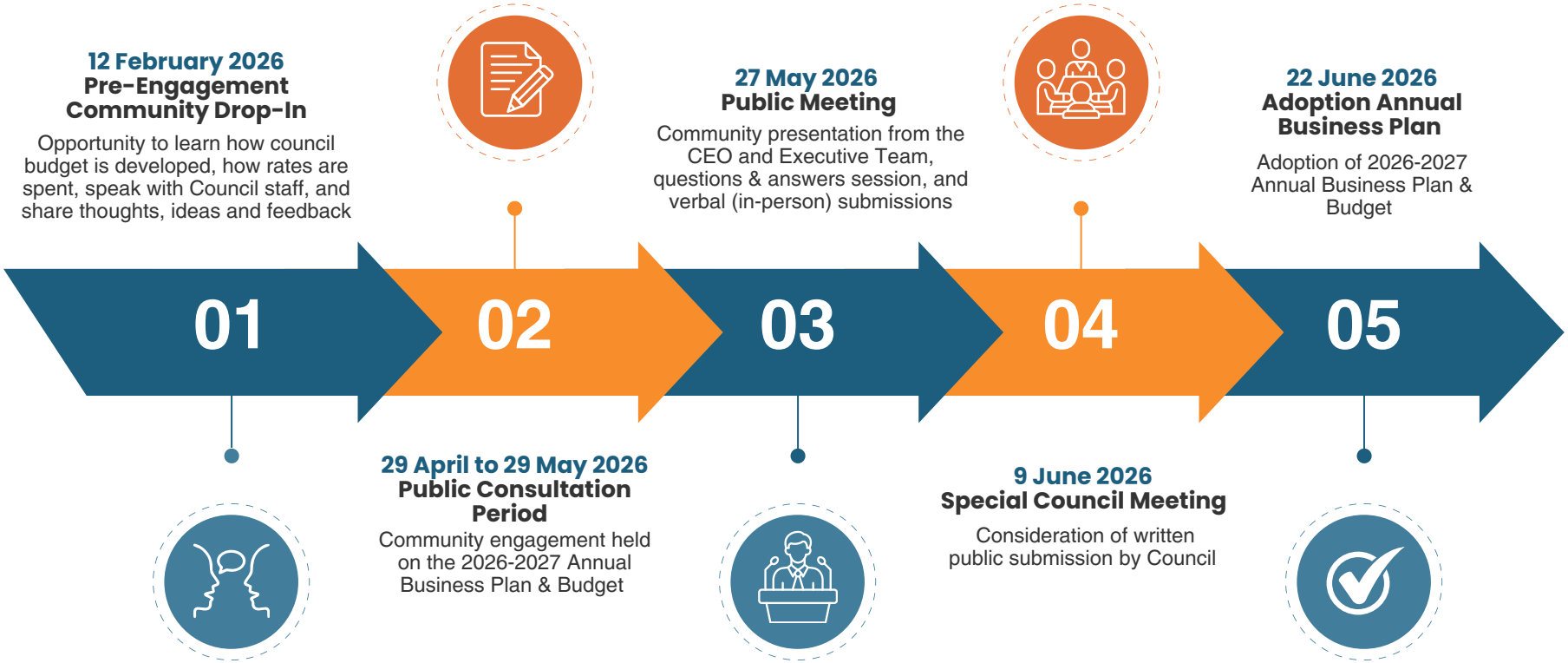


COMMUNITY ENGAGEMENT

> Clear communication and meaningful community engagement are central to the development of the Annual Business Plan & Budget

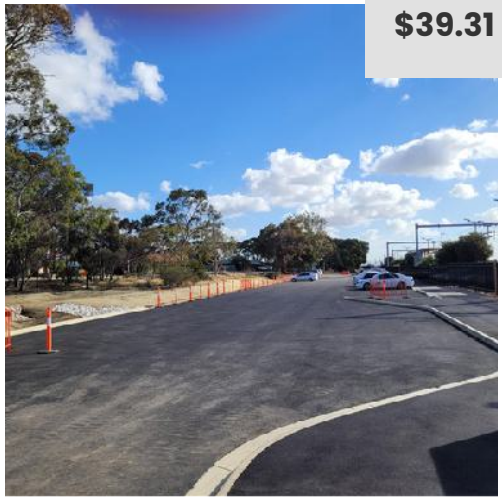
Council is committed to open, accountable and responsive decision-making, supported by clear communication and meaningful community engagement. In developing the 2026–2027 Annual Business Plan & Budget, Council invites the community to learn about the budget process, understand how rates are spent, and provide feedback on priorities, services, infrastructure and initiatives important to the community.

This engagement helped inform Council's decision-making and ensure the final plan reflects the needs, values and aspirations of the Gawler community. The changes reflected in the final plan are set out on page 107.



OUR SERVICES

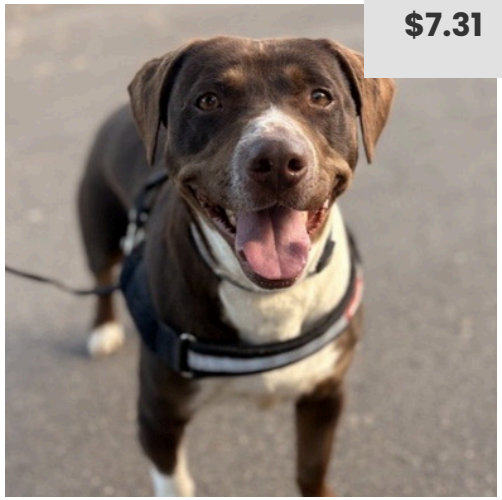
Amount spent per $100 of Rates



$39.31

INFRASTRUCTURE MANAGEMENT

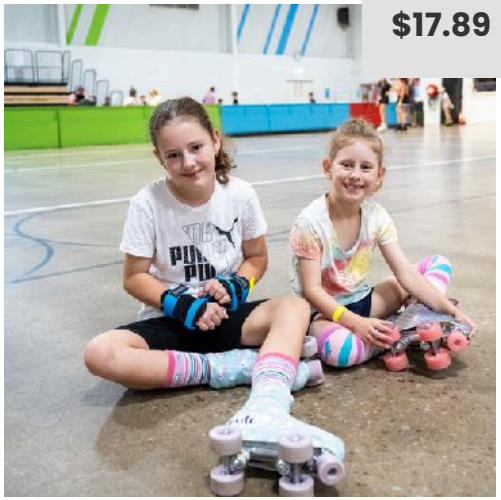
- Design and delivery of Council's capital works program
- Public lighting, including 3,475 streetlights
- Infrastructure maintenance across roads, footpaths, kerb and gutter, traffic management and stormwater systems
- Maintenance of Council buildings, facilities and public conveniences
- Rapid Response for urgent maintenance issues
- Management and maintenance of Willaston Cemetery



$7.31

REGULATORY SERVICES, ENVIRONMENT & TOWN PLANNING

- Ensuring homes and buildings are safe and meet required standards
- Planning for growth and assessing development applications
- Managing dog registrations, barking and wandering dogs, and caring for dogs at the pound
- Managing parking to support safety and access in busy areas
- Responding to abandoned vehicles, illegal dumping, unsafe sites, noise complaints, and overgrown vegetation



$17.89

TREES, PARKS, SPORTS & RECREATION

- Maintaining playgrounds, parks and open space
- Maintaining major sporting precincts for clubs, schools and the community
- Operating the Gawler Sports & Community Centre for sport, recreation and wellbeing
- Caring for more than 11,000 street trees across the town
- Operating the Gawler Aquatic Centre for seasonal outdoor swimming



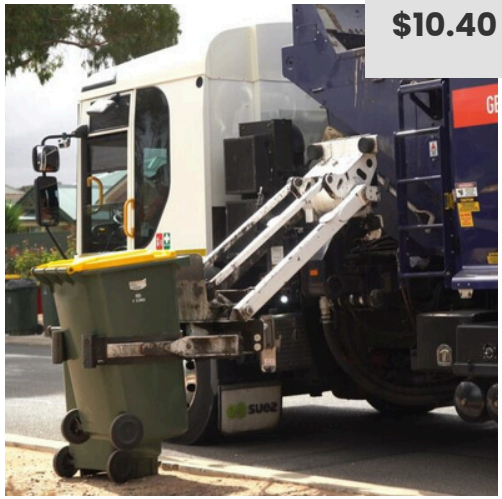
$5.69

COMMUNITY, HEALTH, AGED & YOUTH SERVICES

- Operating libraries with books, digital resources and community programs
- Supporting volunteers, including the Graffiti Response Team
- Delivering youth programs and activities, including Gawler Youth Band, arts programs and practical courses like barista and RSA licencing
- Community wellbeing and inclusion programs, including ageing well and Council's Reconciliation Action Plan
- Protecting public health, including food safety inspection, sanitation and wastewater compliance

OUR SERVICES

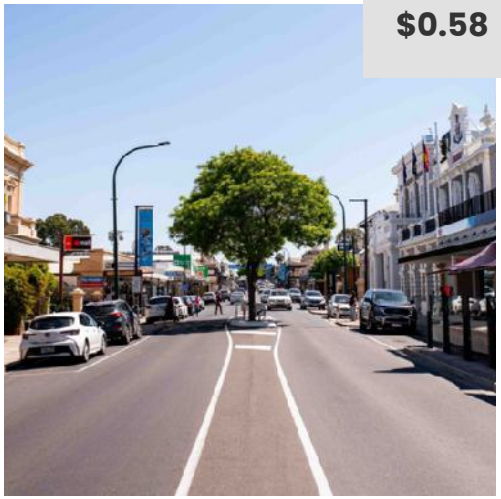
Amount spent per $100 of Rates



$10.40

WASTE MANAGEMENT & RECYCLING

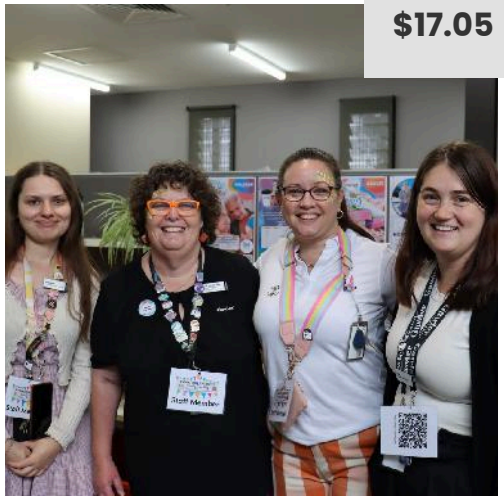
- Around 1,500 hard waste collections each year
- Kerbside waste, recycling and green organics collections across homes and businesses
- Responding to illegal dumping incidents
- Servicing more than 384 public litter bins across the town centre, parks and public spaces



$0.58

ECONOMIC DEVELOPMENT & TOURISM

- Supporting local businesses and jobs through mentoring, networking, events and grant support
- Delivering initiatives such as the local jobs expo to connect employers and jobseekers
- Promoting the town through tourism programs and the Visitor Information Centre
- Supporting local events, businesses and precincts to attract visitors and boost local spend



$17.05

GOVERNANCE, COMMUNICATIONS & ADMINISTRATION

- Communicating with residents through engagement, marketing and advocacy
- Customer service support and responding to community requests
- Supporting Council meetings and transparent decision-making
- Supporting staff to deliver services safely and effectively
- Managing Council records, systems, and electronic records
- Managing Council's budget, rates, payments, and financial reporting



$1.77

COMMUNITY EVENTS, HERITAGE & CULTURE

- Delivering and supporting community events such as Australia Day and The Fringe
- Supporting public art, music and cultural events at the Civic Centre
- Operating the Cultural Heritage Centre, including exhibitions and visitor experiences
- Delivering heritage programs and events, supported by a dedicated volunteer team

OUR ACHIEVEMENTS

A snapshot of key projects, improvements and progress delivered during 2025-2026

OUR IDENTITY

Progressing projects that strengthen Gawler's identity, place and presentation.

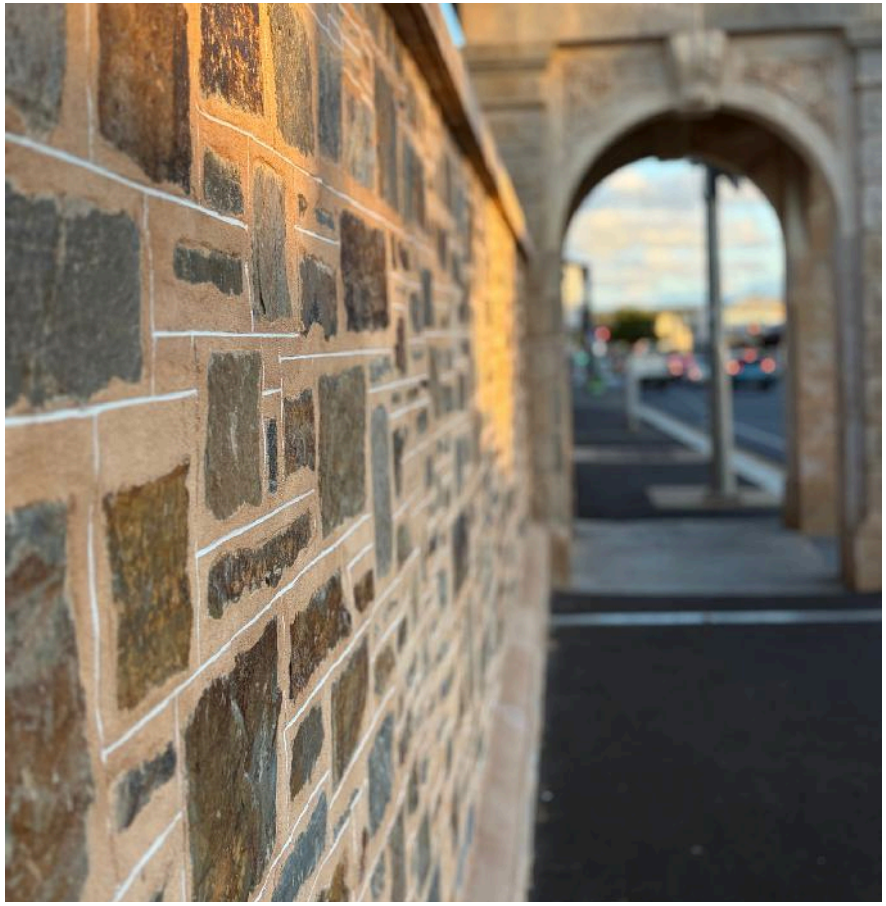
- Pioneer Park Heritage Wall - reconstruction of the heritage wall, restoration of McKinlay Monument and reinternment of human remains.
- Gawler Town Centre Structure Plan and Development Delivery Framework – progressed the long-term vision and delivery pathway for a vibrant, connected and resilient town centre.
- Disability Access and Inclusion Plan – progressed the review and update of the plan to help shape a more inclusive Gawler.
- Willaston Cemetery Precious Souls Memorial – expanded space for families to sit, reflect and remember babies lost during pregnancy, birth or infancy.
- Kudla Growth Area and Northern Parklands – advocacy to maintain Gawler's identity and ensure Council helps shape the future.

OUR GROWTH

Supporting growth through infrastructure, accessibility and economic development.

- Gawler East Link Road Safety Improvements – progressed safety improvements, including the Schomburgk Drive speed limit upgrade, to support safer travel outcomes.
- Local Economic Development – strengthened our commitment to local economic development to support business growth, investment and attraction.
- Gawler Business & Economic Development Committee – established to guide business and economic development priorities and initiatives.





OUR COMMUNITY

Investing in places, connections and services that support community wellbeing.

- Gawler & District Tennis Association Redevelopment – supported improved sport and recreation infrastructure for the community
- Tambelin Station to Evanston Gardens Primary School Shared Use Path – delivered a safer and more accessible walking and cycling connection for students, families and the wider community
- Community Neighbourhood Development Program – continued initiatives that support local participation, connection and community wellbeing
- Elderly Centre Toilets – improve accessibility through DDA compliance upgrades
- Events - deliver and support community events, such as the Gawler Show and Gawler Fringe, that bring people together and align with the Gawler Arts and Culture Strategy.

OUR ENVIRONMENT

Taking practical steps to improve public spaces and support environmental outcomes.

- Native Plant Giveaway – supported residents to contribute to greening and biodiversity outcomes across the township
- Bee Hotel (Participatory Budget initiative) – delivered a community-selected project supporting biodiversity and environmental awareness
- Willaston Cemetery Master Plan – developed to guide future internments, planting and landscape management in a manner consistent with the Conservation Management Plan
- Purchase of Verti-Drain –reduce waterlogging and improve drainage and nutrient penetration on sporting fields.

OUR LEADERSHIP

Strengthening Council's financial position, systems and service delivery.

- Return to Operating Surplus – remained on track to deliver an operating surplus in line with the adopted budget
- Visitor Information Centre and Art Gallery relocation – improved public access, consolidated service locations, and created revenue opportunities to help ease pressures on rates
- Bing outsourcing arrangement – implemented outsourced printing and mailing services to reduce administration and deliver cost efficiencies
- Financial sustainability focus – continued work to align budgets, services and long-term priorities within Council's financial framework.





2026–2027 ANNUAL BUSINESS PLAN PRIORITIES





OUR **IDENTITY**

A UNIQUELY IDENTIFIABLE TOWNSHIP

Annual Business Plan Objectives

- Support events and programs that unite people and celebrate our culture
- Position Gawler as a regional hub and tourist destination
- Upgrade and maintain infrastructure in line with our Asset Management Plans

2026-2027 Key Projects and Operational Improvements

- Implementation of Gawler Town Centre Structure Plan & Development Delivery Framework
- Delivery of the 2026-2027 Transport Asset Renewal and Upgrade Programs
- Ongoing advocacy to support Town of Gawler's interests in regional growth and development



OUR **GROWTH**

MANAGED AND SUSTAINED GROWTH

Annual Business Plan Objectives

- Guide development that respects Gawler's character and heritage
- Support local businesses and attract new investment and opportunities
- Progress infrastructure and transport projects that improve connection and accessibility

2026-2027 Key Projects and Operational Improvements

- Enhancing Town Presentation Program
- Development Compliance and Enforcement Services
- Spray Seal Rural Roads Transition Program
- Delivery Gawler Business & Economic Development Committee Work Plan



OUR COMMUNITY

A HEALTHY, ACTIVE, SAFE, ENGAGED COMMUNITY

Annual Business Plan Objectives

- Deliver inclusive, responsive and affordable services
- Provide diverse spaces for relaxation, recreation, and active lifestyles
- Support participation, volunteering and local creativity

2026-2027 Key Projects and Operational Improvements

- Aspire Estate Walking Connection and New Footpaths Program
- Gawler Aquatic Centre Renewal and Upgrade Program
- Jack Cooper Reserve Playspace Upgrade
- Preventative Health Program



OUR ENVIRONMENT

TO RESPECT, PROTECT AND NURTURE THE ENVIRONMENT

Annual Business Plan Objectives

- Enhance natural areas, biodiversity and access to riverside spaces
- Support sustainable water, waste and resource practices
- Be proactive on climate change to secure a sustainable future

2026-2027 Key Projects and Operational Improvements

- Light vehicle fleet replacement, including the transition to electric vehicles
- Continued revegetation along the North and South Para Rivers through the planting of an additional 2,000 plants



OUR LEADERSHIP

TO RESPECT, PROTECT AND NURTURE THE ENVIRONMENT

Annual Business Plan Objectives

- Balance rate affordability with funding essential services and infrastructure
- Improve organisational efficiency, service quality and community experience
- Align budgets with our financial strategy and long-term goals

2026-2027 Key Projects and Operational Improvements

- Council chambers AV system upgrade
- HRIS & payroll system implementation
- Ongoing focus on achieving long-term financial sustainability

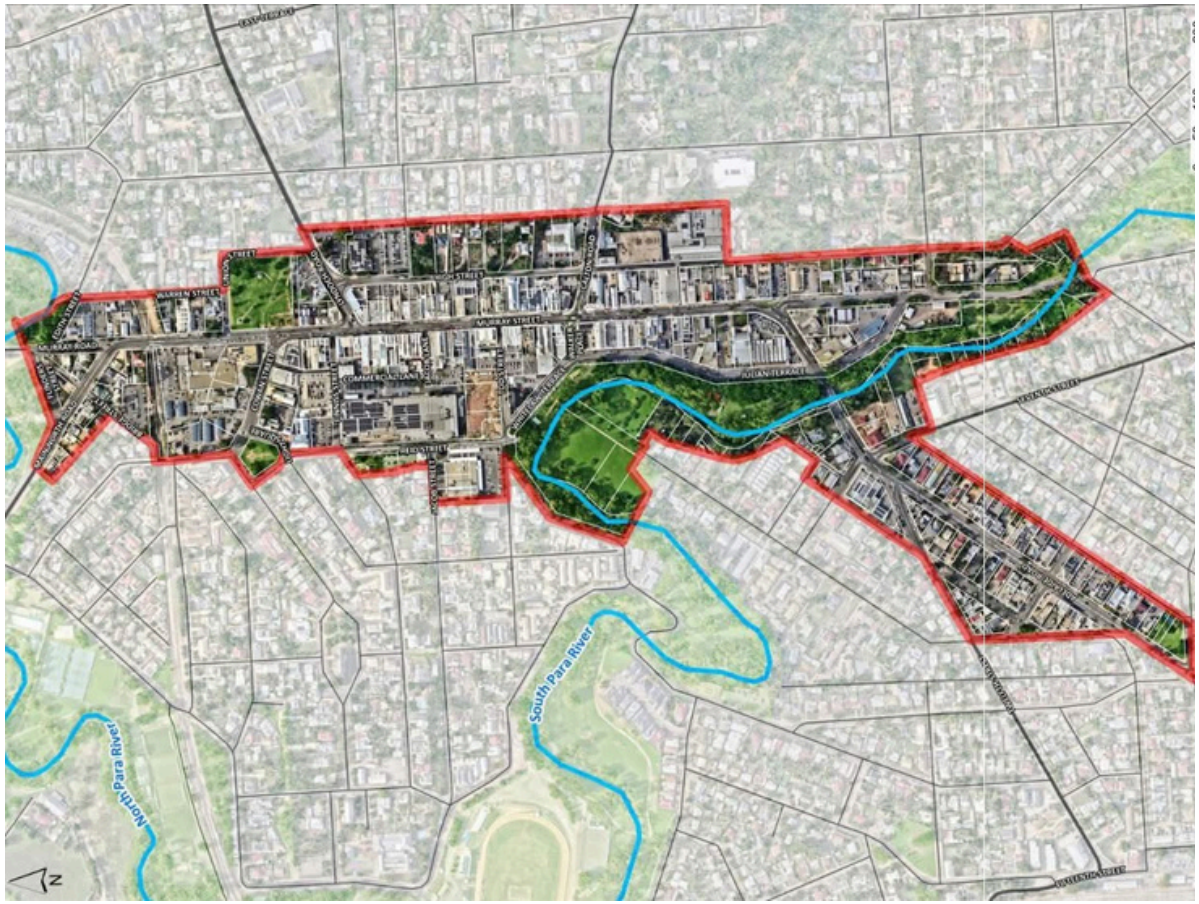
MAJOR PROJECTS & INITIATIVES

Local Government Periodic Elections - $250,000

The 2026 periodic local government election is an important part of local democracy, giving the community the opportunity to vote for its Mayor and Council Members and help shape Council's future direction. The 2026-2027 budget includes provision for the costs of conducting the election, including Electoral Commission charges, staffing and contingency, to support a fair, transparent and effective election process.

Gawler Town Centre Structure Plan & Development Delivery Framework Implementation - $150,000

Council is investing in the future of the town centre by turning the Town Centre Structure Plan into on-the-ground action. In 2026-2027, Council will begin implementing the Development Delivery Framework to support staged renewal, attract investment and demonstrate leadership in delivering the town centre vision. Early actions will focus on the building blocks needed to unlock future investment and activity, including Stage 1 implementation actions, a Signage and Wayfinding Strategy to improve navigation and celebrate local stories, and a Town Centre Code Amendment to align planning policy with the desired future of the town centre. Supported by a $50,000 State Government Open Space Fund grant, this work will help create a more attractive, accessible and confident town centre for residents, businesses and visitors.

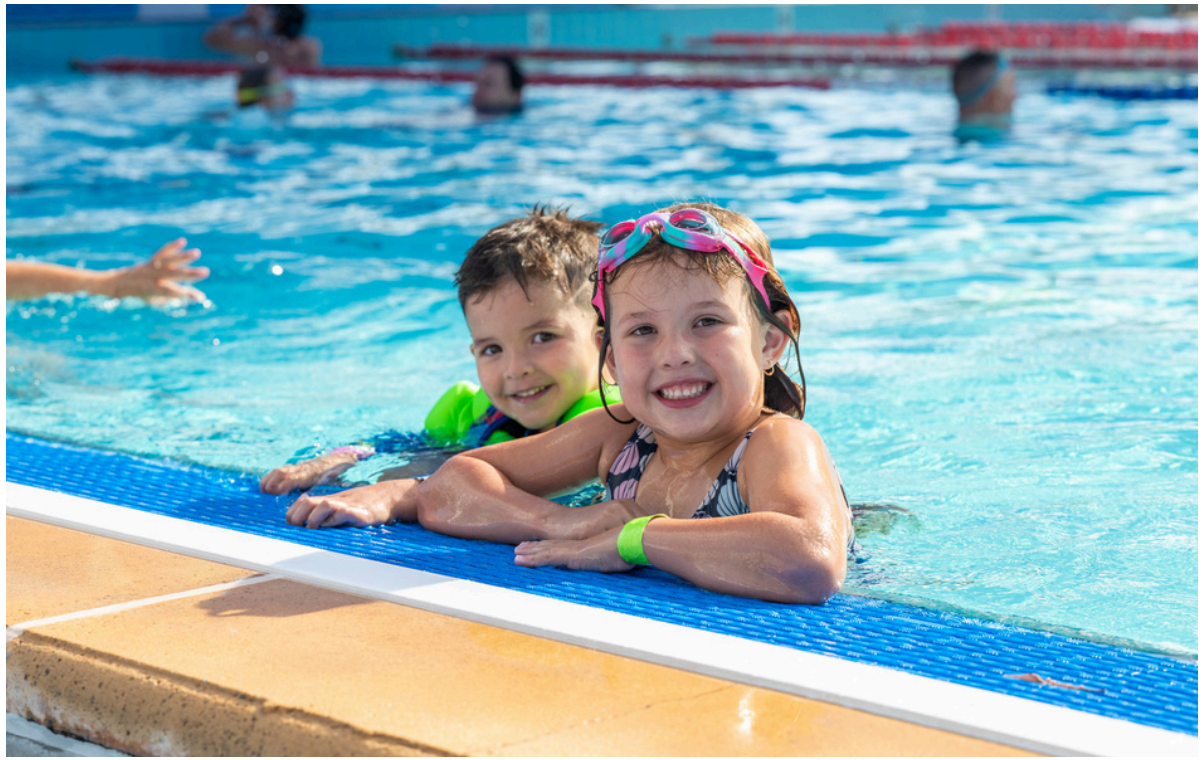


MAJOR PROJECTS & INITIATIVES

Gawler Aquatic Centre - $1.35 million

Council is investing $1.35 million over two years in renewal and improvement works at the Gawler Aquatic Centre to help keep this important community facility safe, accessible and enjoyable for local families and visitors. The program includes Main Pool Renewal to be delivered over 2026-2027 and 2027-2028, which involves retiling, regrouting and remediation of construction and expansion joints to address water leakage and deterioration; Toddler Pool Retiling; Solar System Renewal; Pool Chair Lift Renewal; Main Pool Access Steps; Kiosk Upgrade; and Staff Access Control Upgrade. These works will improve accessibility, protect the long-term condition of the Centre and support a better visitor experience, while also delivering environmental benefits through reduced treated water loss, lower chemical use and a reduced risk of treated water entering natural watercourses.









MAJOR PROJECTS & INITIATIVES

Enhancing Town Presentation Program - $411,000

Council is investing in a stronger in-house horticulture service to help keep Gawler's streets, verges and reserves well maintained, safe and visually appealing for the community. The Enhancing Town Presentation Program includes a dedicated three-person crew, together with new plant and equipment including a truck, spray unit, mower, trailer and brush cutters, and blowers. This investment will improve Council's ability to proactively maintain streetscapes, landscaped verges and open spaces, respond quicker to local priorities, and reduce reliance on contractors over time. The program is expected to deliver contractor savings of $45,000 in Year 1 and around $100,000 per year from Year 2 as more work is brought in house.

Aspire Estate Walking Connection - $892,000

Council is investing in safer and more accessible walking connections through the Aspire Estate Walking Connection. This project will include a new DDA-compliant shared path and lighting linking the Aspire Estate with the existing Gawler Bypass underpass and broader footpath network, helping to overcome the barrier created by Main North Road. This project sits alongside Council's broader investment of $750,000 in new footpaths in 2026-2027, reflecting a strong focus on improving pedestrian access, safety and connectivity across the township.

MAJOR PROJECTS & INITIATIVES

Finniss Street Renewal - $928,500

Council will renew Finniss Street, between Reid Street and Porter Street, within the Church Hill Heritage area, to address deteriorated infrastructure while maintaining the heritage character of this important precinct. The project includes stone kerb renewal, sealed asphalt footpath renewal and road pavement and seal renewal.

The works will improve safety, functionality and asset life, while also reinstating the streetscape in a way that respects the historic character of Church Hill. In particular, renewal of the stone kerbing will help retain the heritage presentation of the precinct and support the overall character of the area. This project is both an important infrastructure renewal and an investment in preserving one of Gawler's distinctive heritage areas.

Glenelg Lane Upgrade - $639,600

Council is investing in the upgrade and sealing of Glenelg Lane, Gawler South, transforming an unsealed urban road into a sealed local street with improved drainage and road conditions. Works include stormwater management, kerb and gutter, road base and asphalt pavement, helping to improve amenity for residents, enhance functionality and reduce ongoing maintenance requirements. The project is substantially funded through the Federal Government's Roads to Recovery program, offsetting the majority of the cost to Council.





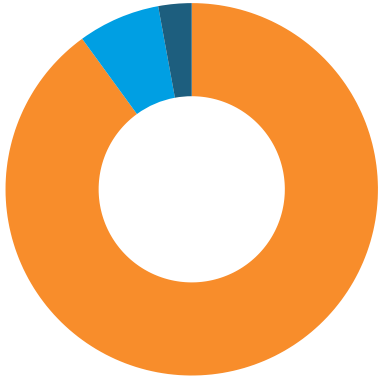
2026-2027 Service Breakdown



INFRASTRUCTURE MANAGEMENT

INCOME

Rates & Service Charges	14,074,876
Grants, Subsidies & Contributions	1,307,590
Other Revenue	458,728
	15,841,194



EXPENDITURE

Recurrent Operating Expenditure	5,811,046
Ownership Expenditure	9,685,431
Service Initiatives	30,000
	15,526,477



SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Infrastructure Maintenance	Ongoing maintenance of roads, drainage and public infrastructure. Maintenance Programs include			
	• Footpaths Kerbs & Gutter	2,429,14	-	2,429,145
	• Road & Traffic Management	6,277,038	758,000	5,519,038
	• Stormwater Drainage	1,866,152	-	1,866,152
	• Street Lighting	579,142	-	579,142
Town Services	Maintenance and cleansing of the Town, including street cleaning, public conveniences, and public lighting	1,736,638	-	1,736,638
Property Management	Management of Council owned Community Buildings	1,813,006	212,728	1,600,278
Asset Planning	Long term management, construction and renewal of the Town's civil and community infrastructure	623,549	6,000	617,549
Cemetery	Management of Willaston Cemetery	171,809	175,000	(3,191)
Initiatives	Roads to Recovery funding	30,000	614,590	(584,590)
	TOTAL	**15,526,477**	**1,766,318**	**13,760,159**

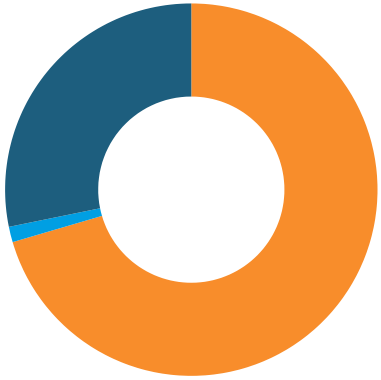
REGULATORY SERVICES, ENVIRONMENT & TOWN PLANNING

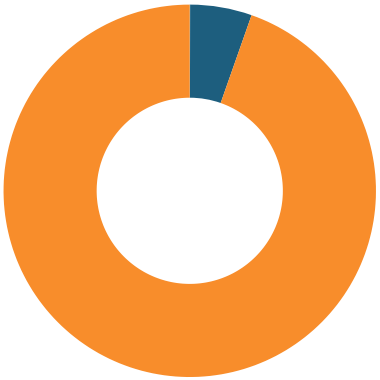
INCOME

Rates & Service Charges	2,617,811
Grants, Subsidies & Contributions	50,000
Other Revenue	1,059,501
	3,727,312

EXPENDITURE

Recurrent Operating Expenditure	3,482,591
Ownership Expenditure	1,247
Service Initiatives	180,716
	3,664,554



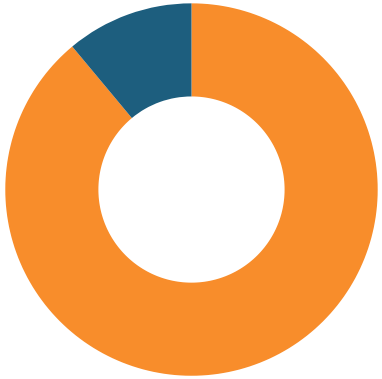


SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Town Planning	Responsible for the development of strategic policy and planning across the Town. Issues planning permits, controls the use and development of land divisions and sustainable urban design advice	1,654,076	250,000	1,404,076
Regulatory Services	Investigates and enforces local laws, including abandoned vehicles, nuisance issues, litter control, and hazards such as overgrown or flammable vegetation	552,749	17,000	535,749
Animal Management	Manages dog and cat registrations and responds to issues such as barking, wandering animals, and pound services, in line with the *Dog and Cat Management Act 1995*	665,137	322,500	342,637
Building Control	Issues building permits and ensures compliance with building codes and safety regulations	325,483	130,000	195,483
Environment	Responsible for the delivery of environment and sustainability programs including development and implementation of Climate Action Plan for Council	187,205	-	187,205
Initiatives	Key projects including the Town Centre Structure Plan, Asbestos Register, and Development Compliance Service	180,716	50,000	130,716
Parking Management	Ensures compliance with parking regulations under the Australian Road Rules and the *Private Parking Areas Act 1986*	99,189	340,001	(240,812)
	TOTAL	**3,664,554**	**1,109,501**	**2,555,053**

TREES, PARKS, SPORTS & RECREATION

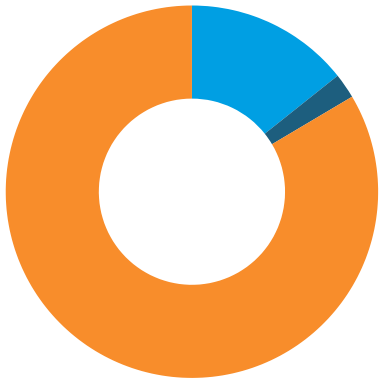
INCOME

Rates & Service Charges	6,407,647
Grants, Subsidies & Contributions	-
Other Revenue	814,592
	7,222,239



EXPENDITURE

Recurrent Operating Expenditure	5,910,867
Ownership Expenditure	1,004,666
Service Initiatives	153,091
	7,068,624

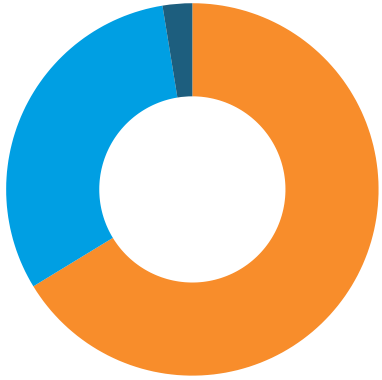


SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Parks & Reserves	Maintains a diverse network of open spaces that support passive recreation across the community	3,839,795	-	3,839,795
Swimming Centre	Outdoor Swimming Centre that operates seasonally, providing lap swimming, swimming lessons and general recreational swimming	1,197,423	448,985	748,438
Sporting Facilities	Maintains sporting grounds and facilities that support active recreation and organised sport	583,252	56,607	526,645
Sports Centre	Provides a range of sporting, recreational, educational and wellness programs for the community	800,398	309,000	491,398
Street Trees & Verges	Manages and maintains street trees across the Town, including inspection, watering, pruning, planting and removal	494,666	-	494,666
Initiatives	Projects focused on enhancing public amenity	153,091	-	153,091
	TOTAL	**7,068,624**	**814,592**	**6,254,032**

COMMUNITY, HEALTH, AGED & YOUTH SERVICES

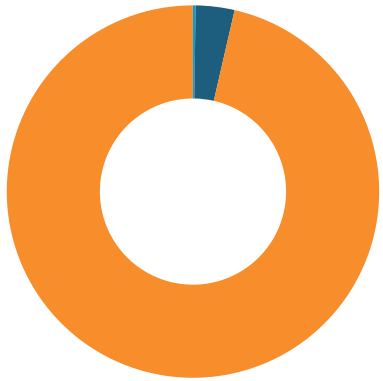
INCOME

Rates & Service Charges	2,038,513
Grants, Subsidies & Contributions	1,058,333
Other Revenue	78,751
	3,175,597



EXPENDITURE

Recurrent Operating Expenditure	2,922,223
Ownership Expenditure	6,864
Service Initiatives	197,639
	3,126,726



SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Libraries	Provides two libraries offering access to books, digital resources, community programs and lifelong learning activities	1,057,099	109,751	947,348
Community Support	Provides services and programs that support vulnerable and diverse members of the community	425,276	12,000	413,276
Environmental Health	Enhances public health by managing the registration of premises as required by the *South Australian Public Health Act 2011* and the Town's immunisation program	331,112	40,500	290,612
Youth Services	Delivers programs and provides spaces that support young people through recreation and personal development	238,769	1,500	237,269
Volunteer Services	Develops and promotes volunteering opportunities across Council services	206,421	0	206,421
Community & Strategy	Leads community planning and strategic initiatives that support social wellbeing and long-term outcomes	11,600	0	11,600
Initiatives	Key projects including contribution to a regional Public Health Officer and delivery of the Community Neighbourhood Development (CND) Program	197,639	189,639	8,000
Home Assist	Delivers government-funded support services to help older people and those with disabilities live independently at home and stay connected to their community	670,410	783,694	(113,284)
	TOTAL	**3,126,726**	**1,137,084**	**1,989,642**

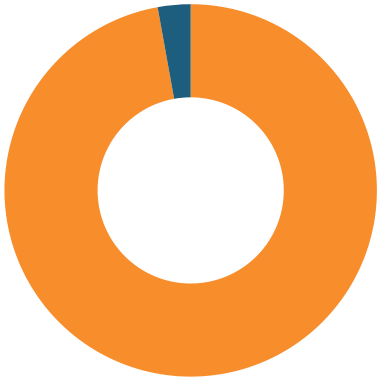
WASTE MANAGEMENT & RECYCLING

INCOME

Rates & Service Charges	3,725,295
Grants, Subsidies & Contributions	-
Other Revenue	98,500
	3,823,795

EXPENDITURE

Recurrent Operating Expenditure	3,820,000
Ownership Expenditure	-
Service Initiatives	-
	3,820,000





SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Waste Collection	Delivers weekly kerbside collection of general waste, recycling and green organics	3,567,000	98,500	3,468,500
Hard waste	Provides on-demand kerbside collection for hard waste items	245,000	-	245,000
Public Litter	Manages street and reserve bin collection to keep public spaces clean	8,000	-	8,000
	TOTAL	**3,820,000**	**98,500**	**3,721,500**

ECONOMIC DEVELOPMENT & TOURISM

INCOME

Rates & Service Charges	209,000
Grants, Subsidies & Contributions	-
Other Revenue	344,080
	553,080

EXPENDITURE

Recurrent Operating Expenditure	530,371
Ownership Expenditure	-
Service Initiatives	-
	530,371





SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Economic Development	Supports economic growth across the Town through services and initiatives that strengthen local businesses and precincts	479,368	37,500	441,868
Tourism	Delivers programs and initiatives that support and promote the visitor economy	51,003	306,580	-255,577
	TOTAL	**530,371**	**344,080**	**186,291**

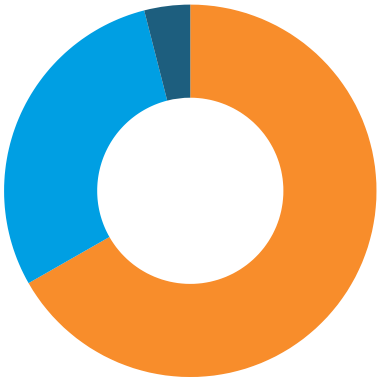
GOVERNANCE, COMMUNICATIONS & ADMINISTRATION

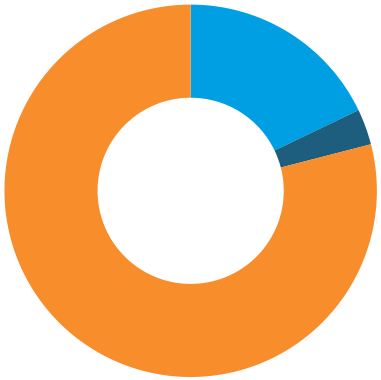
INCOME

Rates & Service Charges	6,106,783
Grants, Subsidies & Contributions	2,588,000
Other Revenue	352,034
	9,046,817

EXPENDITURE

Recurrent Operating Expenditure	7,036,537
Ownership Expenditure	1,593,879
Service Initiatives	270,000
	8,900,416



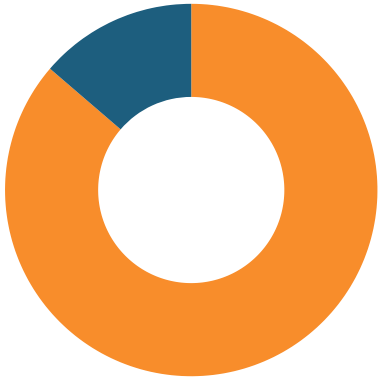


SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Information & Data Management	Support the organisation to embrace technology and harness data to make better-informed decisions, and manage information governance framework for corporate records	2,303,853	-	2,303,853
Corporate Governance	Responsible for processes and systems necessary to provide for good governance and ensured members of the public can access, understand and participate in our local government processes	1,453,122	-	1,453,122
Employee Services	Supports the organisation's people through human resource management, workplace health and safety, recruitment, and learning and development	860,841	31,505	829,336
Communication & Marketing	Delivers corporate external communication, marketing, community engagement, government relations and advocacy for the organisation	455,681	-	455,681
New Initiatives	Local Government Election, Leadership Development Program	270,000	-	270,000
Customer Services	Provides the primary point of contact for the community, supporting access to Council services and information	3,284,073	2,858,529	425,544
Financial Management & Services	Manages the Towns financial resources. Includes strategic financial management, budgeting and financial performance management, compliance reporting and treasury management	3,077,572	2,858,529	219,043
	TOTAL	**8,900,416**	**2,940,034**	**5,960,382**

COMMUNITY EVENTS, HERITAGE & CULTURE

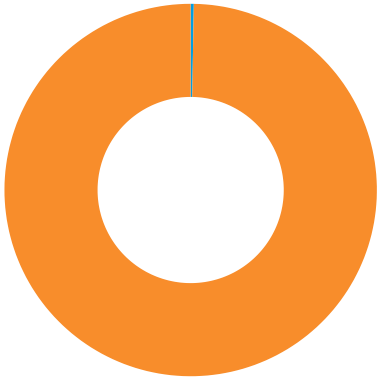
INCOME

Rates & Service Charges	627,575
Grants, Subsidies & Contributions	
Other Revenue	99,740
	727,315



EXPENDITURE

Recurrent Operating Expenditure	710,357
Ownership Expenditure	1,913
Service Initiatives	-
	712,270

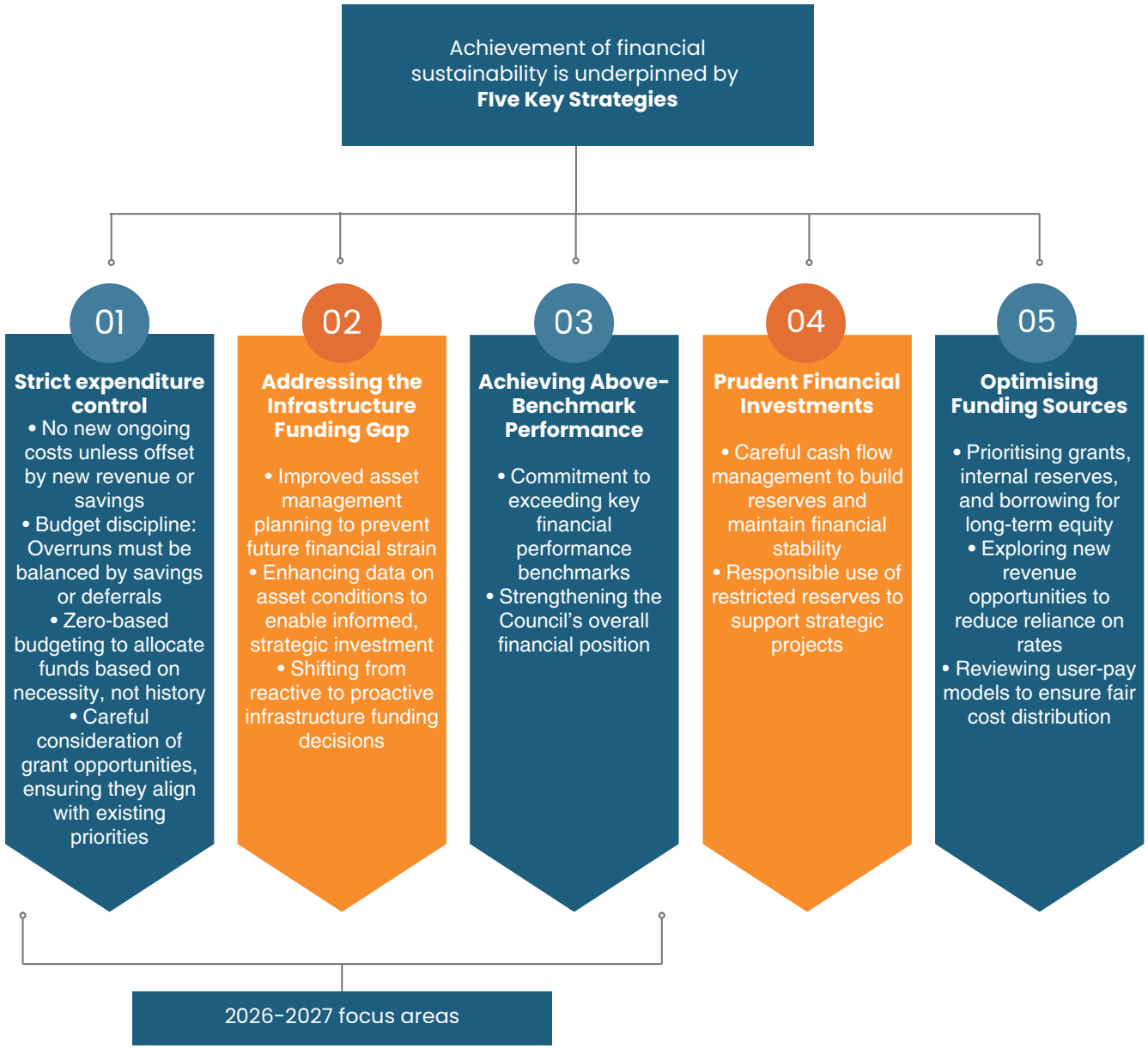


SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Culture	Supports arts and cultural programs, including public art and events and productions at the Town of Gawler Civic Centre	514,558	99,740	414,818
Community Events	Delivers and supports events across the Town that bring people together and celebrate local arts and culture, in line with the Gawler Arts & Culture Strategy. Examples include the Gawler Fringe, Gawler Show and Christmas Parade.	157,348	-	157,348
Heritage	Cultural Heritage Centre supports the community to explore and celebrate the Town's history through exhibitions, services and heritage programs	40,364	-	40,364
	TOTAL	**712,270**	**99,740**	**612,530**

LONG TERM FINANCIAL PLAN

Financial sustainability is a key objective of the Town of Gawler and is essential to delivering on the strategic directions contained in our Gawler Community Plan 2035 and the delivery of programs and services set out in the Annual Business Plan.

The Town of Gawler adopted a new Long Term Financial Plan in November 2024, which is built upon five key financial strategies to ensure long-term sustainability while delivering essential services and infrastructure.



Our Financial Goal

The Long Term Financial Plan (the Plan) provides a roadmap for Council's future strategic financial direction. The adopted 2025–2026 Annual Business Plan and Budget forecast Council's return to an operating surplus, and Council remains on track to achieve this outcome. The 2026–2027 Annual Business Plan and Budget builds on this foundation with a continued focus on long-term financial sustainability.

The Plan sets out how Council will fund its commitments to infrastructure renewal, service delivery, debt management and future investment, while balancing community expectations, asset renewal needs and financial capacity.

In preparing the forecasts, consideration has been given to the economic factors and market-driven assumptions likely to affect Council's financial performance and position. These assumptions and underlying data are reviewed and updated annually to reflect current conditions. Council also recognises that broader external factors, including geopolitical instability and fuel market volatility, may affect costs and supply chains over the life of the Plan. Given the uncertainty surrounding these matters, they have not been specifically factored into the current forecasts, but will continue to be monitored and considered as part of future reviews.

Council's future success will depend on continuing to deliver on its financial strategy and maintaining a financially sustainable position over the long term.

Responsible Budget

Our services and programs are fully funded, and costs shared equitably between current and future ratepayers, with consistent underlying operating surpluses.

Council's long-term sustainability hinges on maintaining operating expenses below revenue over time. Our performance is tracked through the Operating Ratio, which reflects our operating result - surplus or deficit - as a percentage of revenue. This metric highlights Council's capacity to cover day-to-day costs while generating surplus funds for asset renewal and debt reduction.

Our goal: consistent operating surpluses, aligned with sound asset management and service delivery standards.

Target: 0% or greater in any financial year with a five-year rolling average between 0% and 5%.

Rate Stability

Our annual rate collections are to be fair and equitable with affordable rate revenue increases for our ratepayers.

Rate revenue is a major component of the Council's revenue base. Council's objective is to keep rate revenue increases consistent with the cost of delivering core services, support population growth and service levels from community infrastructure investment and continue providing value for money to our community.

Target: between 4% and 6% excluding growth

Asset Management

We are committed to responsible and sustainable stewardship of our assets by maintaining community infrastructure and assets in line with our Infrastructure and Asset Management Plans.

Council's Asset Management Plans are guided by the lifecycle of our infrastructure to ensure services are delivered sustainably. These plans help maintain assets in a financially responsible way, aiming to renew or replace them at the rate they wear out. Recognising that timing may vary, we assess performance using a three-year rolling average.

Target: Asset renewal spend is between 90% and 110% over a three-year rolling average.

Debt Management

We will use debt wisely to invest in new long-term assets that meet community expectations and ensure intergenerational equity between current and future users.

Achieving our financial goals requires a prudent approach to debt - strategically raised and managed to support asset investment. We track our performance through the Net Financial Liabilities Ratio, which measures Council's level of indebtedness as a percentage of operating revenue.

Target: Net financial Liabilities ratio is less than 100%, with aspirational targets of achieving a 75% by 2027.

The Long Term Financial Plan sets our direction through to 2035, guiding annual budgets and highlighting the future impact of today's decisions. We review our Plan annually, especially its underlying assumptions, to stay accountable and on track to deliver on our commitments. The financial forecasts are available in Appendix 5. Our Long Term Financial Plan is available on our website.

RATES

Rates help fund the services, infrastructure and community facilities people rely on every day, while also supporting new projects and initiatives across the Town

Rates are Council's main source of income and are a form of property tax. They help fund the services, infrastructure and community facilities people rely on every day, while also supporting new projects and initiatives across the Town.

This includes roads, footpaths, parks, public health and safety, asset renewal and maintenance, community facilities, programs and events.

For 2026–2027, the budget includes a 4.3% increase in rate revenue, excluding new development growth. Of this, 3.3% is needed to maintain existing services, and 1.0% will help fund new initiatives and the ongoing cost of maintaining assets delivered in recent years. Council expects to raise $32.577 million in general rates, which is $1.181 million more than the previous year.

Property values are used to work out how much each property contributes. Across the Town, property values have increased by 10.4**%** this year. As property values change, Council adjusts the general rate in the dollar to help ensure rates are set fairly. For 2026–2027, the general rate for residential properties is 0.003331 rate in the dollar, down from 0.003517 rate in the dollar last year.

The amount each property pays will vary depending on its valuation, land use, and any development or improvements that have occurred.

For existing residential ratepayers, the average increase in general rates is $89 per year. For the commercial ratepayer, after the tiered adjustment, the increase is 4.4% in the rates payable. For the average commercial rate payer, the increase equates to $389 per year.

Council remains committed to a fair and balanced rating approach as part of its Long Term Financial Plan. This supports the ongoing delivery of infrastructure, services and programs, while maintaining a focus on long term financial sustainability.

To help ensure residential ratepayers do not carry a disproportionate share of the rate burden when property values change significantly, Council limits the residential share of total general rate revenue to 75%. To support this approach, different rates apply to commercial and industrial land and vacant land.

A summary of the key parts of Council's Strategic Rating Policy is included in Appendix 4. The full policy is also available on Council's website.



2026–2027 BUDGET OVERVIEW

Council's 2026–2027 Budget continues the financial strategy set out in the adopted Long Term Financial Plan, which is focused on strengthening Council's financial position over time

The Budget supports the ongoing delivery of sustainable operating surpluses, improved financial resilience, debt reduction over time, and the creation of capacity for future investment in major strategic projects that enhance community wellbeing.

In developing the Budget, Council has remained focused on the key principles of its Long Term Financial Plan, in particular:

- maintaining expenditure control; and
- narrowing the infrastructure renewal gap

This approach supports the continued delivery of existing services and programs, responds to increasing service demands associated with growth, and provides for investment in new and upgraded infrastructure, assets and initiatives that benefit the community.

The Budget was developed through consultation and review with Council Members and the Audit & Risk Committee. Community engagement was undertaken from 29 April 2026 to 29 May 2026, including an open budget consultation session on 27 May 2026, which included a presentation, question and answer opportunity, and community feedback.

The 2026–2027 Budget maintains a strong focus on the efficient delivery of Council's core services and the renewal of existing infrastructure, while also providing for new initiatives that will help Council respond to growth and future service needs across the Town and the broader region.

Council is forecasting an operating surplus of $433,000 for 2026–2027, with an underlying surplus of $154,000 after adjusting for Roads to Recovery funding. Although this funding is required to be recognised as operating income, it is used to support capital projects. This forecast result reflects Council's continued focus on budget discipline through zero-based budgeting, careful management of operating expenditure, and ongoing review of services and program delivery.

The Budget has been prepared using current assumptions about inflation and key input costs, including fuel and materials. As broader global and economic conditions remain uncertain, actual costs may vary and will continue to be monitored throughout the year.

The key parameters used to inform the 2026–2027 Budget are:

- General rate revenue growth of 4.3% (excluding new development growth), comprising:
  - 3.3% indexation to maintain existing service levels; and
  - 1.0% growth to fund new initiatives and lifecycle costs associated with assets delivered in prior years
- Fees and charges not set by legislation increasing by 3.0%, or to market levels where a review indicates an alternative adjustment is appropriate
- Maintenance of existing service levels, updated for:
  - ongoing operating impacts from completed projects; and
  - initiatives introduced during the prior financial year
- Continued application of zero-based budgeting
- An overall 3.0% allowance for cost escalation
- Wages and salaries in line with applicable Enterprise Agreements, being:
  - 3.0% under the Municipal Officers Enterprise Agreement; and
  - 3.0%, or CPI capped at 4.0%, under the Australian Workers Union Enterprise Agreement

This year's Budget demonstrates Council's continued commitment to long-term financial sustainability and builds on the progress made in 2025–2026, including implementation of the Long Term Financial Plan and the forecast return to operating surplus.

A comparison of Council's financial indicator targets and how they are addressed in the 2026–2027 Budget is provided below.

	Indicator	Target met
Operating Ratio	0.97%	✓
5 year rolling average	(2.73%)	✗
Net Financial Liabilities Ratio	74.1%	✓
Asset Renewal Ratio	91.1%	✓
3 year rolling average	101.3%	✓

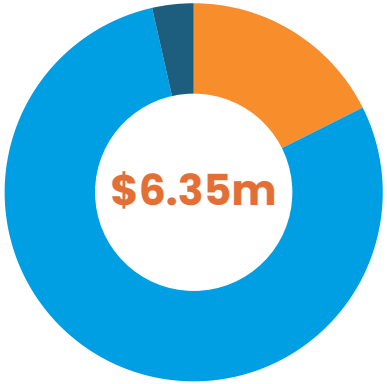
2026-2027 BUDGET OVERVIEW

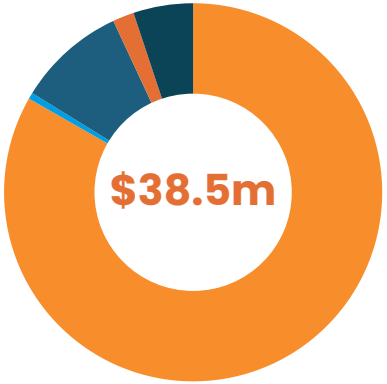
Total Operating Expenditure - $44.1 million

Operating Surplus - $154,000*

*underlying surplus after adjustment for Roads to Recovery

Income



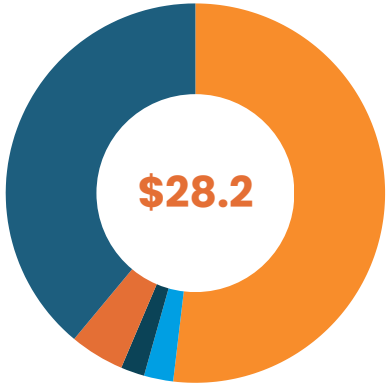


GOVERNMENT & FINANCING	
Operating Grants	$5.004m
Statutory charges	$1.117m
Other income	$0.224m

COMMUNITY & RATEPAYERS	
General Rates	$32.032m
Separate Rates	$0.209m
Waste Service Management Charge	$3.567m
Regional Landscape Levy	$0.703m
User fees	$1.965m

Expenditure+





EMPLOYEE EXPENSES	
Full Time Equivalents	142FTE
Full time	122
Part time	30
Casual	9

SERVICES & MATERIALS	
Services & Materials	$14.625m
Depreciation	$10.984m
Interest	$1.310m
Initiatives	$0.570m
Regional Landscape Levy	$0.703m

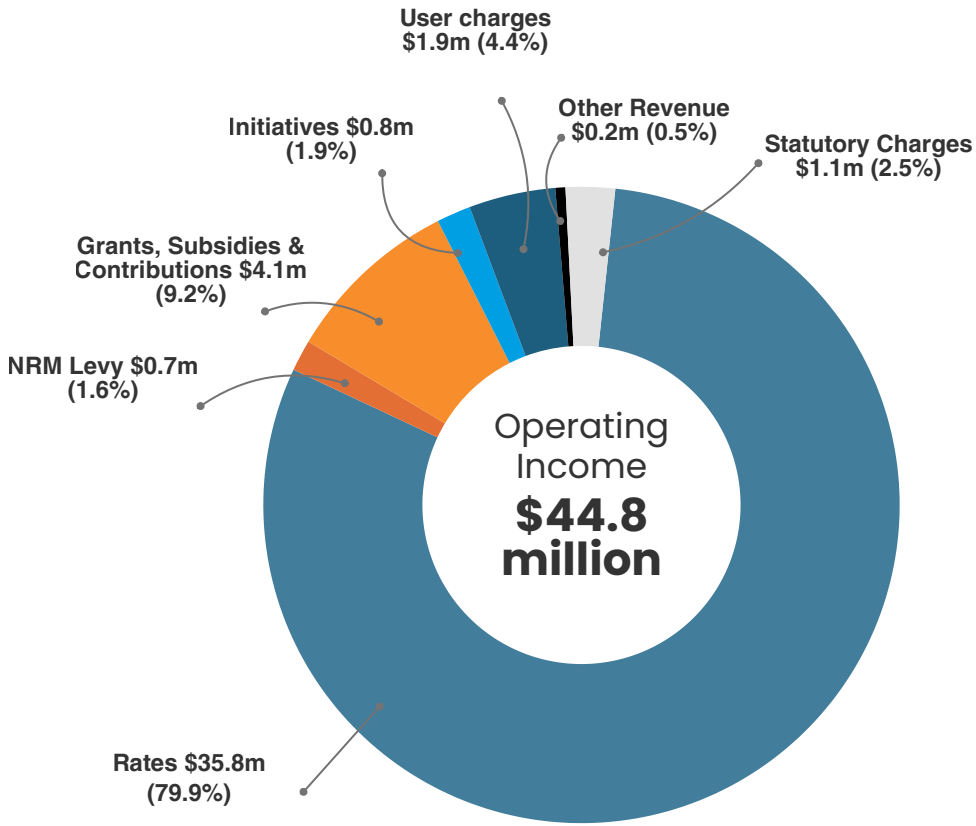
+ Expenditure excludes regional subsidies



> **Our goal: consistent operating surpluses, aligned with sound asset management and service delivery standards.**

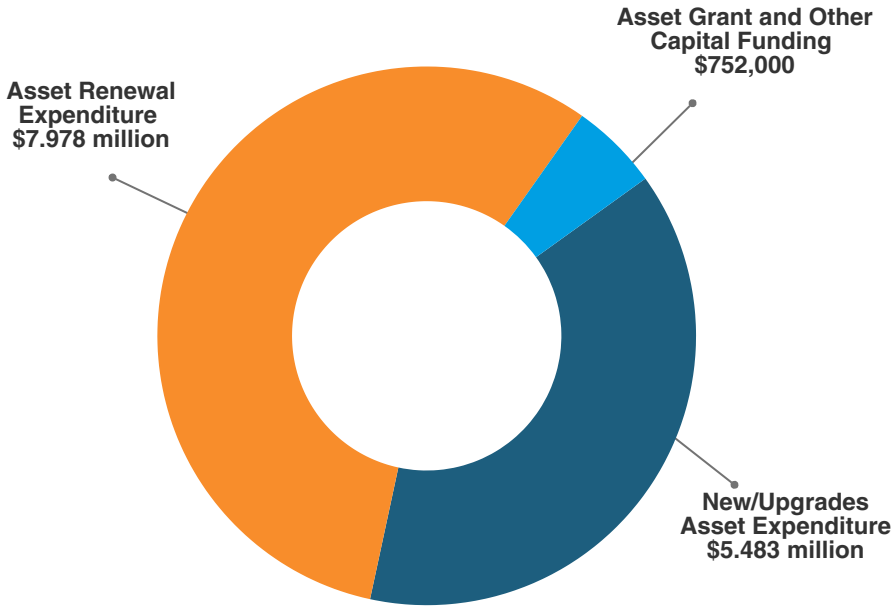
INCOME & FUNDING

Outside of General Rate revenue, Local Government has limited other recurrent revenue streams available to it. Subsequently, there is a significant reliance on General rates (approximately 80% for the Town of Gawler) to fund the operating costs of Council.



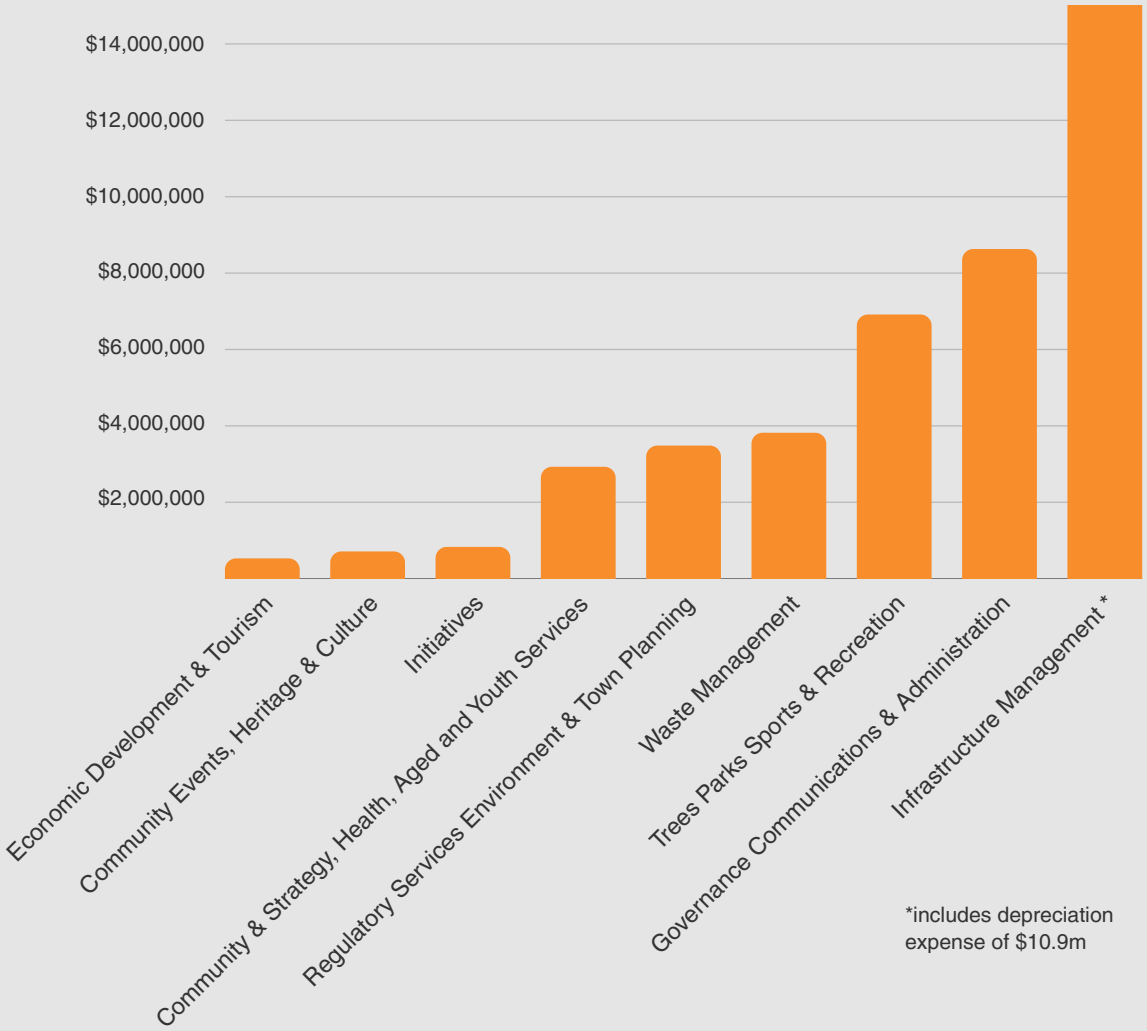
EXPENDITURE & INVESTMENT

Asset Investment*



**excludes carry forwards

Expenses by Service Category



*includes depreciation expense of $10.9m

APPENDIX 1

2026-2027 Key Projects & Initiatives



Community Plan Goal	Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding	2026-2027 Operating Cost Reduction	2027-2028 Ongoing Operating Cost Impact
INFRASTRUCTURE MANAGEMENT									
●	Asbestos Management Plans and Registers	★	Review and update of Council's Asbestos Management Plans and Asbestos Site Registers to maintain compliance with legislative and work health and safety obligations. The project includes inspection of identified Council sites to verify the presence and condition of asbestos-containing materials, identify any previously undocumented materials, and update records to support safe works, duty of care and proactive risk management.	$15,000	$-	$15,000	$-	$-	$-
●	Multi-Wheel Roller Purchase	■	Purchase of a multi-wheel roller to support Council's annual road resheeting program and replace the current hire arrangement, which costs around $70,000 per annum. The purchase will improve operational flexibility and deliver estimated savings of $52,500 in 2026-27, with the full recurrent saving available in future years. As the Spray Seal Rural Roads Transition Program reduces Council's reliance on annual resheeting, the roller is expected to no longer be required at the completion of the program and will be sold, with an estimated resale value of $100,000.	$180,000	$-	$-	$180,000	$52,500	$5,000
●	Aspire Estate Walking Connection	■	Construction of a new DDA-compliant shared path and compliant lighting to provide an accessible connection between the Aspire Estate and the existing Gawler Bypass underpass. The project will deliver a safe active transport link for pedestrians and cyclists, improving access to the broader footpath network and helping overcome the barrier posed by Main North Road. It also supports the objectives of Council's Walking and Cycling Plan 2018–2028 and Gawler Integrated Transport Strategy 2024.	$891,605	$-	$-	$891,605	$-	$-
●	Road and Transport Asset Upgrade Program	■	Delivery of a coordinated program of road, transport and public realm upgrades to improve accessibility, connectivity, safety and stormwater management across the Council area. The program includes DDA Upgrades ($155,000) for targeted disability access improvements on Paterson Terrace; New Footpaths ($750,000) to deliver missing links and improve connectivity, safety and accessibility across the network; New Street Lighting ($50,000) at priority locations in response to safety concerns and community requests; and Stormwater Upgrades ($435,000) to address localised flooding. Detailed allocations for the new footpath program are provided in the Asset Transport Plan on page 40.	$1,390,000	$-	$-	$1,390,000	$-	$-

■ Assets ★ Initiatives

● A uniquely identifiable township ● Managed and sustainable growth ● A healthy, active, safe, engaged community ● To respect, protect and nurture the environment ● Provide Strategic Leadership

Community Plan Goal	Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding	2026-2027 Operating Cost Reduction	2027-2028 Ongoing Operating Cost Impact
INFRASTRUCTURE MANAGEMENT									
Reid Street Car Park Lighting	■	Supply and installation of solar lighting at the Reid Street Car Park to improve visibility, safety and amenity for users of the space. The lighting will provide an energy-efficient solution designed to meet relevant Australian Standards and manage light spill to nearby residential areas.	$45,000	$-	$-	$45,000	$-	$-
Glenelg Lane Upgrade	■	Upgrade and sealing of Glenelg Lane, Gawler South, an unsealed urban road approximately 375 metres in length. The project includes stormwater management, kerb and gutter, road base and asphalt pavement works to improve local amenity and reduce future maintenance requirements. The majority of the project cost is expected to be offset through the Federal Government's Roads to Recovery program.	$639,600	$615,000	$-	$24,600	$-	$-
Spray Seal Rural Roads Transition Program	■	Commencement of year one of a five-year program to spray seal unsealed rural roads in Council's southern areas, beginning with Athol Road, Kudla. The program will improve road condition, amenity and maintenance efficiency by reducing reliance on ongoing resheeting and machinery hire. Over time, it is expected to eliminate annual resheeting costs of around $200,000, avoid a future $540,000 grader replacement, reduce plant hire costs, and deliver savings of more than $1.75 million over 10 years.	$160,000	$-	$-	$160,000	$-	$-
Building Renewal Program	■	Delivery of Council's annual Building Asset Renewal Program, addressing priority renewal works identified through condition assessments and ongoing inspections. The 2026-2027 program includes Air Conditioner Renewal ($125,000), Finniss Street Multi-Storey Carpark Structural and Stormwater Repairs ($140,000), Cunningham Harvey Building Structural Repairs ($100,000), Ambulance Station Structural Repairs ($90,000), and Additional Priority Building Renewals ($210,000) for projects to be confirmed through detailed review and prioritisation of condition assessment data. This supports a planned, risk-based approach to building renewal.	$665,000	$-	$665,000	$-	$-	$-

■ Assets ★ Initiatives

● A uniquely identifiable township ● Managed and sustainable growth ● A healthy, active, safe, engaged community ● To respect, protect and nurture the environment ● Provide Strategic Leadership

Community Plan Goal	Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding	2026-2027 Operating Cost Reduction	2027-2028 Ongoing Operating Cost Impact
INFRASTRUCTURE MANAGEMENT									
● ● ●	Light Vehicle Fleet Replacement Program	■	Renewal of light vehicles that have reached Council's adopted replacement criteria of 5 years or 120,000 kilometres, whichever occurs first, to maintain reliability, reduce maintenance risk and manage whole-of-life costs. The 2026-2027 program includes renewal of five light vehicles, with two proposed to transition to electric vehicles where operationally suitable, supporting Council's Climate Action Plan. The program cost is expected to be partially offset by an estimated combined trade-in value of $75,000.	$265,000	$-	$190,000	$75,000	$-	$-
● ●	Heavy Fleet and Plant Optimisation Program	■	This program strengthens Council's heavy fleet and plant capability through the purchase of two tipper trucks and replacement of tyres and rims on an existing tractor. These improvements will support safer and more efficient civil, arboriculture and turf maintenance operations, including improved material handling and greater flexibility in operating the Verti-Drain. The cost will be partially offset through sale of an existing truck and older tractor, with estimated proceeds of $35,000.	$257,000	$-	$2,000	$255,000	$-	$10,000
● ●	Finniss Street Renewal	■	Renewal of Finniss Street within the Church Hill Heritage area, between Reid Street and Porter Street, to address deteriorated infrastructure while maintaining the heritage character of the precinct. Works include stone kerb renewal, sealed footpath renewal and road pavement and seal renewal, improving safety, functionality and asset life while reinstating the streetscape in keeping with the area's heritage significance.	$928,505	$-	$928,505	$-	$-	$-
● ●	Dalkeith Road Renewal	■	Renewal of Dalkeith Road from Coventry Road to Angle Vale Road as a joint project with the City of Playford. Works include pavement renewal, reseal, sealed shoulders, line marking and signage to improve road condition, safety and functionality on this connector route.	$1,500,000	$-	$1,500,000	$-	$-	$-
● ● ●	Road and Transport Asset Renewal Program	■	Delivery of Council's coordinated annual renewal program for roads and transport assets to maintain the long-term condition, safety and serviceability of the transport network. The program includes Bridge and Culvert Renewal ($280,000), Sealed Roads Renewal ($797,000), Kerb Renewal ($200,000), Crack Sealing ($35,000), Unsealed Road Resheeting ($360,000), Stormwater Renewal ($112,000) and Footpath Renewal ($490,000). Detailed project allocations for the road reseal, kerb and gutter, footpath renewal and road resheeting programs are provided in the Transport Asset Plan on page 46.	$2,274,000	$-	$2,274,000	$-	$-	$-
			Subtotal	**$9,210,710**	**$615,000**	**$5,574,505**	**$3,021,205**	**$52,500**	**$15,000**

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Community Plan Goal	Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding	2026-2027 Operating Cost Reduction	2027-2028 Ongoing Operating Cost Impact
REGULATORY SERVICES, ENVIRONMENT & PLANNING									
● ● ●	Gawler Town Centre Structure Plan & Development Delivery Framework Implementation	★	Implementation of priority actions from the Town Centre Structure Plan and Development Delivery Framework to progress the staged revitalisation of the town centre. The 2026-2027 program includes design guidance, early implementation actions, a signage and wayfinding strategy, and a code amendment to align planning policy with the Structure Plan vision and support future investment. The project is also supported by a $50,000 Minister for Planning Open Space Fund grant.	$150,000	$50,000	$100,000	$-	$-	$-
● ●	Development Compliance and Enforcement Services	★	Reinstatement of a dedicated Compliance Officer (1.0 FTE) to manage development compliance matters, including complaints, investigations, site inspections, enforcement action and community education. The role responds to increased compliance activity since 2018 and will improve statutory compliance, risk management, and consistency and timeliness in enforcement, while reducing pressure on assessment staff. The Year 1 allocation is lower than the ongoing cost to allow for recruitment and onboarding during the third quarter of 2026-2027.	$30,716	$-	$30,716	$-	$-	$122,863
● ● ●	Multi-Sensor Drone	■	Purchase of a Council-owned multi-sensor drone to provide a cost-effective in-house capability for aerial imagery and 3D modelling across planning, assets, environment, compliance, emergency response and communications. The drone will improve safety, efficiency and data quality, while reducing reliance on equipment hire, repeated site visits and some external consultancy support.	$14,000	$-	$-	$14,000	$-	$100
			Subtotal	**$194,716**	**$50,000**	**$130,716**	**$14,000**	**$-**	**$122,963**
COMMUNITY EVENTS, HERITAGE & CULTURE									
●	Digital Dads Connect Program	★	Funding provided to Dads Group Gawler to deliver a targeted program supporting young, expectant and new fathers in the Gawler region. The program provides online group sessions, digital resources and peer connection to support fathers, families and children.						

■ Assets ★ Initiatives

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Community Plan Goal	Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding	2026-2027 Operating Cost Reduction	2027-2028 Ongoing Operating Cost Impact
TREES, PARKS, SPORTS AND RECREATION									
● ●	Enhancing Town Presentation Program	★ ■	This program strengthens Council's in-house capacity to maintain verges, reserves and streetscapes, improving service consistency, flexibility and town presentation while reducing reliance on contractors over time. It includes an operating component of $153,091 to establish a dedicated three-person horticulture crew through 2 new positions and 1 existing internal vacancy, and a capital component of $258,000 for a truck, spray unit, mower, trailer, and associated equipment to support efficient in-house delivery across multiple sites. The Year 1 operating cost is lower than the ongoing cost to allow for recruitment and onboarding, with estimated contractor savings of $45,000 in Year 1 increasing to $100,000 per annum from Year 2 as more work is progressively brought in house.	$411,091	$-	$153,091	$258,000	$45,000	$119,121
● ●	Gawler Aquatic Centre Works	■	Delivery of a coordinated package of renewal, accessibility, security and service improvement works at the Gawler Aquatic Centre identified through condition audit and operational review. The program includes Main Pool Renewal ($1.1 million in total to be delivered over 2 financial years - $550,000 in both 2026-2027 and 2027-2028), Toddler Pool Retiling ($165,000), Solar System Renewal ($15,000), Pool Chair Lift Renewal ($15,000), Main Pool Access Steps ($10,000), Kiosk Upgrade ($30,000), and Staff Access Control Upgrade ($14,935). Together, these works will protect critical infrastructure, improve accessibility, support operational efficiency and maintain service standards, while reducing treated water loss, chemical use and the risk of treated water entering natural watercourses.	$799,935	$-	$745,000	$54,935	$-	$-
● ●	Jack Cooper Reserve Playspace	■	Design and construction of a new playspace at Jack Cooper Reserve, Hibbard Drive, Hillier, in line with Council's adopted Playspace Strategy. The project includes new playspace works and irrigation, with concept design to be informed by community engagement to deliver a suitable and diverse local play space for children aged 0–10 years.	$480,000	$-	$-	$480,000	$-	$-

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Community Plan Goal	Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding	2026-2027 Operating Cost Reduction	2027-2028 Ongoing Operating Cost Impact
TREES, PARKS, SPORTS AND RECREATION									
●	Gawler Bowling Club Canopy Design	■	Preparation of detailed design, including development approval, for a canopy over two greens at the Gawler Bowling Club as Council's 50% contribution toward a future external funding application. The project supports the Club's planned synthetic green renewal, aligns with the Essex Park & Gawler Showgrounds Regional Sporting Precinct Master Plan, and will help guide future site improvement, accessibility and shade outcomes.	$33,450	$16,725	$-	$16,725	$-	$-
●	Open Space Renewal Program	■	Delivery of Council's annual open space renewal program to improve the safety, functionality and presentation of parks, reserves and public spaces. The program includes renewal of hardscape assets, fencing, electrical and lighting infrastructure, and the Clonlea Tennis Court shelter, supporting ongoing amenity and activation through planned, condition-based renewal.	$575,000	$-	$575,000	$-	$-	$-
			Subtotal	**$2,299,476**	**$16,725**	**$1,473,091**	**$809,660**	**$45,000**	**$119,121**
GOVERNANCE, COMMUNICATIONS & ADMINISTRATION									
●	Local Government Periodic Elections	★	Provision for Council's statutory costs associated with the 2026 Local Government periodic election. Council is required under the Local Government (Elections) Act 1999 to meet the costs of conducting the election. The allocation includes the Electoral Commission's indicative estimate, together with staffing and contingency, noting final costs depend on factors such as voter participation, ballot paper returns and the number and type of elections required.	$250,000	$-	$250,000	$-	$-	$-
●	Leadership Development Program	★	Delivery of a structured leadership development program for Executive Managers and Managers through a series of half-day workshops. The program will build leadership capability, support alignment around shared expectations, and strengthen consistency and influence across Council's leadership group.	$20,000	$-	$20,000	$-	$-	$-

■ Assets ★ Initiatives

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Community Plan Goal					Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding	2026-2027 Operating Cost Reduction	2027-2028 Ongoing Operating Cost Impact
GOVERNANCE, COMMUNICATIONS & ADMINISTRATION													
		●			Content Manager Upgrade	■	Upgrade of Council's Electronic Document and Records Management System, Content Manager. The upgrade will improve integration with SharePoint and Microsoft 365, reduce double handling of documents, support collaboration and mobility, and improve the efficiency of Council's records management environment.	$29,000	$-	$-	$29,000	$-	$-
				●	Council Chambers AV System upgrade	■	Upgrade of the Council Chambers audiovisual system to improve meeting functionality, reliability and support for contemporary meeting requirements. The project includes replacement of the conference microphone system, integrated AV control, associated cabling upgrades, and installation, programming and staff training to support Council meetings, streaming and conferencing.	$120,000	$-	$-	$120,000	$-	$-
				●	IT Helpdesk Upgrade	■	Migration of Council's IT Helpdesk software to a cloud-based solution to improve reliability, performance, security and user experience. The upgrade will support modern and flexible ways of working by enabling secure access from any location and improving Council's ability to provide timely remote support across the organisation. The allocation includes software subscription and migration assistance.	$17,000	$-	$-	$17,000	$-	$-
				●	HRIS & Payroll System Procurement and Implementation	■	Procurement and implementation of an integrated Human Resources Information System and Payroll platform, supported by a fixed-term Project Officer (0.6 FTE). The project will deliver a more integrated and scalable system for payroll and people management, improving accuracy, compliance, governance, reporting and workforce analytics, while reducing reliance on manual processes and minimising implementation risk.	$130,275	$-	$-	$130,275	$-	$20.000
							Subtotal	**$566,275**	**$-**	**$270,000**	**$296,275**	**$-**	**$20,000**

■ Assets ★ Initiatives

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TRANSPORT ASSET PLAN

Road Reseal, Kerb & Gutter Program

Project Name	Project Description
Dalkeith Road Renewal	Renewal of Dalkeith Road (Coventry Road to Angle Vale Road), delivered in partnership with the City of Playford, with both councils contributing equally. Works include in-situ pavement stabilisation, resealing with sealed shoulders, and updated line marking and signage.
Sealed Roads Renewal Program 2026-27	Renewal of sealed roads throughout the region, in line with Council's adopted Transport Asset Management Plan, with an indicative program as follows: • Hutchinson Road from Lyndoch Road to McGahan Crescent (~540m) • Hannon Court full length (~60m) • McGahan Crescent full length (~220m) • Harbison Court full length (~50m) • Bella Street from Lyndoch Road to Whitelaw Court (~510m) • Bellevue Court from Bella Street to end (~150m) • East Terrace from Lyndoch Road to Rusby Road (~320m) • Dean Street from roundabout to Railway Terrace (~165m) • Railway Terrace from Dean Street to Elizabeth Street (~250m) • Elizabeth Street from Barnet Road to Railway Terrace (~140m)

Footpath Renewal

Project Name	Project Description
Footpath Renewal Program 2026-27	Annual footpath asset renewal program, in line with Council's adopted Transport Asset Management Plan, with an indicative program as follows: • Shared path along the South Para River, from Paterson Terrace to the Reid playspace. Works include heavy patching in areas affected by tree roots, crack sealing throughout, and updated line marking and signage • Tod Street (northern side) from Murray Street to Reid Street with asphalt, approx. 250 m2 • Reid Street (both sides) from Tod Street to Moore Street / Light Square with asphalt, approx. 550 m2 and two new ramps on the western side, and 160 m2 on the eastern side • Princess Street from Main North Road to Barker Road (southern side), and renew poor condition asphalt with new concrete to match balance of street • Other sites subject to confirmation of condition and review of CRM data

New Footpath Program

Project Name	Project Description
New Footpath Program 2026-27	Construction of missing link footpaths throughout the district, generally in concrete, as per the below indicative program (side of road to be determined onsite based on site constraints): • Dawson Road from bus stop 165 (near Clark Road) to rail crossing (near Dysart Road) (~ 400m) • Queen Street from High Street to Princess Street (~260m) • High Street from Main North Road to Murray Road (~340m) • Jane Street from Edward Street to Chamberlin Street (~650m) • Bond Street from Jane Street to Davies Street (~200m) • Davies Street from Princess Street to Main North Road (~520m) • Couch Street from Davies Street to End (~90m) • Edward Street from Jane Street to Davies Street (~200m)
Aspire Estate Walking Connection	Construction of a new asphalt 3m wide shared path to connect the Aspire Estate in Evanston South to greater Gawler via Evanston.
DDA Upgrades Program 2026-27	Upgrade of infrastructure to facilitate disability access and including, including: • Paterson Tce fromNixon to Fourteenth St; improved crossing points, especially at intersections • DDA ramps at various other locations thorughout the district, to be determined (approx. 15 pairs)

Sealed Roads New and Upgrade

Project Name	Project Description
Glenelg Lane Upgrade	Sealing of unsealed urban road, specifically Glenelg Lane, including kerbing and underground drainage as appropriate.

Bridge and Culvert Renewal

Project Name	Project Description
Bridge culvert on Hiller Road adjacent Jack Cooper Drive	

APPENDIX 2

MEASURING OUR PERFORMANCE



MEASURING OUR PERFORMANCE

Council's success is driven by the delivery and achievement of our goals and objectives set out in our Gawler Community Plan 2035.

Monitoring and measuring the performance of Council (both financial and non- financial performance) is important to ensure our objectives are achieved.

Non-Financial Measures

Our performance on the delivery of our Community Plan is reported in our Annual Report.

Financial Measures

Council currently monitors both financial and non-financial performance through the presentation of Quarterly Budget Reviews, monthly Financial Reports and Annual Financial Statements.

A series of financial indicators have been developed by Local Government to assist in determining if a Council is financially sustainable or moving towards financial sustainability. Council's Long Term Financial Plan and Annual Budget are measured against these indicators.

Operating Ratio

The operating ratio is a financial performance metric that measures the efficiency of operations by comparing its operating expenses to its revenue. The operating ratio is calculated by dividing the operating result by the operating revenue for the period.

Council's target result is for the ratio of *0% or greater in any financial year with a five-year rolling average between 0% and 5%.*

For 2026-2027, the operating result is a small surplus of $154,000, which results in an operating ratio of 0.97%. The rolling five-year average operating ratio for Council, adjusted for the timing impact of the receipt of the Financial Assistance Grants is minus 2.73%.

While the five-year rolling average remains outside the Council's target range, Council is now delivering on its Financial Strategy and forecasting an operating surplus in 2026-2027 and across the forward years of the Long Term Financial Plan.

Net Financial Liabilities Ratio

This ratio measures Council's Net Financial Liabilities (i.e. total liabilities less financial assets) as a percentage of total operating revenue.

It is Council policy, and a widely accepted benchmark within the Local Government industry, that the Net Financial Liabilities Ratio not exceed 100%.

Periodic fluctuations (either upwards or downwards) in the Net Financial Liabilities are to be expected, dependent on the timing and value of major asset investment. Further, in a growth Council such as the Town of Gawler, there will be a continual demand for new and/or increased services and facilities, as the population of Council continues to escalate.

For 2026-2027, it is anticipated that the Net Financial Liabilities Ratio will be 74.1%.

Asset Renewal Funding Ratio

This ratio measures net capital expenditure on the replacement and renewal of fixed assets, as a percentage of identified expenditure for such as disclosed in Council's Infrastructure and Asset Management Plans.

Consequently, this indicator aims to determine if assets are being renewed and replaced in an optimum way. Council can accelerate or reduce asset renewal to compensate for past events, coincide asset renewals with planned asset upgrades or bring forward future asset renewals to reduce maintenance costs. As such, Council's target range for this indicator is 90 to 100% on a rolling three-year average.

For the remainder of the Council term, Council's focus is on asset renewal, directing funds towards addressing the renewal backlog based on asset condition.

For 2026-2027, Council has planned to spend $7.978 million on asset renewal spend compared to the Asset Management Plan spend of $8.756 million. On the three-year rolling average, the Asset Renewal Funding Ratio is 101.03%.

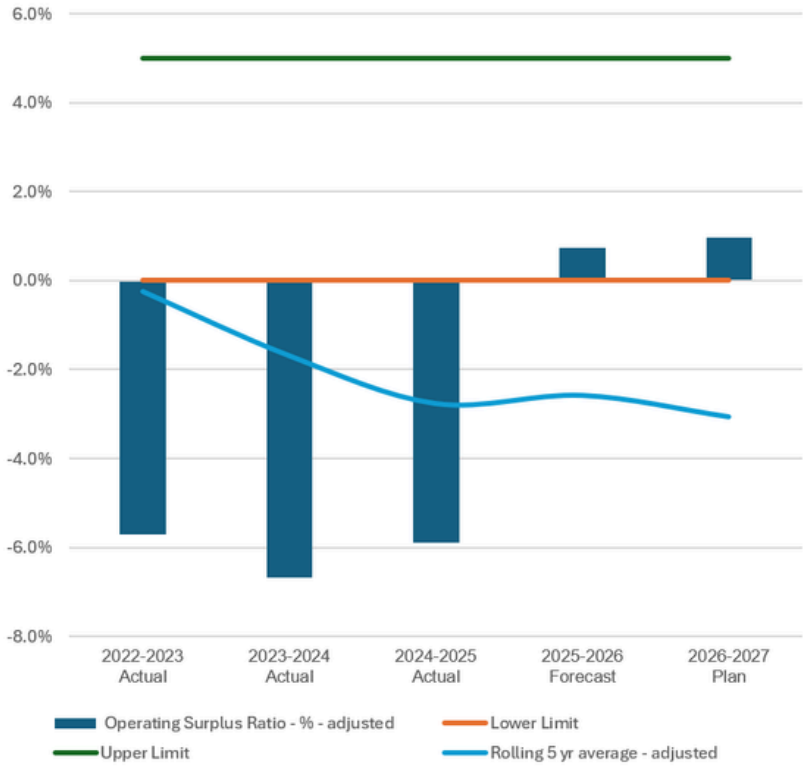
FINANCIAL RATIOS

Responsible Budget

Our services and programs are fully funded, with costs shared fairly between current and future ratepayers.

Graph 1 shows Council's Operating Surplus Ratio over time, demonstrating the importance of achieving consistent underlying surpluses to support responsible, sustainable budgeting. Council's target result is for the ratio of 0% or greater in any financial year with a five-year rolling average between 0% and 5%. The graph shows that the underlying operating ratio for 2026-2027 is within this range.

Graph 1: Operating Surplus Ratio Five-Year Trend and Rolling Average



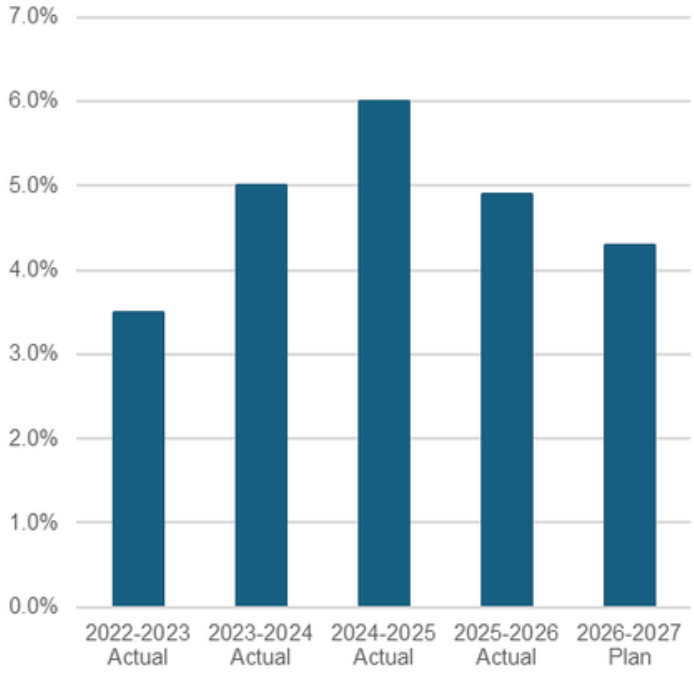
Rate Stability

Our annual rate collections are to be fair and equitable with affordable rate revenue increases for our ratepayers.

Rates are a major source of Council's income and help fund the services, infrastructure and facilities our community uses every day. Council aims to balance rate increases with the cost of delivering services, supporting growth, investing in community infrastructure and providing value for money.

Graph 2 shows Council's annual rate revenue increases over the past 5 years. Since 2024-2025, Council has aimed to keep rate revenue increases, excluding new development growth, within the target rate of 4% to 6%. The graph shows that the planned increase for 2026-2027 is 4.3%, which is within this range.

Graph 2: Rate Revenue Increase Five-Year Trend

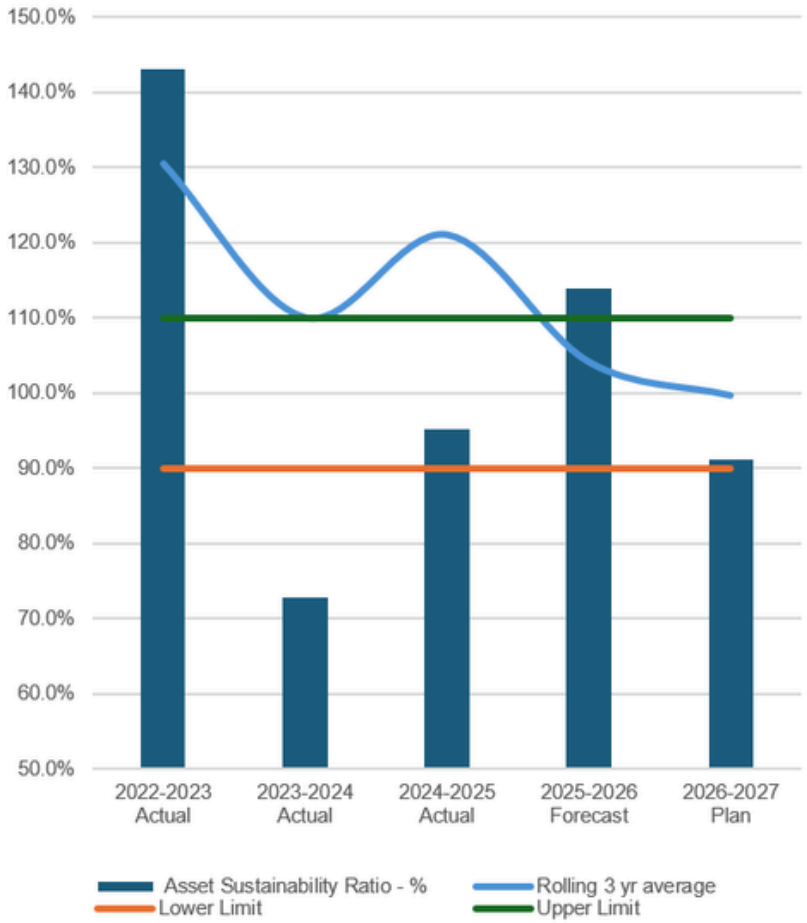


Asset Management

We are committed to responsible and sustainable stewardship of our assets by maintaining community infrastructure and assets in line with our Infrastructure and Asset Management Plans.

Graph 3 shows Council's Asset Sustainability Ratio over the past five years, along with the rolling three-year average. Council's target for this indicator is 90% to 110% on a rolling three-year average, supporting a balanced approach to renewing assets at the right time and maintaining service levels for the community.

Graph 3: Asset Sustainability Ratio Five-Year Trend and Rolling Average

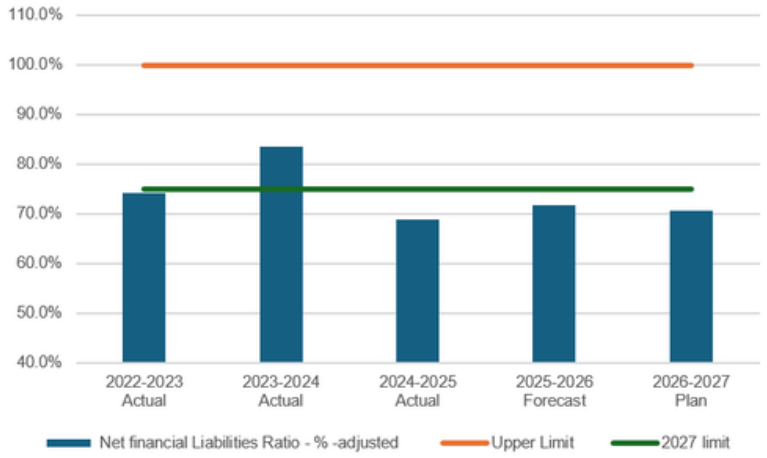


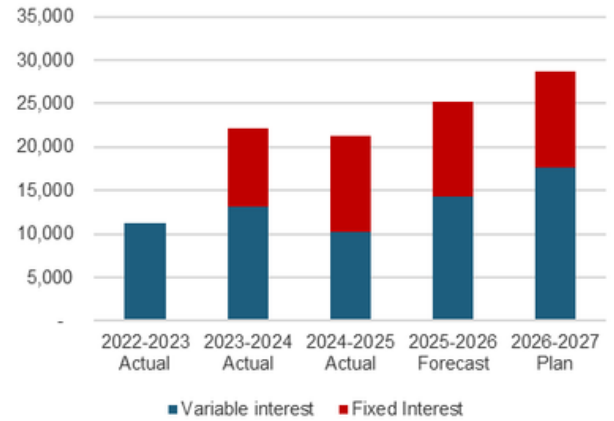
Debt Management

We will use debt wisely to invest in new long-term assets that meet community expectations and ensure intergenerational equity between current and future users.

Graph 4 shows Council's Net Financial Liabilities Ratio over the past five years. Council's policy target is to keep this ratio below 100%. The graph shows Council remains within this limit, supporting a responsible and sustainable approach to debt management. Graph 5 shows the level and mix of Council's borrowings, including fixed and variable interest arrangements, which are actively monitored to manage financial risk and support long-term sustainability.

Graph 4: Net Financial Liablities Ratio Five-Year Trend





Graph 5: Cash Advance Facility - Outstanding Balance

APPENDIX 3

FINANCIAL STATEMENTS



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2027

	Proposed 2026-2027	Forecast 2025-2026	Actual 2024-2025	Actual 2023-2024	Actual 2022-2023
	$'000	$'000	$'000	$'000	$'000
Income					
Rates	36,510	33,778	31,565	29,295	27,168
Statutory charges	1,117	1,089	1,009	933	886
User charges	1,964	1,884	2,117	2,104	2,111
Grants, subsidies and contributions - Operating	5,004	4,668	5,956	1,615	5,480
Grants, subsidies and contributions - Capital	-	245	1,707	-	-
Investment income	50	55	103	390	275
Other income	174	331	770	584	582
Net gain joint ventures & associates	-	176	-	-	-
Total Income	**44,820**	**42,226**	**43,227**	**34,921**	**36,430**
Expenses					
Employee costs	15,860	15,067	14,239	13,636	12,955
Materials, contracts & other expenses	15,898	15,032	15,835	15,854	15,132
Finance costs	1,310	1,195	1,297	1,444	809
Depreciation, amortisation & impairment	10,984	10,267	10,226	8,828	8,240
Net loss Joint Ventures & Associates	335	111	745	192	120
Total Expenses	**44,387**	41,672	42,342	39,954	37,256
Operating Surplus (Deficit)	**433**	**554**	**885**	**(5,033)**	**(826)**
Net gain (loss) on disposal or revaluation of assets	-	-	(898)	(234)	(763)
Developer Contributions	1,872	2,010	-	-	-
Amounts specifically for new or upgraded assets	137	3,045	3,730	4,761	1,791
Physical resources received free of charge	6,699	6,830	-	9,447	3,267
Net Surplus (Deficit) transferred to Equity Statement	**9,141**	**12,439**	**3,717**	**8,941**	**3,468**
Other Comprehensive Income					
Changes in revaluation Surplus- infrastructure, property, plant & equipment	18,586	18,447	18,495	30,776	15,501
Share of Other comprehensive Income - joint ventures and associates	-	-	649	192	36
Total Other Comprehensive Income	**18,586**	**18,447**	**19,580**	**30,968**	**15,537**
Total Comprehensive Income	**27,727**	**30,886**	**23,297**	**39,909**	**19,006**

Pursuant to S123 (10)(b) of the *Local Government Act 1999* and Clause 7 of the *Local Government (Financial Management) Regulations 2011*, as detailed in the Statement of Comprehensive Income, the projected Operating Income ($41.596m) meets the projected Operating Expenditure ($41.350m) for the 2025-2026 Financial Year.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2027

	Proposed 2026-2027	Forecast 2025-2026	Actual 2024-2025	Actual 2023-2024	Actual 2022-2023
	$'000	$'000	$'000	$'000	$'000
Assets					
Current Assets					
Cash and cash equivalents	633	367	64	398	117
Trade & other receivables	3,382	2,731	2,574	3,237	3,363
Inventories	-	25	17	15	15
Total Current Assets	**4,015**	**3,123**	**2,655**	**3,650**	**3,495**
Non-current Assets					
Financial Assets	233	230	158	115	129
Equity accounted investments in Council businesses	8,362	8,362	8,297	8,407	4,681
Infrastructure, Property, Plant & Equipment	522,673	491,872	455,922	433,888	393,428
Other Non-current Assets	-	-	2,502	4,910	4,070
Total Non-current Assets	**531,290**	**500,464**	**466,879**	**447,320**	**402,308**
Total Assets	**535,305**	**503,587**	**469,534**	**450,970**	**405,803**
Liabilities					
Current Liabilities					
Trade & Other Payables	5,784	4,975	5,943	9,619	12,890
Borrowings	11,000	11,000	12,107	1,761	4,796
Short-term Provisions	3,093	3,107	3,029	3,189	3,175
Total Current Liabilities	**19,877**	**19,082**	**21,079**	**14,569**	**20,861**
Non-current Liabilities					
Long-term Borrowings	17,301	14,269	9,161	20,441	8,762
Long-term Provisions	284	142	85	48	166
Total Non-current Liabilities	**17,585**	**14,411**	**9,246**	**20,489**	**8,928**
Total Liabilities	**37,462**	**33,492**	**30,325**	**35,058**	**29,789**
Net Assets	**497,821**	**470,094**	**439,209**	**415,912**	**376,014**
Equity					
Accumulated Surplus	156,455	149,186	138,785	134,380	124,826
Asset Revaluation Reserve	334,138	315,552	297,105	278,160	247,384
Other reserves	7,228	5,356	3,346	3,372	3,804
Total Equity	**497,821**	**470,094**	**439,209**	**415,912**	**376,014**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2027

	Proposed 2026-2027	Forecast 2025-2026	Actual 2024-2025	Actual 2023-2024	Actual 2022-2023
	$'000	$'000	$'000	$'000	$'000
Accumulated Surplus					
Balance at end of previous reporting period	149,186	138,758	134,380	124,815	121,623
Net Surplus/ (Deficit) for year	9,141	12,439	3,717	8,941	3,468
Other comprehensive Income	-	-	635	192	36
Transfers to Reserve	(1,872)	(2,010)	26	432	(302)
Balance at end of period	**156,455**	**149,186**	**138,758**	**134,380**	**124,826**
Asset Revaluation Reserve					
Balance at end of previous reporting period	315,552	297,105	278,160	247,384	231,883
Gain on revaluation of infrastructure, property, plant & equipment	18,586	18,447	18,945	30,776	15,501
Balance at end of period	**334,138**	**315,552**	**297,105**	**278,160**	**247,384**
Reserves					
Balance at end of previous reporting period	5,356	3,346	3,372	3,804	3,502
Transfers to (from) Reserve	1,872	2,010	(26)	(432)	302
Balance at end of period	**7,228**	**5,356**	**3,346**	**3,372**	**3,804**
Total Equity at end of reporting period	**497,821**	**470,095**	**439,209**	**415,912**	**376,014**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2027

	Proposed 2026-2027	Forecast 2025-2026	Actual 2024-2025	Actual 2023-2024	Actual 2022-2023
	$'000	$'000	$'000	$'000	$'000
Cash Flow from Operating Activities					
Receipts					
Operating Receipts	44,119	41,593	40,886	34,829	39,970
Investment receipts	50	55	103	171	56
Payments					
Operating payments to suppliers and employees	(30,857)	(31,202)	(29,520)	(30,132)	(28,189)
Finance payments	(1,310)	(1,195)	(1,286)	(1,118)	(516)
Net Cash provided by (or used in) Operating Activities	**12,002**	**9,251**	**10,183**	**3,750**	**11,321**
Cash flow from Investing Activities					
Receipts					
Amounts specifically for new or upgraded assets	0	4,115	2,306	1,778	1,230
Developer Contributions	1,872	2,010	-	-	-
Sale of replaced assets	137	-	167	206	7
Repayments of loans by community groups	22	72	31	14	6
Payments					
Expenditure on renewal/replacement of assets	(7,978)	(9,065)	(8,276)	(4,981)	(5,486)
Expenditure on new/upgraded assets	(6,790)	(10,081)	(3,339)	(8,974)	(5,744)
Net Cash provided by (or used in) Investing Activities	**(14,768)**	**(12,948)**	**(9,171)**	**(11,957)**	**(9,987)**
Cash Flow from Financing Activities					
Receipts					
Proceeds from Borrowings	3,032	4,925	-	8,690	1,143
Payments					
Repayments of Borrowings	-	(924)	(1,346)	(202)	(3,314)
Net Cash provided by (or used in) Financing Activities	**3,032**	**1,607**	**(1,346)**	**8,488**	**(2,171)**
Net Increase (Decrease) in cash held	**266**	**303**	**(334)**	**281**	**(837)**
Cash & cash equivalents at beginning of period	367	64	398	117	954
Cash & cash equivalents at end of period	**633**	**367**	**64**	**398**	**117**

UNIFORM PRESENTATION OF FINANCES FOR YEAR ENDED 30 JUNE 2027

	Proposed 2026-2027	Forecast 2025-2026	Actual 2024-2025	Actual 2023-2024	Actual 2022-2023
	$'000	$'000	$'000	$'000	$'000
Income	44,820	41,981	43,227	34,921	36,430
less Expenses	(44,387)	(41,672)	(42,342)	(39,954)	(37,256)
Operating Surplus (Deficit)	**433**	**308**	**885**	**(5,033)**	**(826)**
Net timing adjustment for general purpose grant funding	-	-	(1,535)	-	(2,535)
Net timing adjustment for general purpose grant funding	-	-	-	2,535	1,594
Less grants, subsidies &and contributions - capital	-	-	(1,707)	-	(243)
Adjusted Operating Surplus (Deficit)	**433**	**308**	**(2,357)**	**(2,498)**	**(2,010)**
less Net Outlays on Existing Assets					
Capital Expenditure on renewal and replacement of Existing Assets	7,978	9,065	8,276	4,981	5,486
Depreciation, Amortisation and Impairment	(10,984)	(10,267)	(10,226)	(8,828)	(8,240)
Proceeds from Sale of Replaced Assets	(137)	-	(167)	(206)	(7)
	(3,143)	(1,202)	(2,117)	(4,053)	(2,761)
less Net Outlays on New and Upgraded Assets					
Capital Expenditure on New and Upgraded Assets	6,790	10,081	3,399	8,974	5,744
Amounts received specifically for New and Upgraded Assets	-	(4,115)	(2,306)	(1,778)	(1,230)
Asset Received Free of Charge	-	-	-	-	-
	6,790	**5,966**	**1,093**	**7,196**	**4,514**
Net Lending / (Borrowing) for Financial Year	**(4,080)**	**(4,451)**	**(1,333)**	**(5,641)**	**(3,520)**

FINANCIAL INDICATORS FOR YEAR ENDED 30 JUNE 2027

	Proposed 2026-2027	Proposed 2026-2027	Forecast 2025-2026	Actual 2024-2025	Actual 2023-2024	Actual 2022-2023
	$'000					
Operating Ratio						
Operating Surplus/(Deficit)	**433**	**1.0%**	**0.7%**	**2.05%**	**(14.4%)**	**(3.0%)**
Operating Revenue	**44,820**					
This ratio expresses the operating result as a percentage of total operating revenue.						
Adjusted Operating Ratio*		**1.0%**	**0.7%**	**(1.6%)**	**(5.7%)**	**(4.9%)**
Net Financial Liabilities Ratio						
Net Financial Liabilities	33,214	74.1%	71.8%	63.7%	89.6%	72.3%
Total Operating Revenue	**44,820**					
This ratio expresses the extent of Operating Revenue required to meet all monies owed by the Council Net financial liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses.						
Adjusted Net Financial Liabilities Ratio*		**70.6%**	**71.8%**	**68.8%**	**83.6%**	**80.9%**
Asset Sustainability Ratio						
Net Asset Renewals	**7,978**	**91.1%**	**114%**	**95%**	**79%**	**143%**
Asset Management Plan	**8,756**					
This ratio measures the extent existing assets are being renewed compared to the Infrastructure & Asset Management Plan. Net asset renewals is defined as capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.						
Rolling three-year average		**100.03%**	**95.7%**	**97.7%**	**104%**	**121%**

*In recent years the Federal Government has made advance payments prior to 30 June from future year allocations of financial assistance grants. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison

Required by Local Government (Financial Management) Regulations 1999 Section 5B(d)

APPENDIX 4

RATING STRATEGY



RATING STRATEGY

Council rates are a form of property taxation, and property values determine how much each property contributes towards funding the services, programs and activities undertaken by Council.

Method of Valuing Land

Council uses capital values as the basis for valuing land within the Town of Gawler council area, as it is considered that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth
- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property, and provides the best indicator of overall property value

Property values are set by the Valuer General. Information received from the Valuer General indicates that residential property values across the Town have increased by a median of 10.4%. 2% of the increase can be attributed to growth related to new development within the Town to date.

Differential Rates

Rates payable for each ratepayer is determined by the capital valuation multiplied by the rate-in-the-dollar set by the Council.

The Local Government Act 1999 (the Act) allows councils to apply differential rates based on the use of the land, the locality of the land or the use and locality of the land. The Town of Gawler applies differential rates on the basis of land use.

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

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

In accordance with the Strategic Rating Policy, Council will determine a base general rate. Percentage loadings (on the base general rate) will then apply on commercial and industrial land use categories and vacant land use category.

The percentage loadings are applied in recognition of the following factors:

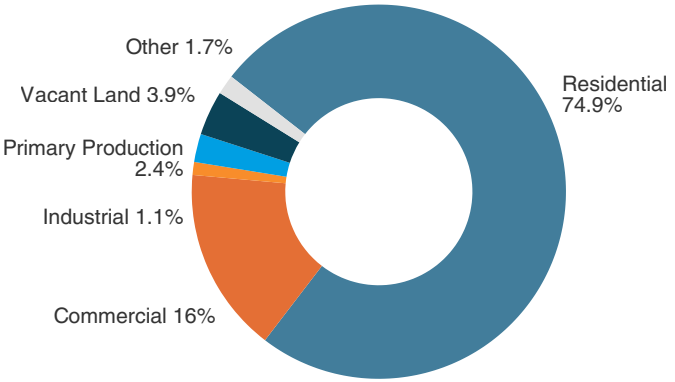
(a) A differential rate of 220% above the base general rate will apply on all vacant land properties as a disincentive towards land banking.

(b) A differential rate loading of 269% above the base general rate will apply on all Commercial and Industrial properties in consideration of the following factors:

i. Distribution of rate burden across major land uses
ii. Overall service levels related to infrastructure maintenance and Council services
iii. Tax deductibility
iv. Relative rates in neighbouring councils
v. Other relevant factors

Based on information provided by the Valuer General to date, the payment of rates will be distributed across the difference land use categories as detailed in Graph 1 below:

Graph 1: Rate Revenue by Land Use



Boundary Alterations

For land affected by an alteration to the boundaries of the Council area, any adjustment to rates declared by Council will be applied in accordance with the relevant proclamation, direction or legislative instrument issued by the State Government. This may include, but is not limited to, rate capping, rebates, remissions or other transitional arrangements, as determined by the State Government.

Minimum Rate

Pursuant to section 158 the Act, Council may impose a minimum amount which is payable by way of rates. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate will be payable by the ratepayer. The minimum rate must not apply to more than 35% of properties in the Council area.

In applying a minimum rate, Council is ensuring that all rateable properties make a base level contribution to the costs of delivering services to our community.

Council has set a minimum rate of $1,320. The minimum rate will be applied to 7.8% of all rateable properties (tbc upon receipt of final valuations).

SEPARATE RATES

In accordance with Section 154 of the Act, Council may levy a separate rate for a particular activity provided to specific properties within the community. Council has determined to raise the following separate rates.

Business Development and Marketing Separate Rates
The Business Development and Marketing separate rate is levied against commercial and industrial properties for the purpose of developing and promoting business.

In recognition of additional services provided to commercial and industrial properties in the Town Centre zone, a higher contribution is sourced from properties within the Town Centre zone. For 2026-2027, a separate rate of 0.00051215 rate in the dollar will be levied on properties within the Town Centre zone. A separate rate of 0.00022361 rate in the dollar will be levied on commercial and industrial properties in the non-Town Centre zone.

Regional Landscape Levy
The Regional Landscape Levy is a State Government charge which, pursuant to the Landscape South Australia Act 2019, is collected by Council. In this capacity, Council is operating as a revenue collector for the State Government and does not retain the revenue nor determine how monies collected is spent.

For 2026-2027, Council will collect $703,000 via a separate rate of 0.00008420 rate in the dollar from the Northern & York Landscape Levy and $3,500 via a separate rate of 0.00005872 rate in the dollar from Green Adelaide, applicable to all rateable properties.

Gawler East Development Area Separate Rates
In accordance with the Strategic Rating Policy, Council levies separate rates to secure the provision of developer contributions towards various infrastructure within the Gawler East development area. Funds collected from the Gawler East Development Area Separate Rates are applied towards the provision of various road and community infrastructure that will specifically benefit the occupiers of the land and visitors within Gawler East development area.

Whilst the Gawler East Development Area Separate Rates are a charge on the land, Council will postpone such Rates, in accordance with Section 182 of the Act, until a trigger event occurs, which will be when land is developed and more particularly when a Section 51 Clearance is sought for a land division.

For 2026-2027, Council will levy a Gawler East Development Area Separate Rates to the value of $25.2 million, with the total amount to be postponed until a trigger event occurs.

Gawler East Development – Infrastructure Funding Policy, provides policy guidance relative to the application of the Gawler East Development Area Separate Rates. This policy can be downloaded from Council's website.

Service Rates and Charges

Pursuant to Section 155 of the Act, Council may levy a service charge for various prescribed services provided to the community. Council can only recover by way of a service charge the actual cost of providing the related service.

Waste Management Service Charge
The Town of Gawler provides a kerbside waste management collection and disposal service for general household waste, green waste, and recyclable materials and applies a Waste Management Service Charge, to recover the cost of this service.

The Waste Management Service Charge is applied against all ratepayers (excluding vacant land properties and Primary Production properties with no (or minimal) built form) who can access the service, regardless of whether they use the service.

The Waste Management Service Charge for 2026-2027 is $290.

Proposed Rate Increase for 2026-2027

Consistent with most other councils, the Town of Gawler relies on general rate revenue to fund the activities proposed in the Annual Business Plan.

To continue to provide the services required and expected by the community, Council estimates an additional $1.181 million in rate revenue to be collected. Whilst the movement in general rates for individual properties may fluctuate based on movements in individual property valuations, the average residential increase in General Rates is $89 per annum.

For the commercial sector, after the tiered adjustment, the average annual increase is $389 per annum. Following the application of the tiered adjustment the rate in the dollar for commercial and industrial properties, based on various property valuation ranges as set out below.

Property Valuation	S158 Adjustment
0 - $199,000	Minimum Rate
$200,000 - $499,000	0.006326
$500,000 - $749,000	0.006899
$750,000 - $999,000	0.007477
$1,000,000 - $1,499,000	0.008624
$1,500,000 - $1,999,0000	0.009775
$2,000,000 plus	0.010900

With the tiered adjustments the average increase across each property valuation range is 4.4%



RATE REBATES AND REMISSIONS

Rate Rebates

The Act requires councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, and educational institutions.

Discretionary rebates may be applied by Council based on land use under eligibility criteria set out in Section 166 of the Act. A copy of Council's Rate Rebates Policy, which outlines the criteria under which Council may consider a rate rebate, is available for inspection on Council's website.

Application forms are available from Council.

Rate Remissions

Section 182 of the Act permits Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Ratepayers suffering hardship are invited to contact Council on (08) 8522 9211 to discuss the matter. All inquiries are treated confidentially.

Transitional Rate Remission - Short Stay Accommodation

Council may grant a temporary transitional rate remission for eligible short stay rental accommodation properties where the Valuer General has reclassified the land use from Residential to Commercial – Other. Eligibility will depend on Council being satisfied that the change resulted from the Valuer General's reclassification process and that the applicant meets the required ownership, application and information requirements.

Postponement of Rates (Seniors)

In accordance with provisions of the Act, persons who hold a current Seniors Card may apply to postpone any amount in excess of $500 ($125 per quarter) less any concession entitlement for their principal place of residence. Interest will accrue on postponed balances, with the accrued debt being payable on the disposal or sale of the property.

Residential Rate Capping

In accordance with Section 153(3) of the Act, Council will, upon application, cap rates for residential properties.

Subject to eligibility set out in the Strategic Rating Policy, the annual increase in rates payable is capped at:

- 10% for self-funded retirees, or those ratepayers whose primary income source is fixed Government benefits, and
- 20% for all other residential ratepayers

Financial Difficulty and Financial Hardship

Council recognises that some ratepayers may experience financial difficulty or financial hardship. Ratepayers who may, or are likely, to have difficulty meeting the standard rate payment cycle are encouraged to contact Council on (08) 8522 9211 to discuss alternative payment arrangements. All enquries are treated confidentially, Support may be available under Council's Debtor Management Policy, including payment arrangements and waiver of fines in appropriate cases, or under the Rates Financial Hardship Policy for eligible ratepayers.

Strategic Rating Policy

Council has a Strategic Rating Policy, reviewed annually, which provides policy guidance relating to Council's annual rating methodology. A copy of the policy can be downloaded from Council's website.

STATEMENT ON RATE REVENUE

	2025-2026	**2026-2027**	**Change**	**Comments**
Rates Revenue				
General Rates Revenue				
General Rates (existing properties)	$31,077,075	**$32,015,709**		To continue to provide the services and programs required and expected by the community, an additional $1.2 million in general rates is required, with $940,000 being collected from existing ratepayers and $580,000 from new development.
General Rates (new properties)	$314,167	**$582,558**		
General Rates (Boundary re-alignment)	$0	**$222,796**		Changes to the Councils boundaries came into effect resulting in properties from surrounding Council areas transfering to the Town of Gawler. The boundry realighment was effective from 1 July 2026.
General Rates (GROSS)	**$31,391,242**	**$32,821,063**	**4.6%**	
Less: Mandatory Rebates	$574,375	**$660,668**		Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories: • Health Services - 100% • Religious purposes - 100% • Public Cemeteries - 100% • Royal Zoological Society of SA – 100% • Community Services - 75% • Educational purposes – 75% The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (i.e., all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).
General Rates (NET)	$30,816,867	**$32,160,395**	**4.4%**	Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.

	2025-2026	2026-2027	Change	Comments
Other Rates (inc. service charges)				
Regional Landscape Levy	$635,153	**$705,688**		The Regional Landscape Levy is a state tax. Councils are required under the Landscape South Australia Act 2019 to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources. **Council acts as a revenue collector on behalf of the State Government. Funds collected are not retained by Council.**
Waste collection	$3,084,470	**$3,566,420**		The Waste Management Service Charge is applied against all ratepayers (excluding vacant land properties and Primary Production properties with no (or minimal) built form) who can access the service, regardless of whether the service is utilised.
Separate and Special Rates	$204,591	**$209,244**		The Council has determined to levy a Business Development and Marketing Separate rate, which is used for the purpose of promoting and developing business within the Town of Gawler
Sub total	$34,741,081	**$36,641,747**		
Less: Discretionary Rebates and adjustments	$1,114,739	**$80,936**		A council may grant a rebate of rates or service charges in certain circumstances. When Council grants a discretionary rate rebate, it collects less overall rates revenue. To ensure it raises the total amount of rates needed to fund Council services, the cost of these rebates is shared across all other ratepayers. In other words, ratepayers who do not receive a rebate effectively contribute to covering the cost of those who do. Council recently reviewed the tiered rate adjustment for commercial and industrial properties, with the overall rate revenue collected reduced to reflect the reduction in the value of the adjustment provided in previous years.
Less Boundary Alignment Transitional provision	-	**$52,481**		To effect changes to the boundaries of the Council area from 1 July 2026, land affected by the boundary alteration, transitional rating treatment has been applied. Where the Town of Gawler amount would otherwise be more than 15% higher, rates are capped so the increase is no greater than 15%.
Total Rates Revenue	$33,626,342	**$36,508,330**	**8.6%**	***(m)*** Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.
Growth in number of rateable properties				
Number of rateable properties	12,754	13,028	**2.1%**	Growth is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents. ***(n)*** 'Growth' as defined in the Local Government (Financial Management) Regulations 2011 reg 6(2)
Average General Rates per rateable property				
Average per rateable property	$2,416	$2,469	**2.2%**	Councils use property valuations to calculate each rateable property's contribution to the required rate revenue to be collected. The property value is used to apportion rate revenue across ratepayers. The total General Rates paid by all rateable properties will equal the amount adopted in the budget. The actual rates payable will vary depending on individual property valuations and land use.

STATEMENT ON RATE REVENUE

	Total Rate revenue			No. of rateable properties		Average per rateable property			Cents in the $
	2025-2026	2026-2027	Change	2025-2026	2026-2027	2025-2026	2026-2027	Change	2026-2027
Land Use (General Rates - GROSS)									
Residential	$23,163,552	**$24,477,206**	6%	**11,460**	**11,591**	$2,021	**$2,112**	$90	**0.00333**
Commercial - Shop	$2,927,291	**$2,630,914**	(10%)	**283**	**276**	$10,344	**$9,532**	($811)	**0.00896**
Commercial - Office	$433,209	**$418,741**	(3%)	**61**	**59**	$7,102	**$7,097**	($4)	**0.00896**
Commercial - Other	$2,353,959	**$2,190,263**	(7%)	**225**	**223**	$10,462	**$9,822**	($640)	**0.00896**
Industry - Light	$212,884	**$210,829**	(1%)	**40**	**46**	$5,322	**$4,583**	($739)	**0.00896**
Industry - Other	$158,875	**$154,087**	(3%)	**22**	**23**	$7,222	**$6,699**	($522)	**0.00896**
Primary Production	$696,286	**$796,632**	14%	**263**	**266**	$2,647	**$2,995**	$347	**0.00333**
Vacant Land	$918,094	**$1,326,490**	44%	**324**	**469**	$2,834	**$2,828**	($5)	**0.007328**
Other	$532,010	**$554,729**	4%	**76**	**73**	$7,000	**$7,599**	$599	**0.00333**
Total Land Use	**$31,396,160**	**$32,759,891**	**4%**	**12,754**	**13,026**	**$2,462**	**$2,515**	$53	

	2026-2027	**% of total rateable properties**	2025-2026	2026-2027	Change
Minimum Rate	**983**	**7.5%**	**$1,266**	**$1,320**	**$54**

Pursuant to section 158 the Act, Council may impose a minimum amount which is payable by way of rates. In applying a minimum rate, the Town of Gawler is ensuring that all rateable properties make a base level contribution to the costs of delivering services to our community.

Adopted valuation method

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:
Capital Value – the value of the land and all improvements on the land;
Annual Value – a valuation of the rental potential of the property.
The Town of Gawler uses **capital values** as the basis for valuing land within the Town of Gawler council area, as it is considered that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers

APPENDIX 5

LONG TERM FINANCIAL PLAN



STATEMENT OF COMPREHENSIVE INCOME

10 Year Financial Plan for the Years ending 30 June 2035

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Income										
Rates	33,778	36,510	38,688	41,496	44,223	46,748	49,398	52,204	55,151	57,745
Statutory Charges	1,089	1,117	1,142	1,178	1,214	1,248	1,282	1,318	1,355	1,392
User Charges	1,884	1,945	2,008	2,074	2,141	2,199	2,258	2,318	2,381	2,445
Grants, Subsidies and Contributions	4,668	5,004	4,707	4,839	4,975	5,088	5,205	5,325	5,447	5,573
Investment Income	55	50	139	103	80	79	71	73	88	96
Reimbursements	305	153	156	158	161	164	167	170	173	176
Other Income	26	21	22	22	23	24	24	25	26	27
Net gain - Equity Accounted Council Businesses	176	0	0	0	0	0	0	-	-	-
Total Income	**41,981**	**44,820**	**46,861**	**49,870**	**52,817**	**55,550**	**58,406**	**61,434**	**64,620**	**67,455**
Expenses										
Employee Cost	15,067	15,860	16,688	17,395	18,121	18,726	19,083	19,448	19,820	20,201
Materials, Contracts & Other Expenses	15,032	15,898	15,653	17,157	18,147	19,146	19,681	20,535	21,154	21,826
Depreciation, Amortisation & Impairment	10,267	10,984	11,856	12,567	13,207	13,905	14,615	15,308	15,889	16,560
Finance Costs	1,195	1,310	1,501	1,618	1,785	1,951	2,132	2,316	2,311	2,282
Net loss - Equity Accounted Council Businesses	111	0	0	0	0	0	0	-	-	-
Total Expenses	**41,672**	**44,387**	**45,697**	**48,737**	**51,259**	**53,729**	**55,511**	**57,606**	**59,174**	**60,869**
Operating Surplus / (Deficit)	**308**	**433**	**1,164**	**1,133**	**1,559**	**1,821**	**2,895**	**3,828**	**5,446**	**6,586**
Developer Contributions	2,010	1,872	1,912	2,378	2,458	2,250	2,318	2,450	2,524	2,603
Amounts Received Specifically for New or Upgraded Assets	3,290	137	1,582	1,124	1,643	2,119	1,263	238	838	838
Physical Resources Received Free of Charge	6,830	6,699	5,992	5,511	4,329	4,197	4,193	4,189	4,185	4,180
Net Surplus / (Deficit)	**12,439**	**9,141**	**10,650**	**10,145**	**9,988**	**10,387**	**10,669**	**10,704**	**12,993**	**14,207**
Other Comprehensive Income										
Changes in Revaluation Surplus - I,PP&E	18,447	18,586	16,517	16,981	19,382	20,482	21,818	23,171	24,653	26,233
Total Other Comprehensive Income	**18,447**	**18,586**	**16,517**	**16,981**	**19,382**	**20,482**	**21,818**	**23,171**	**24,653**	**26,233**
Total Comprehensive Income	**30,886**	**27,727**	**27,167**	**27,126**	**29,370**	**30,869**	**32,487**	**33,876**	**37,646**	**40,440**

STATEMENT OF FINANCIAL POSITION

10 Year Financial Plan for the Years ending 30 June 2035

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
ASSETS										
Current Assets										
Cash & Cash Equivalents	367	633	1,319	797	774	611	757	1,235	1,488	816
Trade & Other Receivables	2,731	3,382	3,634	3,909	4,174	4,420	4,678	4,953	5,241	5,491
Inventories	25	-	-	-	-	-	-	20	20	20
Total Current Assets	**3,123**	**4,015**	**4,953**	**4,706**	**4,948**	**5,031**	**5,436**	**6,188**	**6,729**	**6,307**
Non-Current Assets										
Financial Assets	230	233	233	233	233	233	233	233	233	233
Equity Accounted Investments in Council Businesses	8,362	8,362	8,362	8,362	8,362	8,362	8,362	8,362	8,362	8,362
Infrastructure Property, Plant & Equipment	491,872	522,673	552,231	583,206	616,026	650,744	686,584	720,014	756,865	797,253
Total Non-Current Assets	**500,464**	**531,290**	**560,826**	**591,801**	**624,621**	**659,340**	**695,179**	**728,610**	**765,460**	**805,848**
TOTAL ASSETS	**503,587**	**535,305**	**565,779**	**596,507**	**629,569**	**664,371**	**700,615**	**734,798**	**772,189**	**812,156**
LIABILITIES										
Current Liabilities										
Trade & Other Payables	4,975	5,784	5,956	6,528	6,905	7,285	7,488	7,813	8,049	8,305
Borrowings	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Provisions	3,107	3,093	3,254	3,392	3,534	3,652	3,721	3,792	3,865	3,939
Total Current Liabilities	**19,082**	**19,877**	**20,210**	**20,920**	**21,438**	**21,937**	**22,210**	**22,606**	**22,914**	**23,244**
Non-Current Liabilities										
Borrowings	14,269	17,301	19,920	22,798	25,960	29,383	32,861	32,766	32,226	31,497
Provisions	142	284	299	312	325	335	342	348	355	362
Total Non-Current Liabilities	**14,411**	**17,585**	**20,218**	**23,110**	**26,285**	**29,719**	**33,203**	**33,114**	**32,581**	**31,858**
TOTAL LIABILITIES	**33,492**	**37,462**	**40,429**	**44,030**	**47,723**	**51,655**	**55,413**	**55,720**	**55,495**	**55,102**
Net Assets	**470,094**	**497,821**	**525,351**	**552,477**	**581,846**	**612,715**	**645,202**	**679,078**	**716,694**	**757,053**
EQUITY										
Accumulated Surplus	149,186	156,455	165,555	173,323	180,853	188,990	197,341	205,595	216,064	227,668
Asset Revaluation Reserves	315,552	334,138	350,655	367,636	387,018	407,500	429,317	452,488	477,142	503,375
Other Reserves	5,356	7,228	9,140	11,518	13,975	16,226	18,544	20,994	23,518	26,011
Total Equity	**470,094**	**497,821**	**525,351**	**552,477**	**581,846**	**612,715**	**645,202**	**679,078**	**716,694**	**757,053**

CASHFLOW STATEMENT

10 Year Financial Plan for the Years ending 30 June 2035

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash Flows from Operating Activities										
Receipts:										
Operating Receipts	41,593	44,119	46,470	49,493	52,472	55,224	58,076	61,086	64,244	67,108
Investment Receipts	55	50	139	103	80	79	71	73	88	96
Payments:										
Operating payments to suppliers and employees	(31,202)	(30,857)	(32,169)	(33,979)	(35,891)	(37,492)	(38,560)	(39,657)	(40,738)	(41,771)
Finance Payments	(1,195)	(1,310)	(1,501)	(1,618)	(1,785)	(1,951)	(2,132)	(2,316)	(2,311)	(2,282)
Net Cash provided (or used in) Operating Activities	**9,251**	**12,002**	**12,940**	**13,998**	**14,877**	**15,860**	**17,455**	**19,186**	**21,283**	**23,151**
Cash Flows from Investing Activities										
Receipts:										
Amounts Received Specifically for New/Upgraded Assets	4,115	-	1,582	1,124	1,643	2,119	1,263	238	838	838
Developer Contributions	2,010	1,872	1,912	2,378	2,458	2,250	2,318	2,450	2,524	2,603
Sale of Replaced Assets	0	137	157	86	280	280	50	50	50	0
Repayments of Loans by Community Groups	72	22	0	0	0	0	0	0	0	0
Payments:										
Expenditure on Renewal/Replacement of Assets	(7,805)	(7,978)	(10,276)	(9,281)	(9,656)	(10,299)	(10,296)	(8,991)	(9,533)	(9,299)
Expenditure on New/Upgraded Assets	(10,329)	(6,790)	(10,008)	(9,914)	(10,646)	(9,563)	(11,790)	(11,929)	(11,834)	(12,594)
Net Cash provided (or used in) Investing Activities	**(12,948)**	**(14,768)**	**(16,080)**	**(17,399)**	**(18,062)**	**(19,447)**	**(20,786)**	**(18,613)**	**(20,490)**	**(23,094)**
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	4,925	3,032	2,642	3,300	3,607	3,893	3,974	3,428	4,013	4,855
Payments:										
Repayments of Borrowings	(924)	0	(399)	(422)	(445)	(470)	(496)	(3,524)	(4,553)	(5,584)
Net Cash Flow provided (used in) Financing Activities	**4,001**	**3,032**	**2,243**	**2,879**	**3,162**	**3,423**	**3,478**	**(95)**	**(540)**	**(729)**
Net Increase/(Decrease) in Cash & Cash Equivalents	**303**	**266**	**(898)**	**(522)**	**(23)**	**(163)**	**146**	**478**	**253**	**(672)**
Opening Cash & Cash Equivalents	64	367	2,217	1,319	797	774	611	757	1,235	1,488
Closing Cash & Cash Equivalents	**367**	**633**	**1,319**	**797**	**774**	**611**	**757**	**1,235**	**1,488**	**816**

STATEMENT OF CHANGES IN EQUITY

10 Year Financial Plan for the Years ending 30 June 2035

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated Surplus										
Opening Balance	138,758	149,186	156,818	165,555	173,323	180,853	188,990	197,341	205,595	216,064
Net Surplus / (Deficit) for Year	12,439	9,141	10,650	10,145	9,988	10,387	10,669	10,704	12,993	14,207
Transfers to Reserves	(2,010)	(1,872)	(1,912)	(2,378)	(2,458)	(2,250)	(2,318)	(2,450)	(2,524)	(2,603)
Closing Balance	149,186	156,455	165,555	173,323	180,853	188,990	197,341	205,595	216,064	227,668
Asset Revaluation Reserve										
Opening Balance	297,105	315,552	334,138	350,655	367,636	387,018	407,500	429,317	452,488	477,142
Changes in Asset valuations	18,447	18,586	16,517	16,981	19,382	20,482	21,818	23,171	24,653	26,233
Closing Balance	315,552	334,138	350,655	367,636	387,018	407,500	429,317	452,488	477,142	503,375
Other Reserves										
Opening Balance	3,346	5,356	7,228	9,140	11,518	13,975	16,226	18,544	20,994	23,518
Transfer from Accumulated Surplus	2,010	1,872	1,912	2,378	2,458	2,250	2,318	2,450	2,524	2,603
Closing Balance	5,356	7,228	9,140	11,518	13,975	16,226	18,544	20,994	23,518	26,011
Balance at end of the reporting period	**470,095**	**498,184**	**525,351**	**552,477**	**581,847**	**612,715**	**645,202**	**679,078**	**716,723**	**757,053**

FINANCIAL RATIOS

10 Year Financial Plan for the Years ending 30 June 2035

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Surplus Ratio										
Operating Surplus/(Deficit)	0.7%	0.97%	2.5%	2.3%	3.0%	3.3%	5.0%	6.2%	8.4%	9.8%
Total Operating Revenue										
Net Financial Liabilities Ratio										
Net Financial Liabilities	71.8%	74.1%	75.2%	78.4%	80.5%	83.5%	85.2%	80.2%	75.1%	72.0%
Total Operating Revenue										
Borrowing Ratio										
Borrowings	77%	78%	82%	84%	86%	89%	91%	86%	80%	75%
Rate Revenue										
Asset Sustainability Ratio										
Net Asset Renewals	114%	91.1%	100%	100%	100%	100%	100%	100%	100%	100%
Asset Management Plan										
3 year rolling average	96%	100.03%	100%	100%	100%	100%	100%	100%	100%	100%

UNIFORM PRESENTATION OF FINANCES

10 Year Financial Plan for the Years ending 30 June 2035

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Operating Activities										
Income	41,596	44,820	46,576	49,513	52,382	54,996	57,790	60,682	63,697	66,389
less Expenses	41,350	44,387	45,003	47,958	50,091	52,349	53,776	55,620	57,054	58,506
Operating Surplus / (Deficit)	**246**	**433**	**1,573**	**1,555**	**2,270**	**2,626**	**3,995**	**5,046**	**6,627**	**7,867**
Capital Activities										
less (Net Outlays) on Existing Assets										
Capital Expenditure on Renewal and Replacement of Existing Assets	(7,805)	(7,978)	(10,276)	(9,281)	(9,656)	(10,299)	(10,296)	(8,991)	(9,533)	(9,299)
add back Depreciation, Amortisation and Impairment	10,267	10,984	11,502	12,187	12,825	13,471	14,029	14,642	15,205	15,787
add back Proceeds from Sale of Replaced Assets	-	137	157	86	280	280	50	50	50	0
(Net Outlays) on Existing Assets	**2,312**	**2,468**	**1,383**	**2,992**	**3,449**	**3,452**	**3,783**	**5,701**	**5,722**	**6,488**
less (Net Outlays) on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets	(10,329)	(6,790)	(10,008)	(9,914)	(10,646)	(9,563)	(11,790)	(11,929)	(11,834)	(12,594)
add back Amounts Received Specifically for New and Upgraded Assets	1,620	-	1,582	1,124	1,643	2,119	1,263	238	838	838
(Net Outlays) on New and Upgraded Assets	**(8,709)**	**(6,790)**	**(8,426)**	**(8,790)**	**(9,003)**	**(7,444)**	**(10,527)**	**(11,691)**	**(10,996)**	**(11,756)**
Net Lending / (Borrowing) for Financial Year	**(7,159)**	**(4,080)**	**(5,470)**	**(4,243)**	**(3,284)**	**(1,366)**	**(2,749)**	**(944)**	**1,353**	**2,599**

APPENDIX 6

LOCAL GOVERNMENT REVIEW SCHEME



Advice

Local Government Advice

Town of Gawler

February 2025

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
E-mail: advice@escosa.sa.gov.au
Web: www.escosa.sa.gov.au

Town of Gawler
AT A GLANCE

OVERVIEW

The Essential Services Commission finds the Town of Gawler's projected financial performance **mostly sustainable,** given the Council's projected operating surpluses in the long term and recently completed comprehensive review of its strategic management plans. Over the short-term, borrowing levels are forecast to rise to the upper limits of its target range (creating prudential risk), driven by a capital program two times larger than historically, including to address a backlog of asset renewals. Repayment of this relies, to some extent, on average rate increases over the next 10 year of 4.9 percent per annum per property, compared to average CPI of 2.6 percent per annum.

FINANCIAL PERFORMANCE



Past 10 years

Mostly Sustainable



Current

Potentially Unsustainable



Projected

Mostly Sustainable

RISKS IMPACTING SUSTAINABILITY

⚠ Not disclosing or achieving plans to deliver cost savings and productivity improvements.

⚠ The pace of development of new infrastructure placing pressure on the Council's borrowing capacity and rates revenue.

⚠ Not prioritising the renewal of its assets (including addressing the backlog) which may increase asset sustainability risks or result in lower service levels to its community.

KEY FACTS

▶ Population in 2023 was **26,789** (1) residents

▶ Council covers **41.1 square kilometres** (1)

▶ **12,321** rateable properties in 2022-23 (2)

▶ **$27.2 million of rates income** in 2022-23 (2)

▶ Value of assets held in 2022-23 equals **$393.4 million** (2)

Source: (1) Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/ (2) The Council's Financial Reporting Template provided to the Commission.

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, please visit www.escosa.sa.gov.au.

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1 Executive summary

1.1 Summary of observations

The Essential Services Commission of South Australia finds the Town of Gawler's forecast financial performance and position to be mostly sustainable. Over the last 10 years, after adjusting for an impairment charge of $9.1 million in 2013-14, the Town of Gawler has made an accumulative operating surplus, however, there is some concern with recent financial results (in 2022-23 and 2023-24) showing an operating deficit totalling $5.9 million.

The Gawler region is growing through new land divisions, sustaining growth in the number of rateable properties averaging 1.5 percent per annum over the past 10 years. The Council is actively planning and executing several projects to improve community infrastructure and is forecasting to continue to grow its asset base over the next 10 years. Investment in growth will mainly be funded by ratepayers, grants, and developer contributions.

The Council's planned debt levels during the forecast period approach the upper limit of the Local Government Association's suggested target range for Net Financial Liabilities Ratio. This is not unusual for a council undergoing the rate of growth projected by the Council. Nevertheless, it will be important for the Council to continue to carefully manage debt and the timing of infrastructure development, relative to the growth in rateable properties (of 2.0 percent per annum).

The Council has recently undertaken a comprehensive review of its Strategic Management Plans and has developed a revised Long-Term Financial Plan aimed at implementing sustainable measures to address underlying operating deficits, addressing the asset renewal backlog, and managing its financial risks. The Council is forecasting a return to an operating surplus by 2026-27. The surplus is forecast to progressively increase until 2033-34 but this is reliant on significant increases in average rates per property of 4.9 percent per annum, which is almost twice the rate of CPI. This gives rise to affordability risks for ratepayers, particularly for residential ratepayers who generally have higher rates compared to similar councils, and where the socio-economic ranking for the community is also considered below the average, suggesting that the community's capacity to pay for higher rates might be more limited.

The Council has included savings and efficiency targets in its plans, and its operating expenses per property are projected to decrease in real terms over the period to 2033-34. However, it is recommended the Council report annually on these cost savings initiatives to provide evidence of achieving efficiency and effectiveness across its operations and service delivery.

The Essential Services Commission observes that the Council's current strategic planning processes appear robust and well developed and recommends that the Council continues to understand the community's preferences on new service provision, existing service levels, and appetite for rate increases over the long term.

The Commission notes that the Town of Gawler has proposed extending its boundaries to include several areas within the jurisdiction of adjoining councils, aimed at supporting regional development and consolidating infrastructure and services under a single council's management. As the review and assessment of these proposals are ongoing, the Essential Services Commission has not specifically considered the implications in this Advice.

1.2 Summary of Recommendations

The Commission recommends that the Town of Gawler:

1. **Continue** the practice of regularly updating its strategic management plans, in consultation with stakeholders and the community.
2. **Continue** to undertake independent asset valuations for all asset classes to ensure strategic management plans are informed by current market conditions.
3. **Disclose** material changes to its operating and capital expenditure forecasts, including assumptions, as part of the annual review and update to its Long-Term Financial Plans.
4. **Report** annually on cost-saving or productivity improvement targets and outcomes of initiatives to provide evidence of achieving efficiency and effectiveness across its operations and service delivery.
5. **Monitor** the pace of land development and take-up of new rateable properties and adapt the Long-Term Financial Plan to address any change from assumed rates of growth.
6. **Consider** the pace of development of new infrastructure, repayment of debt and increase in rates, to manage prudential risk, improve intergenerational equity and reduce financial sustainability risks, in consultation with the community.
7. **Consider** the growth of its asset base in the context of future asset renewal funding requirements.
8. **Monitor** affordability risks for its ratepayers and seek to reduce the quantum and pace of expenditure to the extent possible and prudent.

2 About the advice

2.1 Background

The State Parliament has tasked the Essential Services Commission of South Australia (**Commission**), South Australia's independent economic regulator and advisory body, to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (**SMPs**), and on the proposed revenue sources, including rates, which underpin those plans.[1]

A primary purpose of the Local Government Advice Scheme (**Advice** or **the Scheme**) is to support councils to make financially sustainable strategic decisions in their Annual Business Plans (**ABP**) and budgets, in the context of their Long-Term Financial Plans (**LTFP**) and Infrastructure and Asset Management Plans (**IAMP**). IAMPs are commonly referred to as Asset Management Plans (**AMP**). The LTFP and the IAMP are both required as part of a council's SMP.[2] Financial sustainability encompasses intergenerational equity,[3] program (service level) and rates stability in this context.[4] The other main purpose is for the Commission to consider ratepayer contributions in the context of all revenue sources, as outlined in the LTFP.[5] In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.[6]

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 17 councils for advice in the third year (2024-25) of the Scheme, including the Town of Gawler (the **Council**).

This report provides the Local Government Advice for the Council in 2024-25.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2025-26 ABP (including any draft ABP) and in subsequent plans until the next cycle of the Scheme.[7] The Council is not compelled under the LG Act to follow the advice.

The Commission thanks the Council for meeting with Commission staff and for providing information to assist the Commission in preparing this advice.

2.2 The Commission's approach

In providing its Advice to the Council, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (**F&A**).[8]

The Commission has considered the Council's SMP documents (set out in the box below), with a particular focus on its performance and outlook against three financial indicators: the Operating Surplus Ratio (**OSR**), the Net Financial Liabilities Ratio (**NFLR**) and the Asset Renewal Funding Ratio

1 Amendments to the *Local Government Act 1999* (**LG Act**) (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).

2 The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.

3 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

4 Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

5 LG Act s122(1f)(a) and (1g)(a)(ii).

6 LG Act s122(1f)(b) and (1g)(b).

7 LG Act s122(1h).

8 Commission, *Framework and Approach – Final Report*, August 2022, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

(ARFR).[9] Analysis of these three indicators captures financial and service sustainability, in addition to cost control and affordability risk.[10]

Town of Gawler – Strategic Management Plan Documents

- Long-Term Financial Plan, 2025 – 2035 (November 2024)
- Strategic Asset Management Plan, 2024 (November 2024)
- Transport, Asset Management Plan, 2024 – 2033 (November 2024)
- Stormwater, Asset Management Plan, 2024 – 2033 (November 2024)
- Open Space, Preliminary Asset Management Plan, 2024 – 2033 (November 2024)
- Building, Asset Management Plan Summary, 2025 – 2034 (November 2024)
- Annual Business Plan and Budget, 2024-2025 (June 2024)
- Long-Term Financial Plan, 2021/22 – 2030/31 (June 2022)

The Commission notes that most of the Council's infrastructure asset base is covered by its current AMPs, with condition assessments and asset valuations recently undertaken by Council.

Given that the Commission must, in providing advice, have regard to the objective of councils maintaining and implementing their IAMPs and LTFPs,[11] it has also considered the Council's performance in that context. Findings regarding the content of the Council's AMPs, and the alignment between its LTFP and AMPs,[12] are discussed in section 5.

The Commission has also reviewed the Council's template data, which include its 2024-25 LTFP forecasts for 2024-25 to 2033-34, as well as its 2023-24 LTFP forecasts, historical financial data, the number of rateable properties and Council staff Full Time Equivalent (FTE) numbers from 2013-14 onwards.[13] [14] The charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council's Audit and Risk Committee reports, and other public information, as appropriate.

The Commission has reported estimates in nominal terms, for consistency with the Council's plans and actual rate levels, but it has compared estimated inflation impacts to these trends as a guide to identify 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (CPI) line shows the cumulative growth in the CPI (Adelaide) series from 2013-14, and then projections of this series from 2024-25 based on the Reserve Bank of Australia (RBA) (Australia-wide) inflation forecasts (to the December quarter 2026), and the midpoint of the RBA target range (2.5 percent) thereafter.

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9 The indicators are specified in the Local Government (Financial Management) Regulations 2011. Since 2011, each council has been required to refer to these three indicators in its plans, annual budget, mid-year budget review and annual financial statements. The councils can adopt their own target range for each ratio, but the Commission has adopted the previously suggested Local Government Association (LGA) target ranges as a basis for its analysis, which were established and agreed during the development of the LGA Financial Sustainability Papers (2006-2011).

10 The F&A listed 29 analytical questions that the Commission has answered in assessing the Council's performance against these indicators to determine affordability, cost control and other sustainability risks.

11 LG Act s122(1g)(a)(i).

12 As required under s122(1b) of the LG Act.

13 Sourced from the Local Government Grants Commission (including data reported by the Office of the Valuer-General) and the Council's data.

14 The Council's estimates for the 2023-24 financial year, relied on at the time of preparing this advice, were unaudited.

Finally, in formulating this Advice, the Commission has had regard to all discussions and engagement with the Council, including the face-to-face onsite meeting at the Council offices and the individual circumstances of the Council, consisting of:

- its location as an urban council
- its income level (a total of $36.4 million in 2022-23), and
- the size of its rates base (12,321 rateable properties as at 2022-23[15]).

Throughout this paper the Commission has identified key points and assigned the following risk category to those points:

Legend: Low-risk Moderate-risk High-risk

[15] Based on the estimated number of property assessments in 2022-23.

3 Council profile

The Gawler Council is classified by the Commission as an 'Urban Development and Urban City Centre' council and is one of 16 in this category in South Australia.[16] The Council is located 42 kilometres north of Adelaide,[17] and is surrounded by the Barossa, City of Playford, Adelaide Plains, and the Light Regional council areas. The Town of Gawler comprises 41.1 square kilometres, an estimated resident population of 26,789 (at 30 June 2023),[18] and 12,321 rateable properties (2022-23).[19]



The Council region also has the following attributes:

- generally stable property growth of approximately 1.5 percent per annum[20]
- population density of 652 persons per square kilometre (at 30 June 2023)[21]
- 196 kilometres of sealed roads and laneways, and 21 kilometres of unsealed roads and laneways (at 30 June 2023)[22]
- largest employment sectors in health care and social assistance (15.9 percent), retail trade (10.6 percent), construction (9.7 percent), and public administration and safety (7.8 percent) (at 30 June 2021),[23] and
- a median population age of 41.0 years (at 30 June 2023).[24]

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16 Commission, *Fact Sheet - Local Government Advice Scheme – Schedule of Councils*, May 2023, available at https://www.escosa.sa.gov.au/ArticleDocuments/21947/20240731-Advice-ScheduleOfCouncils-FactSheet.pdf.aspx?Embed=Y.

17 Refer to the Town of Gawler website available at https://www.gawler.sa.gov.au/your-council/welcome-to-gawler-for-new-residents.

18 Refer to Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/region.html?lyr=lga&rgn=42030.

19 Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, *2022-23 Database Reports*, available at: https://www.dit.sa.gov.au/local-government/grants-commission/publications#database

20 Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission's advice) for the period from 2013-14 to 2022-23. Based on the Council's Financial Reporting template provided to the Commission.

21 Footnote 18 applies.

22 Footnote 19 applies.

23 Footnote 18 applies.

24 Footnote 18 applies.

4 Material plan amendments in 2024-25

The Council has made various amendments to its 2024-25 budget and forward projections, accounting for changes to a range of operating and capital assumptions. The material amendments to some of its main financial forecasts are listed in the table below (in nominal terms).[25] To ensure a comparable analysis of estimates between the Council's 2023-24 forecasts (included in its 2023-24 ABP[26] and 2024-25 LTFP projections), the Commission has reviewed the nine overlapping years' statistics: 2024-25 to 2032-33 and identified material amendments accordingly.[27]

4.1 Key points

- Good practice of regularly updating and developing its strategic management plans in consultation with its stakeholders and community.
- Increased forecast capital expenditure by 55.6 percent (or $58.5 million) in its 2024-25 LTFP estimates.
- Improvement needed on the disclosure of key financial plan amendments to inform its stakeholders and the community.

Table 1: Summary of Plan Amendments

Selected Financial Item	Sum of 2024-25 to 2032-33 estimates in 2023-24 LTFP ($ million)	Sum of 2024-25 to 2032-33 estimates in 2024-25 LTFP ($ million)	Change in 2024-25 estimates ($ million)	Change in 2024-25 estimates (percent)
Rates income	355.2	381.1	+25.9	+7.3
Grants, subsidies and contributions	39.3	51.6	+12.3	+31.3
Total operating income	429.7	467.4	+37.6	+8.8
Depreciation, amortisation and impairment	84.3	108.1	+23.8	+28.2
Total operating expenses	418.2	447.5	+29.3	+7.0
Capital expenditure on renewal of assets[28]	43.9	75.2	+31.3	+71.4
Capital expenditure on new and upgraded assets[29]	61.3	88.5	+27.2	+44.3

[25] This table shows only selected financial items to demonstrate the material amendments made by the Council in its 2024-25 estimates. It excludes various financial items and individual items may not sum to totals.
[26] The Council undertakes annual reviews of its LTFP assumptions and forecasts, which are published in its Annual Business Plans (ABPs).
[27] The Council's strategic review and update of its 2024-25 LTFP were adopted in November 2024.
[28] The capital expenditure estimates are based on the 2024-25 LTFP projections provided by the Council to the Commission (in an Excel template).
[29] Footnote 28 applies.

4.2 General observations on the LTFP, ABP and IAMP

Through information submitted by the Gawler Council and publicly, the Commission has observed that the Council has a structured and consultative process to its strategic planning. The Council annually reviews its LTFP forecasts as part of its ABP preparation and these are considered by its Audit and Risk Committee and at Council meetings.[30] Major (or strategic) reviews of its LTFP are undertaken less frequently by the Council. Its 2024-25 LTFP was adopted in November 2024 and the previous 2021-22 LTFP was adopted in June 2022. The Commission's advice is based on the Council's proposed or endorsed 2024-25 LTFP (provided to the Commission on 30 September 2024), which was subject to community and stakeholder consultation during October and November 2024.

The Council has stated that its comprehensive review of the 2024-25 LTFP reflects a revised financial strategy, which includes (among other things):[31]

- implementing sustainable measures to address underlying operating deficits in recurrent operations, and
- addressing the asset renewal backlog, while balancing this spend with the need for new and upgraded transport and community infrastructure.

The Council's current LTFP forecasts have been developed based upon its 2024-25 adopted budget, and internal and market driven assumptions that are used to project its financial performance over a 10-year planning horizon. Its LTFP is also guided by its Community Plan, Corporate Plan, Strategic Asset Management Plan and supporting asset class AMPs.[32]

The Council's AMPs cover transport, stormwater, open space, and building assets and have been reviewed, subjected to stakeholder and community engagement, and adopted by the Council in November 2024 (along with its current LTFP). This is in line with the legislative requirement to review SMPs within two years of a council election.[33] The Council's planning processes appear to involve a review of asset condition (including the useful lives of assets) and review of unit rates (including indexation) on which its valuations are based. On 30 June 2024, the Council undertook an independent asset valuation of its civil infrastructure assets (previously updated on 30 June 2018),[34] and is currently implementing a rolling program of asset condition assessments and valuation for its asset classes.[35] The Council also recognised that its past long-term asset renewal planning lacked the necessary rigour and sophistication for sustainable asset management, and, as a result, past investment decisions may not have been strategically prioritised or fully informed.[36]

Overall, in the Commission's view, the Council's current approach to updating and developing its SMPs, and ABPs and budget is appropriate, and recommends that Council:

1. **Continue** the practice of regularly updating its SMPs, in consultation with stakeholders and the community.

[30] Under s.122(4)(a)(i) of the LG Act the Council must undertake a review of its Long-Term Financial Plan on an annual basis.

[31] See Town of Gawler, *Ordinary Council Meeting Agenda – 26 November 2024, Item 10.2 Draft Long-Term Financial Plan,* p. 15, available at https://www.gawler.sa.gov.au/__data/assets/pdf_file/0026/1717163/26-11-2024-Council-Agenda.PDF.

[32] Town of Gawler, *Long-Term Financial Plan 2025-2035*, November 2024, p. 1.

[33] LG Act s122(4)(a) and (b). General elections were last held for SA Councils on 11 November 2022.

[34] Town of Gawler, *General Purpose Financial Statements for the year ended 30 June 2024*, Note 7 Infrastructure, Property, Plant and Equipment, pp.24 - 27.

[35] Town of Gawler, *Email to the Commission*, 4 February 2025.

[36] Town of Gawler, *Long-Term Financial Plan 2025-2035*, CEO Statement on Sustainability, November 2024, p. 7.

2. **Continue** to undertake independent asset valuations for all asset classes to ensure SMPs are informed by current market conditions.

4.3 Changes to operating performance

The Council has projected in its 2024-25 LTFP a cumulative increase in total operating income of $37.6 million (or 8.8 percent) across the nine-year comparative period to 2032-33 (as shown in Table 1 above).[37] Most of the Council's operating income over this comparative period will come from rates income (approximately 81.5 percent), which also increases by 7.3 percent over the nine-year comparative period.

The Council estimates average growth in rateable properties of 2.0 percent per annum (based on the Council's updated population modelling) which compares to 1.5 percent per annum historically.[38] It is also increasing rates to address the increased depreciation charges arising from increased asset values, and increased costs of service delivery following a period of higher than anticipated inflation.

Grant income has increased due to Federal Government funding allocation in Roads to Recovery funding and Financial Assistance Grants being updated to reflect actual allocations received in the 2024-25 base year.

The nine-year comparative period for total operating expenses shows an increase of $29.3 million (or 7.0 percent). The Council has used a range of cost indexation and growth assumptions and some of its costs are projected to increase higher than CPI, for example employee costs and to a lesser extent materials and services costs due to the targeting of cost savings.[39] The savings targets represent 3.5 percent of 'materials and services' expenditure, averaging $470,000 per annum for the first four years of the LTFP.[40]

Depreciation expenses increase by $23.8 million (or by 28.2 percent) due to the revaluation impact arising from assumed increased unit rates resulting from a projected increase in supplier costs and increase in asset expenditure across the planning timeframe.

4.4 Changes to capital expenditure estimates

The Council's 2024-25 LTFP projections indicate a material increase in capital expenditure for asset renewals (by $31.3 million or 71.3 percent) and for new and upgraded assets (by $27.2 million or 44.3 percent) compared to the previous years' projections (for the period from 2024-25 to 2032-33). This results in an overall capital expenditure increase of $58.5 million (or 55.6 percent), and results from updated 2024 AMPs capital expenditure forecasts. New and upgraded asset expenditure is focused on stormwater drainage assets and upgrade of key pedestrian and road transport routes across.

The Council applies a range of indexation assumptions to its capital expenditure projections, such as the Local Government Price Index, Building Construction Index, and the Roads and Bridges Index, which seem appropriate, however, the Council has not disclosed the methodology of these forecasts in its 2024-25 LTFP.

The Commission's review of the Council's LTFPs indicates that while it has a robust process in place, further transparency around the key reasons for its operating and capital expenditure estimates (between annual updates) would benefit stakeholders and allow for future assessments of financial

[37] These increases are in nominal terms and include CPI increases.
[38] Based on the Council's Financial Reporting template (including its reasons for material amendments) provided to the Commission.
[39] Town of Gawler, *Long-Term Financial Plan 2025-2035*, November 2024, p. 22.
[40] Town of Gawler, *Long-Term Financial Plan 2025-2035*, November 2024, pp. 8 and 22.

sustainability. These material changes should be clearly documented as part of its annual LTFP reviews, and accordingly, the Commission recommends that Council:

3. **Disclose** material changes to its operating and capital expenditure forecasts, including assumptions, as part of the annual review and update to its LTFPs.

5 Financial sustainability

5.1 Operating performance

5.1.1 Key points

- Operating deficits over the period from 2013-14 to 2022-23, impacted by a large impairment charge in 2013-14, resulted in an average OSR of negative 2.7 percent.
- The operating surplus ratio is forecast to be mostly positive (following further operating deficits in 2024-25 and 2025-26) and progressively increases to 12.9 percent by 2033-34.
- Growth in rates, the number of rateable properties and grant income supports the Council's financial sustainability; however, risks can emerge if growth rates are over-stated or if the community does not support higher rates.
- Expenses per property are projected to increase by 1.7 percent per annum over the period from 2024-25 to 2033-34, including the Council's efficiency targets. This rate is below the forecast average inflation rate of 2.6 percent per annum, so there is a risk to achievability if efficiency measures are not sufficiently effective.

5.1.2 Operating surplus ratio

Figure 1: Operating surplus ratio – historical and forecast

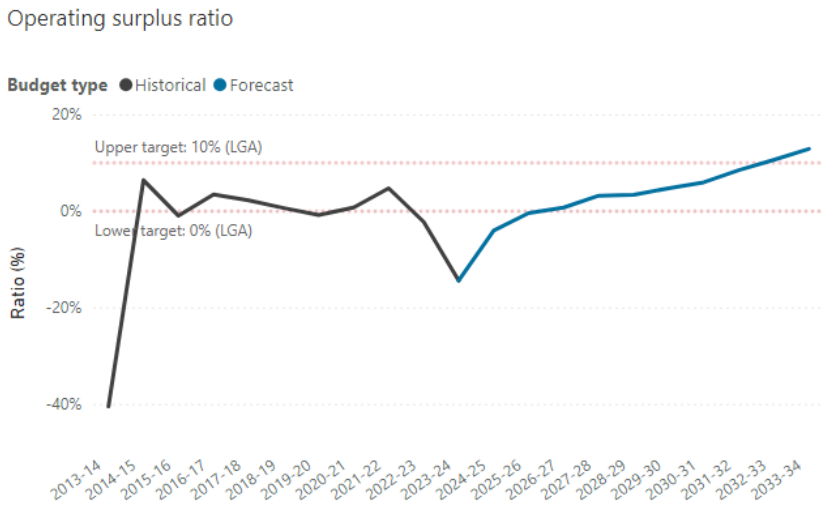
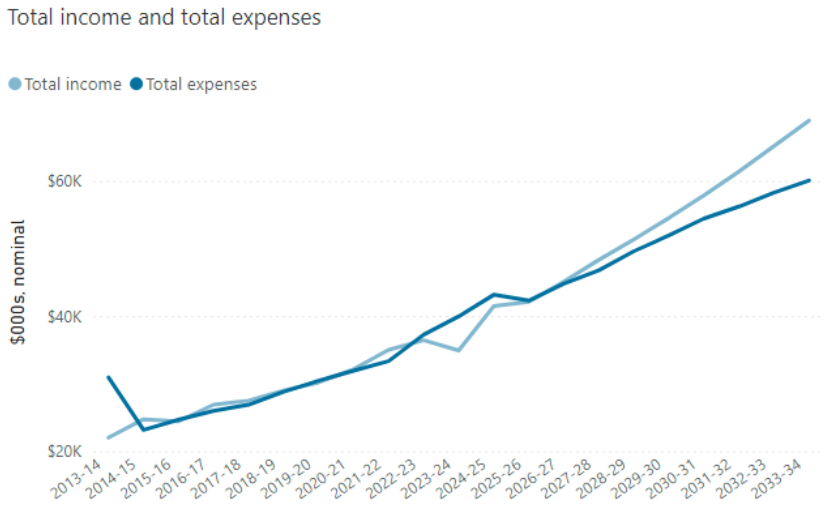


Figure 2: Total income and expenses – historical and forecast



In four of the last 10 years, the Council has reported operating deficits, including $8.9 million in 2013-14 because of a $9.1 million impairment charge on building assets.[41] This impairment charge and reported operating deficits over this period, resulted in an average OSR[42] of negative 2.7 percent, below the Local Government Association of South Australia (LGA) suggested target range of between zero and 10 percent. In 2023-24, the Council reported a further operating deficit of $5.0 million (unaudited), in part impacted by the recognition of the 2023-24 Financial Assistance Grant of $2.5 million, which was receipted by the Council in 2022-23.[43]

The Council states in its current LTFP that financial sustainability is subject to a range of challenges, including increasing demands for community services and facilities, operational costs, limited revenue growth from non-rate revenue sources, and the need to renew and replace ageing infrastructure.[44] The Council's current LTFP reflects its updated financial strategies and responses to address these challenges.

The Council forecasts a surplus of $0.3 million (OSR of 0.7 percent) in 2026-27, then the surplus progressively increases to $8.9 million (OSR of 12.9 percent) by 2033-34 (see Figure 1). The Commission notes that the forecast OSRs for the last two years of its current LTFP exceed the upper limit (10.0 percent) of the LGA target range, indicating that rate charges (revenue) might be higher than necessary.

5.1.3 Operating income

The Council's primary source of operating income over the historical period to 2022-23 was from rates income (76.5 percent of total operating income), followed by grants (13.0 percent), and user charges (5.4 percent). Over this period, the Council had an average operating income of $28.8 million per annum

41 The Council advises that was a result of a grounds lease being written off relating to sporting club buildings.

42 The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10.0 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised,* May 2019 (LGA SA Financial Indicators Paper), p. 6).

43 The Local Government Grants Commission sets out the quarterly payment schedule for Financial Assistance Grants (among other grants), available at https://www.dit.sa.gov.au/local-government/grants-commission/grant-payments. Consistent with this schedule the Council has reported $0.1 million for Financial Assistance Grants in its 2023-24 financial statements.

44 Town of Gawler, *Long Term Financial Plan 2025-2035*, November 2024, p. 7.

(in nominal terms) and additionally receives contributions for new assets (which include developer contributions) that averaged $1.7 million per annum (in nominal terms).[45]

Rates income increased on average by 5.2 percent per annum from 2013-14 to 2022-23, when growth in the number of rateable properties was 1.5 percent and CPI growth averaged 2.6 percent.[46] Over the same period, grants revenue increased by an average of 11.3 percent per annum, and user charges increased by 4.7 percent per annum.[47] Grant income receipt and recognition can be 'lumpy' from year to year[48] and the three-year average of $243 per rateable property in 2015-16 is compared with the three-year average of $430 per rateable property in 2022-23, reflecting an increase in value in real terms (or 8.5 percent increase per annum in nominal terms).

Over the forecast period, the Council is seeking to address financial and asset sustainability risks and is targeting a return to an operating surplus by 2026-27, in large part through imposing higher rates and charges. The Council is projecting average rates revenue growth (per rateable property) of 4.9 percent per annum, which is materially higher than the projected long-term inflation rate of 2.6 percent per annum.[49]

The Council's projected average growth in rateable properties is 2.0 percent per annum over the period from 2024-25 to 2033-34, which is based on its demographic modelling, and is 0.5 percentage points per annum higher than historically. The Council's growth assumptions support its financial sustainability, and it will be necessary for the Council to adapt if the pace of land development and uptake of new rateable properties materially changes from Council's assumptions.

Grant income is projected to average $5.8 million per annum from 2024-25 to 2033-34 (in nominal terms) reflecting both operating and capital grants and assumes that a minimum of 50.0 percent of major projects and infrastructure investment will be funded from this source.[50] In general, grant income reflects an increase by approximately $2.0 million per annum (in nominal terms) compared to the previous 10 years.

5.1.4 Operating expenses

From 2013-14 to 2022-23, the Council's operating expense growth was primarily due to an average annual increase of 5.2 percent in employee costs,[51] 5.2 percent in 'materials, contracts and other' expenses, and 11.3 percent in depreciation expenses. See changes by expense type in Figures 3 and 4.

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45 Town of Gawler, *General Purpose Financial Statements for the year ended 30 June 2014 to 30 June 2023*, available at https://www.gawler.sa.gov.au/your-council/publications. These amounts are not included in the charts throughout the Commission's advice.

46 CPI Adelaide (all groups) increased by 2.6 percent per annum on average over the period from 2013-14 to 2022-23, based on historical ABS statistics. Available at https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/.

47 The Council's user charges consist of income from the lease and property rents, aquatic centre fees and charges, recreation fees and charges, cemetery fees, visitors' information centre, civic centre operations and sundry. See Town of Gawler, *General Purpose Financial Statements for the year ended 30 June 2023*, available at https://www.gawler.sa.gov.au/your-council/publications.

48 Due to the timing of different grants and sometimes advance grant payments (as for the 2023-24 Financial Assistance grant allocation, which was received and accounted for in 2022-23).

49 The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

50 Town of Gawler, *Long Term Financial Plan 2025-2035*, p.19.

51 The Council's template data shows that employee numbers increased by 32 FTEs over this period, and its long-term planning assumptions show an increase of approximately three FTEs per year.

Figure 3: Expenses by category – historical and forecast

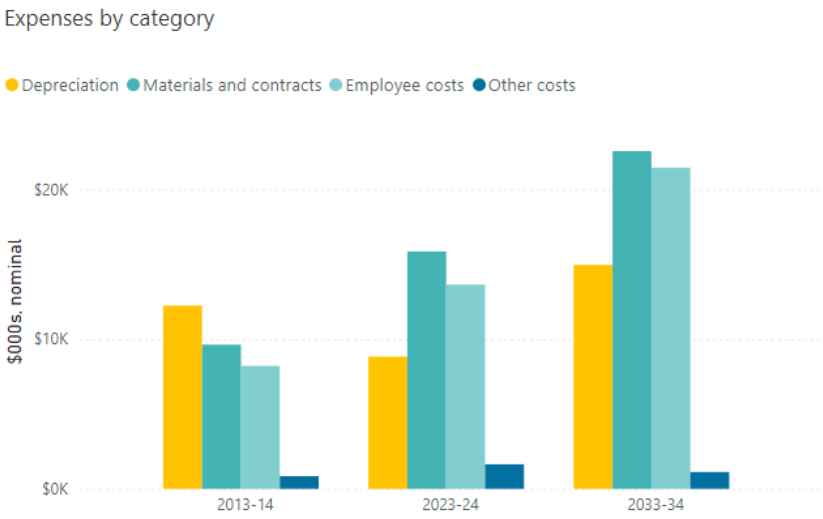
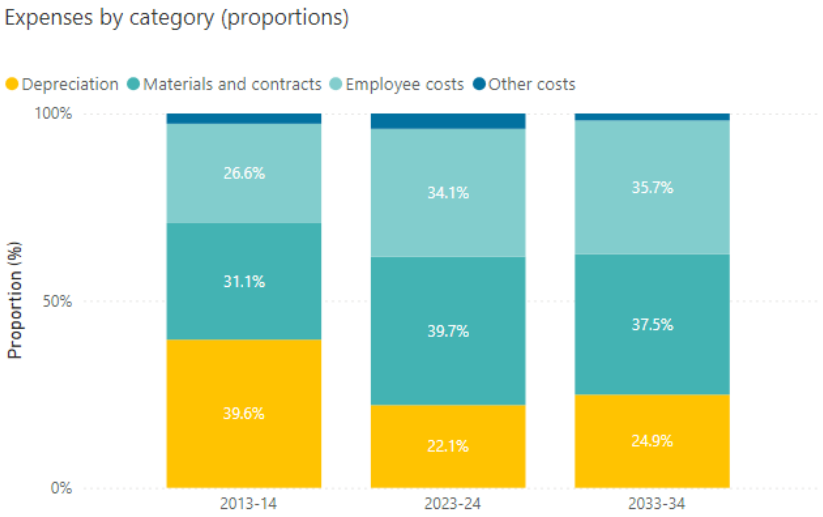


Figure 4: Expenses by category - proportions

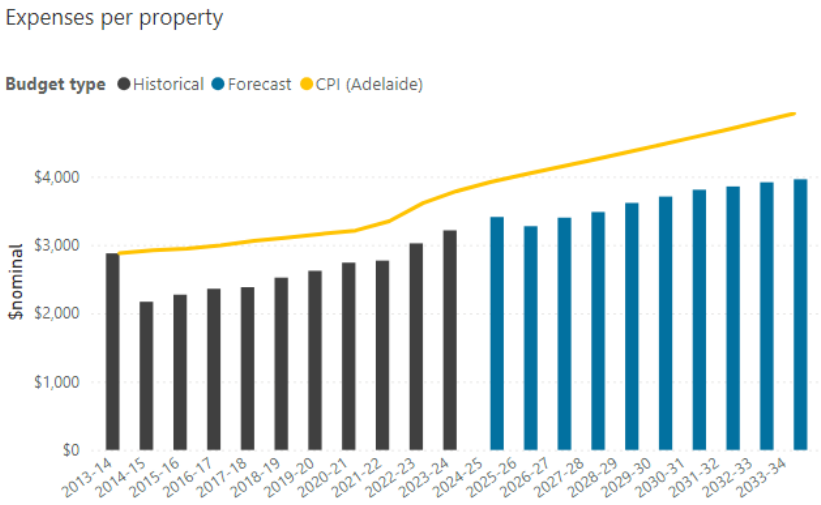


Over the forecast period (from 2024-25 to 2033-34), the Council projects 3.7 percent annual average expense growth, which is lower than the annual average growth of 6.1 percent in the 10 years to 2022-23, however is higher than the RBA-based forecast inflation growth of 2.6 percent per annum.[52] The reasonably substantial forecast growth in the region would account for some of the growth in expenses. While the Council has budgeted for higher costs in 2024-25, it is also targeting savings of 3.5 percent of 'materials and services' expenditure for the first four years of its LTFP.[53]

It is also positive that the Council has developed five key financial sustainability strategies, the first of which is to 'maintain tight control over expenditure' through targeted service delivery review; a culture of continuous improvement; determining real ongoing savings; and budget discipline.[54]

[52] Footnote 49 applies.
[53] Town of Gawler, *Long-Term Financial Plan 2025-2035*, November 2024, pp. 8 and 22.
[54] Ibid. pp. 12-13.

Figure 5: Expense by rated property - historical and forecast[55]



Expenses per property are projected to increase by an average of 1.7 percent per annum (from 2024-25 to 2033-34), which is below the forecast average annual inflation rate of 2.6 percent (see Figure 5). The Council's financial information shows that lower average increases are projected in most of its cost categories over the period from 2024-25 to 2033-34 compared to the historical 10-year period.

The Commission observes that the Council documents its cost indexation assumptions in its LTFP, and these appear logical. Its employee costs reflect its Enterprise Agreement escalations as well as a planned increase in employee numbers from 135 FTEs in 2023-24 to 165 FTEs in 2033-34, driven by population growth and an increase in service provision. Materials and services costs account for growth and initiatives, as well as its savings target. The Council's explanation for depreciation expenses appears reasonable, with forecasts taking into account the impact of new assets, and the revaluation of assets.

The Council is commended for forecasting lower rates of growth in its costs, however, it is not clear what initiatives the Council plans to undertake to achieve the reduction in cost growth. Annually documenting initiatives and reporting on them would help the Council to stay on track with achieving such outcomes and would assure the community that savings measures are being undertaken.

5.1.5 Commission's advice on operating performance

Over the forecast period, the Council's projected operating performance shows an improving trend, however that improvement relies on rate revenue (per rateable property) increasing at an average rate of 4.9 percent per annum, which is materially higher than the forecast inflation rate over the period of 2.6 percent. It also assumes a higher rate of growth in the number of rateable properties than occurred in the past.

Additionally, the Council's larger capital program will add further pressure on its operating performance (for example, through higher depreciation, finance and operating costs) and to some degree will rely on capital grant funding.

It is positive that the Council recognises its cost pressures and financial sustainability challenges and is addressing these through key strategies and strategic actions adopted in its 2024-25 LTFP. Notably,

[55] The 2013-14 result includes the extraordinary (one-off) building assets impairment charge of $9.1 million.

the Council aims to maintain tight control over expenditure and has included savings targets in its plans.

The Commission recommends that Council:

4. **Report** annually on cost-saving or productivity improvement targets and outcomes of initiatives to provide evidence of achieving efficiency and effectiveness across its operations and service delivery.
5. **Monitor** the pace of land development and take-up of new rateable properties and adapt the LTFP to address any change from assumed rates of growth.

5.2 Net financial liabilities

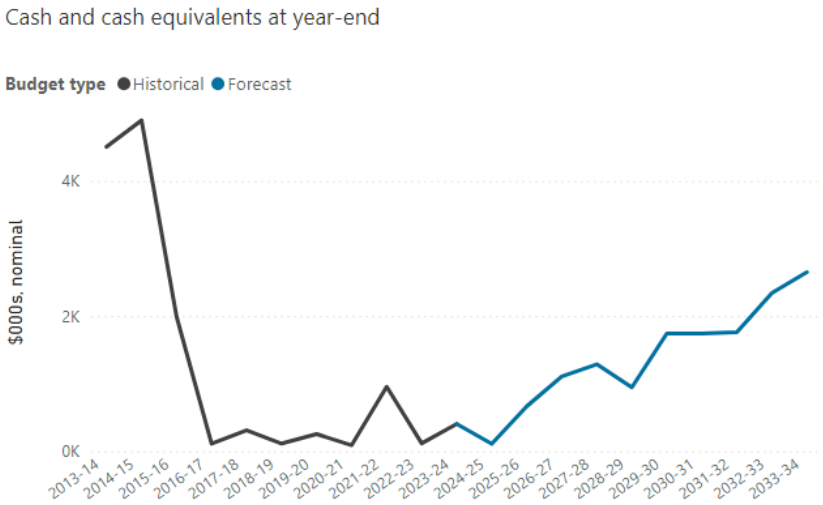
5.2.1 Key points

- Net cash flows after operating and investment (that is, capital-related) activities averaged negative $0.6 million per annum (between 2013-14 and 2022-23), driven by higher capital expenditure on new or upgraded assets in some years.
- Total borrowings are forecast to peak at $37.1 million in 2027-28 to 2029-30 to fund infrastructure projects, then decrease from 2030-31. The repayment of debt is mainly supported by rate increases greater than CPI.
- The NFLR is forecast to peak at 97.3 percent in 2025-26 which results from borrowings increasing at a faster rate than total income over the short-term, increasing prudential risk.

As a result of the Council's operating deficits (and accounting for other income sources), over the last 10 years, its net cash flows after operating and investing (that is, capital-related) activities have averaged negative $0.6 million annually between 2013-14 and 2022-23.[56] These are the cash flows generally available for debt repayments (and are after interest payments) and indicate the Council has been using cash reserves and borrowings to undertake its operating and investing activities. This indicator is different from Figure 6, which shows cash held by the Council at the end of each year, including financing activities, which has averaged $1.3 million per annum over the same period.

[56] This figure provides a general indication on whether the Council has a capacity to repay borrowings or has an emerging cash flow sustainability issue. A negative or relatively small figure should be viewed in the context of the Council's revenue base and existing cash balances, which could indicate it is able to service cash flow deficits over a long period.

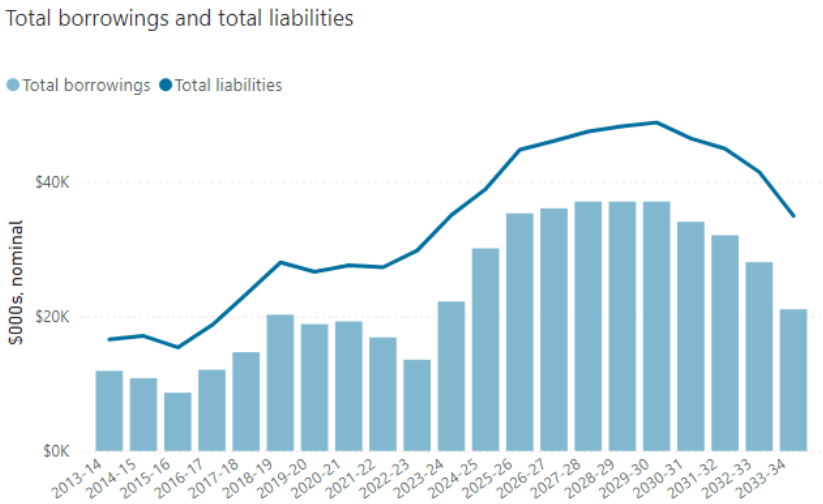
Figure 6: Cash and cash equivalents at year end – historical and forecast



The Council has predominantly used borrowings from the Local Government Finance Authority of South Australia (LGFA) for its operations and investment needs. Its unaudited financial information in 2023-24 shows that Council has total borrowings of $22.2 million and cash balances of $0.4 million.

In the 2024-25 LTFP, the Council is forecasting peak borrowings of $37.1 million in 2027-28, which it intends to use for infrastructure projects and for short-term operational cash flow shortfalls.[57] The forecast borrowing repayments total $16.0 million, most of which are being made toward the end of the Council's planning period from 2030-31 to 2033-34. The steep rate of debt repayment, which corresponds with rate increases materially higher than CPI, will have implications for intergenerational equity.[58] The Council's total borrowings and total liabilities are depicted in Figure 7.

Figure 7: Total borrowings and total liabilities – historical and forecast



57 Town of Gawler, *Long-Term Financial Plan 2025-2035*, November 2024, p. 16.

58 'Intergenerational equity' relates to fairly sharing of services and the revenue generated to fund the services between current and future ratepayers.

Figure 8: Net financial liabilities ratio – historical and forecast

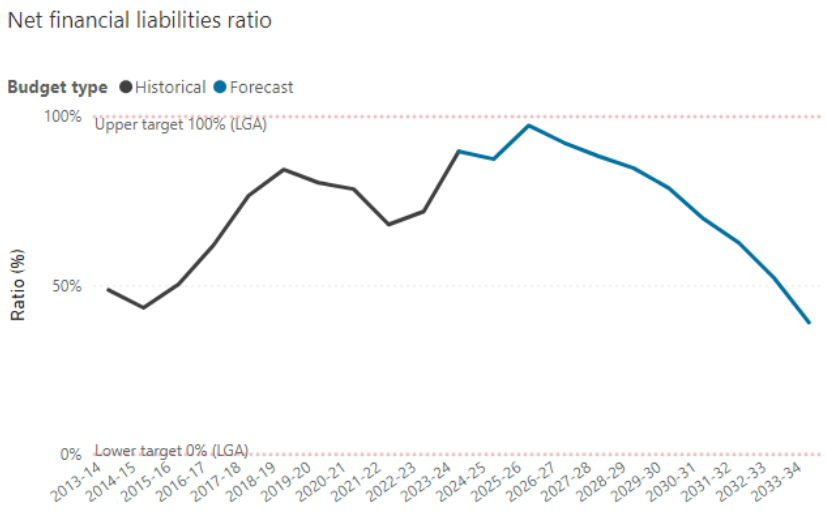
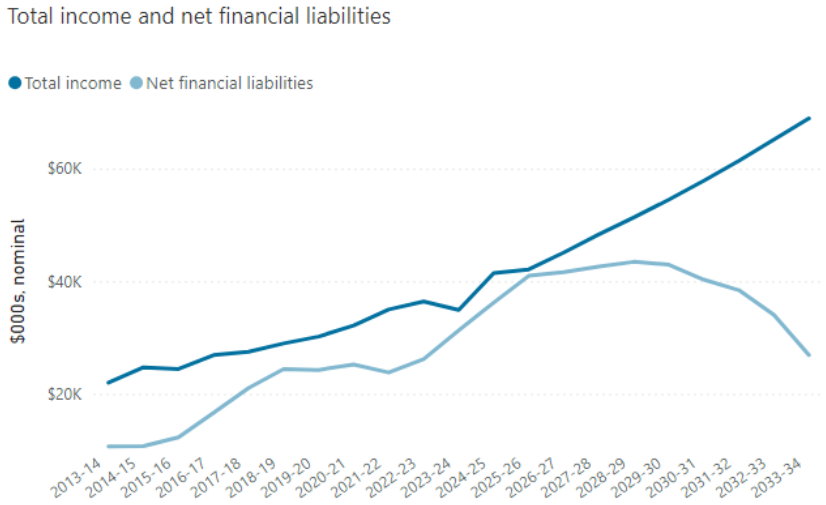


Figure 9: Total income and net financial liabilities – historical and forecast



The Council has estimated that the NFLR[59] will peak at 97.3 percent in 2025-26,[60] which is a result of borrowings increasing at a faster rate than its total income over the short-term (see Figure 9). This is within the suggested LGA target range for the indicator of between zero and 100.0 percent. Over the remaining period of the LTFP, the Council is projecting the NFLR to reduce to 39.0 percent by 2033-34.

The Council has published an aspirational target of 75.0 percent (or less) for the NFLR and applies a borrowing ratio of 100.0 percent, which measures the extent of borrowings as a percentage of rate revenue. The Council recognises that this higher forecast level of debt places it at some prudential risk

[59] The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100.0 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

[60] Based on the Council's Excel template provided to the Commission.

and reduces its capacity to secure funding for new infrastructure.[61] It is also noted the Council expects to secure funding from sources other than rates, such as grant income and developer contributions.

5.2.2 The Commission's advice on financial liabilities

Noting the forecast level of debt and the rate increases referred to above, the Commission proposes that the Council reassess the pace of its plans for development of new infrastructure and corresponding assumption of debt, in consultation with its community, to reduce financial sustainability risks and the resultant impost on ratepayers. The Council could mitigate the financial sustainability and intergenerational equity risks by ensuring its capital expenditure profile is prudent or staged across a longer timeframe, as well as spreading the associated debt servicing payments. This could provide Council with more financial flexibility to respond to future challenges.

The Commission recommends that Council:

6. **Consider** the pace of development of new infrastructure, repayment of debt and increase in rates, to manage prudential risk, improve intergenerational equity and reduce financial sustainability risks, in consultation with the community.

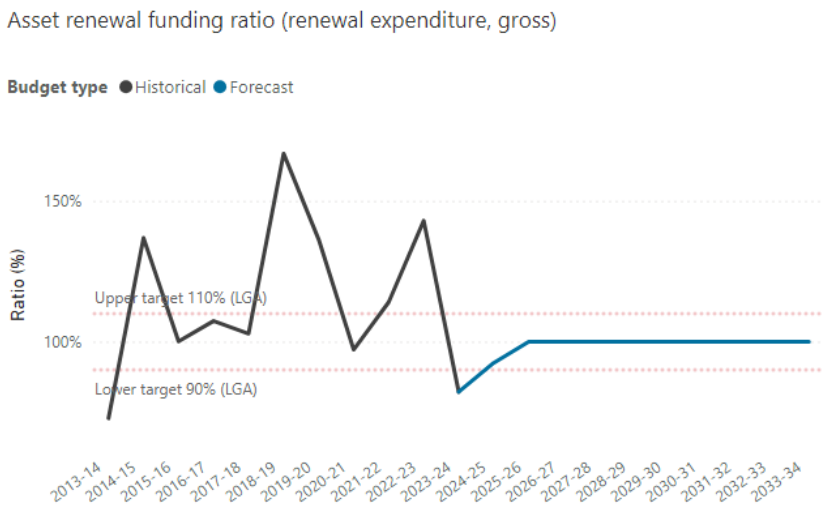
5.3 Asset renewals expenditure

5.3.1 Key points

- Between 2013-14 and 2022-23, the gross ARFR averaged 117.7 percent, with an average renewal expenditure of $3.6 million per annum. However, historical asset management planning deficiencies cast doubt upon these results.
- Historical asset management planning deficiencies relating to asset condition data were identified by the Council in 2024, which has given rise to a backlog of asset renewal and replacement expenditure.
- The Council is prioritising expenditure on new and upgraded assets, and overall has a materially larger capital expenditure program (compared to the past 10 years) which could add to financial sustainability risks.
- The forecast ARFR over the next 10 years is projected to align with its updated AMPs, with average renewal expenditure of $8.4 million per annum (in nominal terms).

[61] Town of Gawler, *Long-Term Financial Plan 2025-2035*, November 2024, p. 11.

Figure 10: Asset renewal funding ratio (renewal expenditure gross) – historical and projected



Historically, between 2013-14 and 2022-23, the Council has generally met (or exceeded) the suggested LGA target range for its gross ARFR[62] achieving an average of 117.7 percent over this period.[63] (See Figure 10). This suggests that the Council has generally met the renewal needs of its asset stock as detailed in its own AMPs but could also reflect out-of-date values in past AMPs.

The Council has developed AMPs for major asset classes (covering transport, stormwater, open space, and building assets). These have been reviewed, subjected to stakeholder and community engagement, and adopted by Council in November 2024 (along with its current LTFP). The Council periodically reviews asset unit rates (including indexation) for its desktop valuations, and on 30 June 2024, undertook an independent asset valuation of civil infrastructure assets (previously updated on 30 June 2018).[64] Council is also implementing a rolling program of asset condition assessments and valuation for its asset classes.[65]

This contrasts with past practices of the Council, which lacked the necessary rigour for sustainable asset management, and, as a result, past investment decisions may not have been strategically prioritised or fully informed.[66] The Council has also identified an infrastructure backlog and is seeking to address this in the current LTFP.

The Council's expenditure on renewal and replacement of assets over the 10 years to 2022-23 has averaged $3.6 million per annum. Over the same period, expenditure on new and upgraded assets has averaged $5.6 million per annum. In part this reflects the new infrastructure required to support new land development in the town. The Council's updated projections in its 2024-25 LTFP indicates a materially larger capital expenditure program on both asset renewals (including the backlog) and on new or upgraded assets compared to the past 10 years (see Figures 11 and 12).

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62 The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90 to 110.0 percent (LGA SA Financial Indicators Paper, p. 9).

63 The quoted averages for the ratio are based on 'gross asset renewal expenditure' (before the sale of replaced assets) rather than 'net asset renewal expenditure'.

64 Town of Gawler, *General Purpose Financial Statements for the year ended 30 June 2024*, Note 7 Infrastructure, Property, Plant and Equipment, pp.24 - 27.

65 Town of Gawler, *Email to the Commission*, 4 February 2025.

66 Town of Gawler, *Long-Term Financial Plan 2025-2035*, CEO Statement on Sustainability, November 2024, p. 7.

From 2024-25 to 2033-34, the Council's gross ARFR averages 100.0 percent, reflecting an intention to align spending to AMP projections.[67] Average annual spending on asset renewal or replacement is projected to increase to $8.4 million (in nominal terms), including $1.5 million to address the asset renewal backlog;[68] and average annual spending on new and upgraded assets is projected to increase to $10.0 million (in nominal terms).[69] The Council 's capital expenditure program (for new / upgraded assets and strategic investments) will largely involve improvements for transport and stormwater assets; as well as holistic streetscape upgrades, depot redevelopment, improved community facilities, development interventions, and town centre and river corridor investment.

Figure 11: Net asset renewal and IAMP renewal expenditure – historical and projected

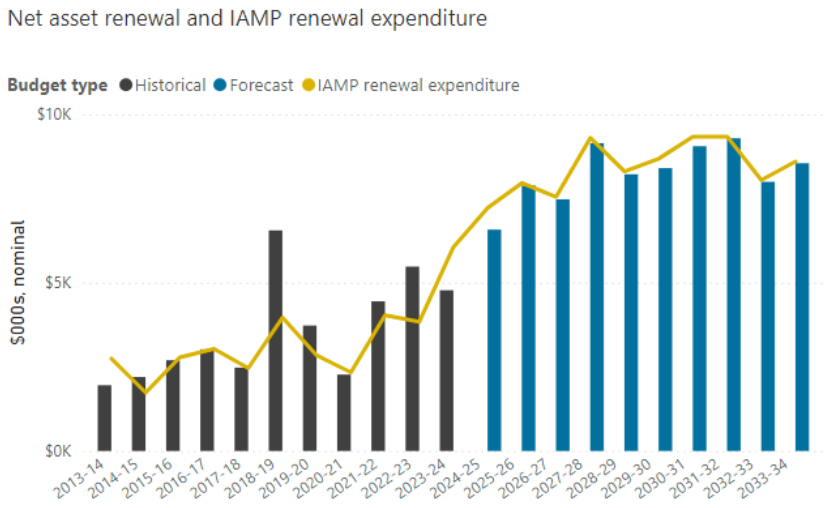
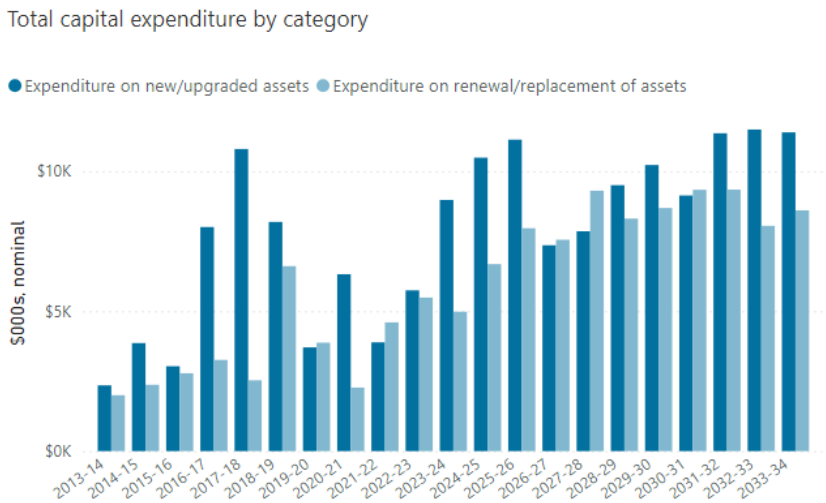


Figure 12: Total capital expenditure by category – historical and projected



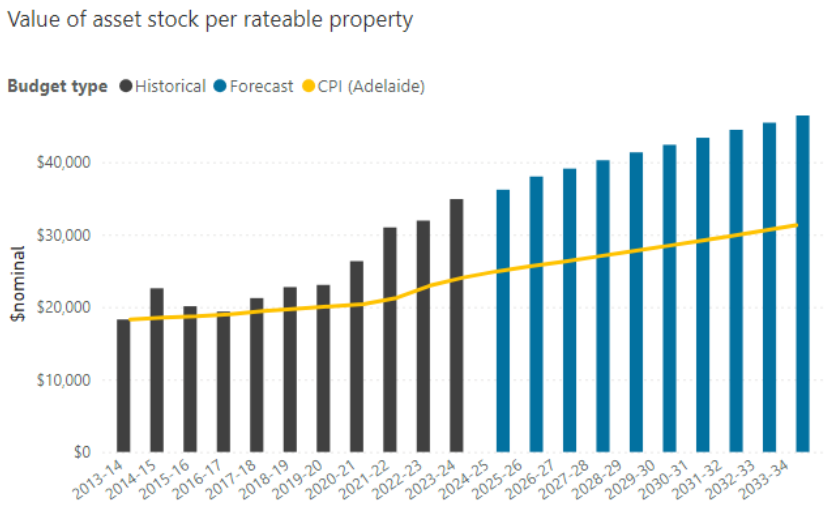
[67] The Council's target for the ARFR is between 90.0 percent and 110.0 percent over a rolling three-year average. Town of Gawler, *Long-Term Financial Plan 2025-2035*, November 2024, p. 25.

[68] See Town of Gawler, *Ordinary Council Meeting Agenda – 26 November 2024, Item 10.1 Asset Management Plans,* p. 6, available at https://www.gawler.sa.gov.au/__data/assets/pdf_file/0026/1717163/26-11-2024-Council-Agenda.PDF.

[69] The Council states it applies a range of price indexes to its capital program, such as the Local Government Price Index (LGPI) – Capital series, ABS Building and Construction Index, and ABS Roads and Bridges Index.

The Council has expanded its asset base as development and growth have occurred in the region. Over the 10-year period from 2013-14 to 2022-23, Council's total capital spend was $91.7 million and it received $87.4 million in gifted assets.[70] Figure 13 shows that the value of asset stock per rateable property has been growing at a rate greater than CPI for much of its historical and forecast period.[71]

Figure 13: Value of asset stock per rateable property – historical and projected



5.3.2 The Commission's advice on financial liabilities

The Council will need to monitor the outlook for development of land in the town and the commensurate requirements for new infrastructure, to ensure that it maintains financial capacity to facilitate the growth. Additionally, the high rate of asset growth will result in a future asset renewal liability stream for the Council to manage. Notwithstanding the Council's historical ARFR reported performance, the historical asset management planning deficiencies has given rise to an asset renewals backlog adding to sustainability risk. The Commission recommends that Council:

7. **Consider** the growth of its asset base in the context of future asset renewal funding requirements.

[70] Town of Gawler, *General Purpose Financial Statements for the year ended 30 June 2014 to 30 June 2023*, available at https://www.gawler.sa.gov.au/your-council/publications. Gifted assets are recorded in the Council's 'Statement of Comprehensive Income as 'Physical Resources Received Free of Charge'.

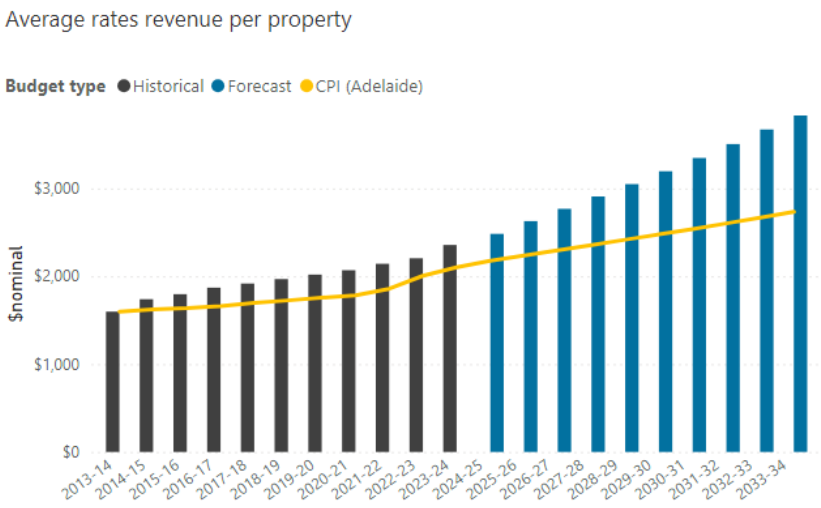
[71] The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

6 Advice on current and projected rate levels

6.1 Key points

- Growth in rate revenue per property averaged 3.6 percent or $68 per annum for each property between 2013-14 and 2022-23, which is 1.0 percent higher than average CPI for the same period.
- The budgeted rate increase for 2024-25 is 6.0 percent per property, which is higher than the Council anticipated charging in previous forecasts.
- The forecast rate increases per property from 2024-25 to 2033-34 are projected to be an average of 4.9 percent per annum or a cumulative increase of $1,348 over this period, which is almost double the RBA-based inflation forecast of an average of 2.6 percent per annum.
- Affordability risk among the community for the further rate increases appears to be moderate to high, based on a range of factors, including an assessment of the economic resources available to the community, and community feedback.

Figure 14: Average rates revenue per property – historical and projected



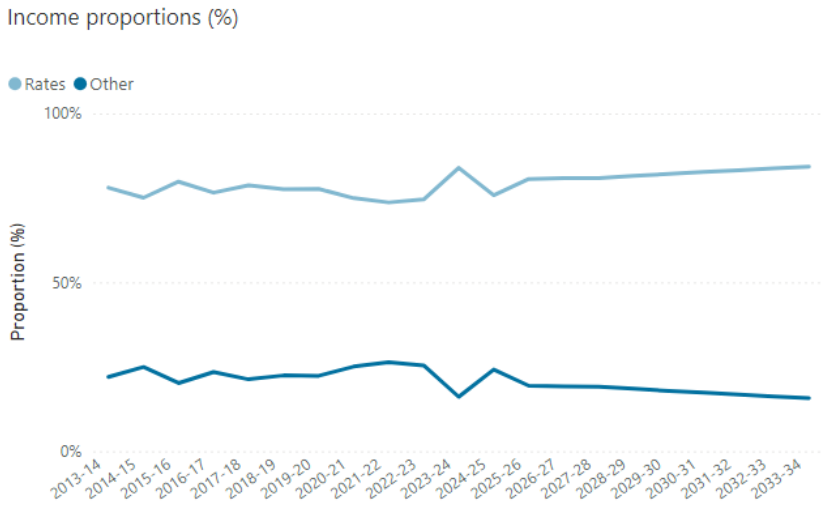
6.2 Historical rates growth

The Council's rate revenue per property growth has averaged 3.6 percent or $68 per annum for each property over the past 10 years,[72] to reach an estimated average of $2,205 per property in 2022-23 (see Figure 14). This growth rate was higher than the average CPI increase of 2.6 percent annually during the same period.[73]

[72] From 2013-14 to 2022-23.

[73] CPI Adelaide (all groups) increased by 2.6 percent per annum on average over the period from 2013-14 to 2022-23, based on historical ABS statistics. Available at https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/.

Figure 15: Income proportions (%)



Rate revenue represented 76.5 percent per annum on average over the 10-year period from 2013-14 to 2022-23, see Figure 15). The Council also generated income from grants (approximately 13.0 percent), and user charges (approximately 5.4 percent). The Council also receives developer contributions, which are included in 'amounts received specifically for new and upgraded assets', totalling $17.3 million over the period (its fourth largest income source after user charges).[74]

The Council has relatively average 'general rates' compared to similar councils; however, this also reflects its relatively higher average rates for residential ratepayers, and lower average rates for non-residential ratepayers.[75]

6.3 Proposed rate increases for 2024-25

The Council has budgeted for an average rate increase of 6.0 percent or $131 per property, with forecast increases of $112 per residential property and $543 per commercial property.[76] The rates exceed by 1.7 percent the Adelaide CPI for the year to March 2024 of 4.3 percent. These proposed rate increases are also higher than the Council anticipated charging for the year 2024-25 in its 2022 LTFP projection of 4.5 percent,[77] though it is not clear how the Council's rate assumptions have changed since its previous LTFP was published in 2022. The Commission notes that the macroeconomic environment has tempered somewhat compared to the previous 12 – 24 months, however CPI remains above the RBA's long-term target range (of 2 – 3 percent per annum).[78] The Council also assumes

[74] These amounts are recorded in the Council's Statement of Comprehensive Income, below the 'Operating Surplus / (Deficit)' line, See Town of Gawler's *General Purpose Financial Statements* for the relevant financial periods. Available at https://www.gawler.sa.gov.au/your-council/publications.

[75] Refer to Councils in Focus rates data for 2021-22 available at https://councilsinfocus.sa.gov.au/councils/town_of_gawler. The Commission is not relying on these rate comparisons for its advice; the data source provides one indicator, among many, which has informed its advice on the appropriateness of the rate levels. Other rate charges such as for waste management and the regional landscape levy do not form part of this comparison.

[76] Town of Gawler, *Annual Business Plan 2024-25,* June 2024, pp. 27 and 58.

[77] Town of Gawler, *Long-Term Financial Plan 2021/22-2030/31*, June 2022, p. 11.

[78] CPI Adelaide (All groups) increased by 4.8 percent and 4.3 percent in the year to December 2023 and year to March 2024 quarter, respectively. Available at https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release#data-downloads.

2.0 percent growth in the number of rateable properties, which is approximately 0.5 percent higher than its historical average.

The Commission observes that the Council's 'rate in the dollar'[79] differs across its land use categories.[80] On a proportional revenue basis, residential ratepayers are forecast to account for around 74.1 percent of 2024-25 general rates revenue, followed by commercial (18.4 percent), and vacant land (2.8 percent).[81]

Other than general rates income (which represents around 88.1 percent to total rates income in 2023-24),[82] the Council collects income from waste collection (around 9.2 percent) and from the Regional Landscape Levy (around 2.0 percent), though it does not retain the funds from the Regional Landscape Levy.

6.4 Projected further rate increases

Over the forward years of its LTFP, the Council has projected average rates increases for its existing ratepayers of approximately 4.9 percent per annum from 2024-25 to 2033-34,[83] which is higher than its historical increases (of 3.6 percent per annum, noted in section 6.2), and almost double the projected CPI increases of 2.6 percent per annum.[84] Council appears to have considered several long-term planning assumptions, and importantly is seeking to address financial sustainability risks (and return to an operating surplus by 2026-27), and is also undertaking a large capital program (including addressing a renewals backlog). These are largely supported by its rate increase assumptions, which are based on a mix of recovering cost indexation and allowing for escalation to fund projects and initiatives.[85]

The Council's 2024-25 LTFP effectively projects a cumulative increase of $1,348 per existing ratepayer (to $3,831 per annum) by 2033-34 (refer to Figure 14).[86]

6.5 Affordability risk

Affordability risk among the community for these further rates increases appears to be moderate to high, on balance, when considering:

- the Council's relatively low socio-economic indices for areas (SEIFA) economic resources ranking for the Council area[87]
- the current relatively high average rates for residential ratepayers which have experienced historical rate increases above inflation

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79 Section 152(1) of the LG Act provides that a general rate may be a rate based on the value of the land subject to the rate (commonly referred to as the 'rate in the dollar').

80 'Land use' categories consist of residential, commercial, industry, primary production, vacant land, and other.

81 Town of Gawler, *Annual Business Plan 2024-25,* June 2024, p. 55.

82 Before discretionary rebates.

83 Based on the Council's Financial Reporting template provided to the Commission.

84 The forecast average annual growth in the CPI from 2025-26 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

85 Town of Gawler, *Long-Term Financial Plan 2025-2035*, November 2024, p. 21.

86 The CPI forecasts in the chart are based on RBA forecasts and then a return to long term averages (2.5 percent per annum), and this can be different to Council's own inflation and rate increase assumptions.

87 The Town of Gawler area is ranked 31 among 71 South Australian '*local government areas*' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (e.g., 1) denotes relatively lower access to economic resources in general, compared with other areas, available at https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021.

- the effect of cumulative increases in general rates of approximately 4.9 percent per annum to the period 2033-34, almost double the forecast rate of inflation, and
- a number of community concerns, with several written submissions received by Council during the 2024-25 budget process, some ratepayers expressing concerns about the 2024-25 rate increase.[88]

6.5.1 The Commission's advice on affordability risk

Affordability risk can also be viewed in the context of the Council's financial and asset sustainability risks, which is acknowledged by Council in its November 2024 LTFP. Particularly the Council is not projecting an operating surplus until 2027-28, has identified deficiencies in past asset management practises giving rise to a renewals backlog, and overall is embarking on a larger capital program compared to the past. These matters mean that the community is exposed to further rate increases. As previously discussed, there is some scope for the Council to reduce its rate increases, for example if cost savings are implemented or if its capital program is reduced.

Accordingly, the Commission recommends that Council:

8. Monitor affordability risks for its ratepayers and seek to reduce the quantum and pace of expenditure to the extent possible and prudent.

[88] See Town of Gawler, *Special Council Meeting Agenda – 4 June 2024, Item 5.1 2024-2025 Draft Annual Business Plan and Budget – Public Submissions and Budget Update*, pp. 4-13, available at https://www.gawler.sa.gov.au/__data/assets/pdf_file/0020/1614035/04-06-2024-Council-Agenda-Special.PDF.

7 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Council's:

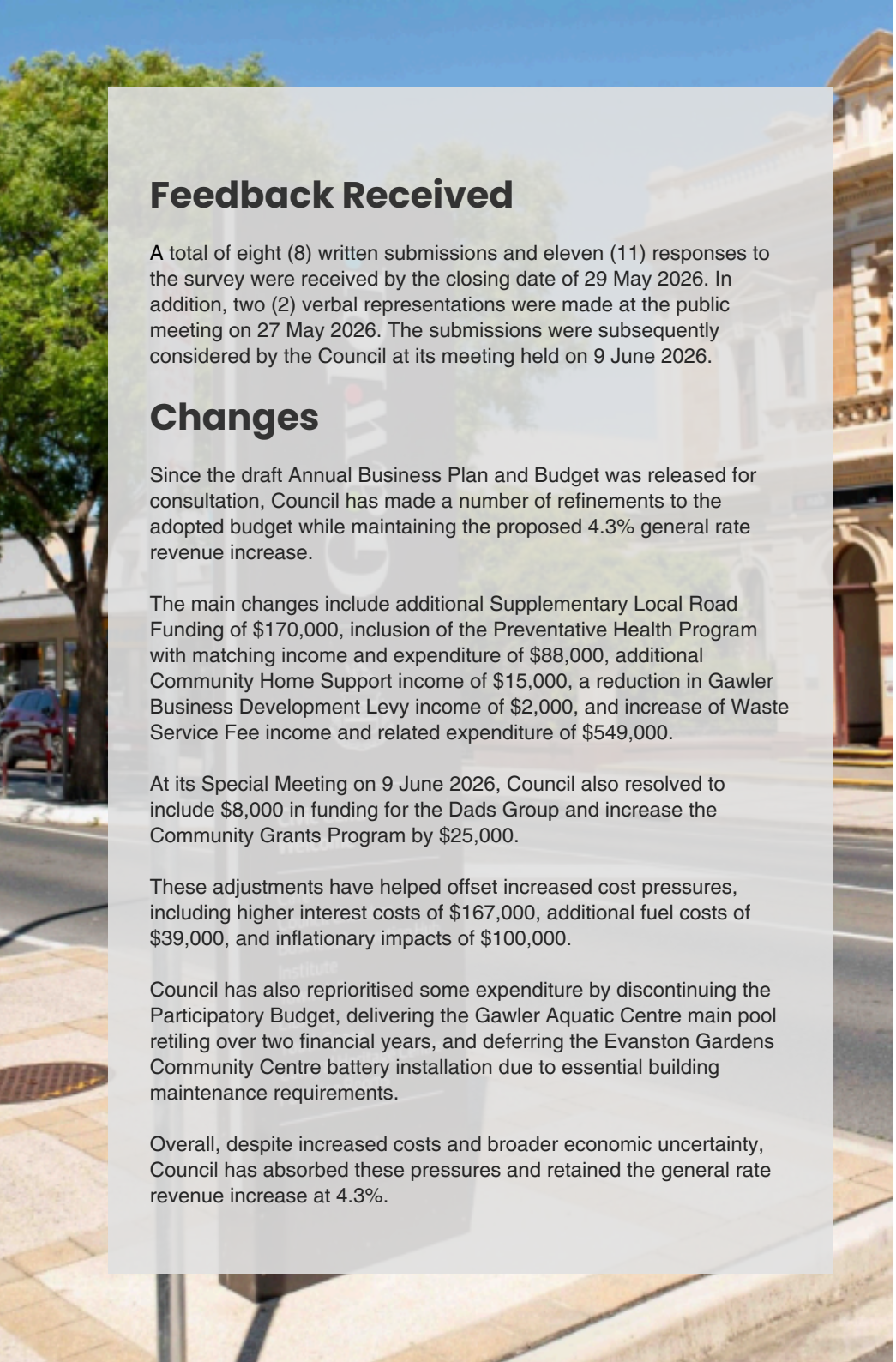
- ongoing performance against its LTFP estimates and its goal to achieve an operating surplus position and address the backlog in asset renewals
- improved disclosure of material changes to its financial forecasts and assumptions in its LTFPs and ABPs
- identification and reporting of cost savings and operating efficiencies
- capital expenditure programs and the level of funding provided to the renewal of its assets, and
- how it has sought to address the emerging affordability risks.

8 Appendix: Glossary of terms

Item	Explanation
ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
ARFR	Asset Renewal Funding Ratio Since 2013, the asset renewal funding ratio has been defined as: Asset Renewal Expenditure ÷ IAMP Renewal Expenditure Where IAMP Renewal Expenditure is that required according to the IAMP.
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Town of Gawler
ESC Act	*Essential Services Commission Act 2002*
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	*Local Government Act 1999*
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Pa per 9 - Financial Indicators Revised May 2019
LGPI	Local Government Price Index
LTFP	Long-term financial plan
NFLR	Net Financial Liabilities Ratio Net Financial Liabilities are defined as: Total Liabilities LESS Current Assets (Cash and Cash Equivalents) LESS Current Assets (Trade and Other Receivables) LESS Current Assets (Other Financial Assets) LESS Non-Current Assets (Financial Assets - excluding equity accounted investments in council businesses) The net financial liabilities ratio is: Net financial liabilities ÷ Total Operating Income
OSR	Operating Surplus Ratio The Operating Surplus (Deficit) is defined as:

Item	Explanation
	Total Operating Income LESS Total Operating Expenses28 The Operating Surplus Ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
The scheme or advice	Local Government Advice Scheme

The Essential Services Commission
Level 1, 151 Pirie Street Adelaide SA 5000
GPO Box 2605 Adelaide SA 5001
T 08 8463 4444
E escosa@escosa.sa.gov.au | W www.escosa.sa.gov.au



Feedback Received

A total of eight (8) written submissions and eleven (11) responses to the survey were received by the closing date of 29 May 2026. In addition, two (2) verbal representations were made at the public meeting on 27 May 2026. The submissions were subsequently considered by the Council at its meeting held on 9 June 2026.

Changes

Since the draft Annual Business Plan and Budget was released for consultation, Council has made a number of refinements to the adopted budget while maintaining the proposed 4.3% general rate revenue increase.

The main changes include additional Supplementary Local Road Funding of $170,000, inclusion of the Preventative Health Program with matching income and expenditure of $88,000, additional Community Home Support income of $15,000, a reduction in Gawler Business Development Levy income of $2,000, and increase of Waste Service Fee income and related expenditure of $549,000.

At its Special Meeting on 9 June 2026, Council also resolved to include $8,000 in funding for the Dads Group and increase the Community Grants Program by $25,000.

These adjustments have helped offset increased cost pressures, including higher interest costs of $167,000, additional fuel costs of $39,000, and inflationary impacts of $100,000.

Council has also reprioritised some expenditure by discontinuing the Participatory Budget, delivering the Gawler Aquatic Centre main pool retiling over two financial years, and deferring the Evanston Gardens Community Centre battery installation due to essential building maintenance requirements.

Overall, despite increased costs and broader economic uncertainty, Council has absorbed these pressures and retained the general rate revenue increase at 4.3%.

COMMUNITY ENGAGEMENT AND AMENDMENTS TO THE ANNUAL BUSINESS PLAN & BUDGET

Pursuant to the Local Government Act 1999, the Council undertook community consultation on the 2026-2027 Draft Annual Business Plan & Budget

A Public Notice was published Council's website on 29 April 2026 and in the Bunyip on Wednesday 6 May 2026, advising the community that Council's Draft Annual Business Plan was available for comment. The consultation period opened on 29 April 2026 with written feedback to be received by 29 May 2026.

The Draft Plan was available to download from Council's website and for viewing at the Gawler Administration Centre, Civic Centre and Evanston Gardens Library. Feedback could be provided via the following methods:

- Online: completing an online form via the community engagement page
- Email: budget@gawler.sa.gov.au
- Post: PO Box 130, Gawler SA 5118
- In person: Town of Gawler Administration Centre
- Speaking at the Public Meeting

In-person feedback was accepted at the Public Meeting on Wednesday 27 May 2026.

Promotion of the Community Consultation also included:

- Statutory Public Notice in the Bunyip Newspaper – 13 May 2026 (page 44)
- Town of Gawler E-News newsletter
- Designated community engagement Your Voice page
- Social Media posts via Facebook, LinkedIn and Instagram
  - Facebook: 8 posts and 6 videos with the CEO - theme #GawlerEngagement
  - Instagram: 9 posts
  - LinkedIn: 9 posts
- Double Page spread in the Bunyip Newspaper – 13 May 2026 (pages 12-13)
- Media release – 13 May 2026
- Entry Location banners



COUNCIL FACILITIES

The Council's Administration Centre is located at:
43 High Street
Gawler East SA 5118
08 8522 9211
council@gawler.sa.gov.au

Additional sites of operation include:

Gawler Civic Centre
89-91 Murray Street
Gawler SA 5118
08 8522 9267

Gawler Aquatic Centre
Victoria Terrace
Gawler SA 5118
08 8522 2034

Gawler Sport & Community Centre
7 Nixon Terrace
Gawler SA 5118
08 8522 9203