

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

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Dear Member,

NOTICE OF MEETING

Notice is hereby given pursuant to Clause 6 of the Charter that a meeting for the GRFMA Audit Committee has been called for:

DATE: Monday 5 February 2024

TIME: 11am – 12pm

PLACE: Online – MS Teams



David E Hitchcock

EXECUTIVE OFFICER



The Barossa Council

Gawler



AGENDA

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY AUDIT COMMITTEE MEETING

**11:00am Monday 5 February 2024
Online – MS Teams**

- 1. Present**
- 2. Apologies**
- 3. General Business**
 - 3.1 Draft 2024/2025 GRFMA Annual Business Plan and.....Page
Draft 2024/2025 Budget**
- 4. Next Meeting**

10 April 2024
- 8. Closure**

Agenda Item:	3.1
Committee:	GRFMA Audit and Risk Committee
Meeting Date:	5 February 2024
Title:	Draft 2024/2025 GRFMA Annual Business Plan and Draft 2024/2025 Budget

Recommendation:

That the GRFMA Audit and Risk Committee:

- 1. Notes the report.**
 - 2. Requests the Executive Officer provide the Draft 2024/2025 GRFMA Annual Business Plan and Draft 2024/2025 Budget documents to the 15 February 2024 GRFMA meeting for consideration.**
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2024/2025 Draft GRFMA Annual Business Plan and Draft 2024/2025 Budget

The Gawler River Floodplain Management Authority is established by the Constituent Councils as a regional subsidiary pursuant to Section 43 and Schedule 2 of the Local Government Act 1999.

The GRFMA Charter (2020) provides that the Authority must prepare a a budget for the forthcoming financial year.

The Budget must:

- deal with each principal activity of the Authority on a separate basis.
- be consistent with and account for activities and circumstances referred to in the Authority's Annual Business Plan.
- be submitted in draft form to each Constituent Council before 31 March for approval.
- not be adopted by the Authority until after 31 May but before 30 September.
- identify the amount of and the reasons for the financial contributions to be made by each Constituent Council to the Authority.

The Authority shall also have an Annual Business Plan in respect of the ensuing 12 months.

The Annual Business Plan must:

- state the services to be provided by the Authority.
- identify how the Authority intends to manage service delivery.
- identify the performance targets which the Authority is to pursue.
- provide a statement of financial and other resources and internal processes that will be required to achieve the performance targets and objectives of the Authority; and
- specify the performance measures that are to be used to monitor and assess performance against targets.

Based on the above report the following information relates to action taken to draft the 2024/2025 GRFMA Annual Business Plan and development of the 2024/2025 draft GRFMA budget.

2024/2025 GRFMA Draft Annual Business Plan

The format of the Annual Business Plan has been constructed referencing the GRFMA Strategic Plan 2021-2026, the GRFMA Long Term Financial Plan 2022/23 – 2031/32 and the GRFMA Asset Management Plan 2023-2032. It also refers to anticipated options identified by the Draft Gawler River Stormwater Management Plan.

Priority actions contained in the 2024/2025 draft Annual Business Plan identify:

- The Department for Environment and Water (DEW), in partnership with the GRFMA, has facilitated development of a Gawler River Flood Management Business Case to identify a shared vision and objectives to improve flood management in the Gawler River region.
- The Gawler River Flood Management initiative was included in Infrastructure SA's (ISA) Capital Intentions Statement in 2021 as a priority for business case development. Further work was undertaken in conjunction with ISA, project partners and stakeholders throughout 2021 and 2022 to provide additional information and details regarding the initiative. The work culminated in DEW completing the ISA Assurance Framework (ISAAF) Gate 1 review in May 2022 and the Business Case and Gate 2 review process on 4 December 2023.
- The Business Case recommends a portfolio of actions to improve flood protection in the Gawler River.

These initiatives are considered feasible and provide complementary benefits for the management of flood in the Gawler River, and comprise:

- Increasing the height of the Bruce Eastick Dam on the North Para River (nominally a 10m increase in the height of the dam wall).
- Improving planning controls for developments near the Gawler River that will reduce the likelihood of flood and the impacts of flood inundation on new developments – this may include advocating for policy changes in the flood hazard overlay, making recommendations for inclusion in regional plans, working with local Councils to set local development policies.
- Implementing a Community Flood Awareness Campaign.
- Undertaking the repair and maintenance of existing riverside levee banks in the lower Gawler River, which play a critical role in constraining floodwaters to the river channel during high flow events, and reducing potential damage of flood.

The Authority will continue to work with the Department for Environment and Water to determine a course of action to consider and progress recommendations. Considerations will include regard to recommendations from the GRFMA Strategic Plan 2021-2026 and the Gawler River Stormwater Management Plan.

Note: the GRFMA has scheduled a facilitated workshop for 7 February 2024 to consider and progress recommendations from the Business Case and the Gate 2 assurance review. It may happen that the Board subsequently require inclusion of additional resources to the draft budget as presented; however this is unknown at time of writing. Ultimately it is the prerogative of the Board to determine the final budget content.

GRFMA Strategic Plan Priorities

Work to facilitate delivery of the objectives of the Gawler River Stormwater Management Plan. The Gawler River Stormwater Management Plan is the key GRFMA document to assist in determining physical and other works required to reduce the risks and impacts of flooding.

Review, with Constituent Councils and stakeholders, design standards for infrastructure works including costs and benefits. The default policy position of the Authority has been for a 1 in 100-year design standard. Reviewing that policy position through consideration of the costs and benefits of various design standard scenarios will assist in identifying appropriate standards.

In conjunction with the Constituent Councils, develop and implement a schedule of flood mitigation infrastructure works for the Gawler River referencing the Gawler River Stormwater Management Plan. A schedule of works is to be consolidated from the recommendations from the completed GRFMA Gawler River Stormwater Management Plan and the Department for Environment and Water, Gawler River Flood Mitigation Business Case. Considered funding will be sought from the State and Federal Governments and where appropriate commercial investment.

Working with the Constituent Councils, develop a framework to clearly articulate the respective roles and responsibilities of the Authority and the Councils and suitable partnering arrangements to maintain a low-cost base for the Authority. Identification of partnering opportunities within the capacities of the Councils (e.g. in relation to monitoring information about climate change and climate change policy, and water policy) in delivering the functions, operations and project management required of the Authority would help to keep the Authority's administrative costs low.

Continue to advocate for improved governance and funding arrangements for flood avoidance, resilience, and mitigation in South Australia with frontline experience the Authority is well positioned to develop a narrative about changes that are required to improve governance and funding arrangements for flood avoidance and mitigation.

The Authority will continue to work with the Department for Environment and Water, in consultation with Constituent Councils, on implementation and funding arrangements for the State Government funded Gawler River Flood Mitigation Business Case.

Assist the Constituent Councils in communicating with general communities and specific interest groups in relation to flood mitigation for the Gawler River. Communication with communities is likely to be a joint activity between the Constituent Councils and the Authority.

Gawler River Storm Water Management Plan Recommended Options

- Enlarged Bruce Eastick North Para Flood Mitigation Dam (Bruce Eastick Dam).
- Northern Floodway and Levee Improvements.
- Southern Floodway and Levee Improvements.
- Strategic Levees – Gawler, Virginia and Two Wells combined.

Maintenance and Operations of the Scheme During 2024 to 2025

- Work identified in the previously established Bruce Eastick North Para Flood Mitigation Dam Maintenance Cost Analysis 2023-2032.
- Scheduled inspections and environmental management of land associated with the Dam location. Routine (monthly), Intermediate (annually), Comprehensive (every 5 years due 2028/2029).
- Continuation of the revegetation program around land associated with the Bruce Eastick North Para Flood Mitigation Dam.
- Implementation of an Information Management Framework for a digital environment.

2024/2025 Draft Budget

The scope of the GRFMA annual budget is small in comparison to the extensive undertakings by Constituent Councils.

Drafting of the 2024/2025 GRFMA Budget has been constructed by referencing the GRFMA Strategic Plan 2021-2026, the GRFMA Long Term Financial Plan 2022/23-2031/32 and the GRFMA Asset Management Plan 2023-2032

Revenue

The budget revenue is sourced from predetermined “formula based” financial contributions by the six Constituent Councils, opportunistic funding applications and some interest from financial institutions. Recently any shortfalls in income (over expenditure) have been met from reserves.

Expenditure

Expenditure is budgeted on estimated costs of Executive Management and administrative and governance requirements of the Authority according to its Charter. Other costs are incurred with maintenance of the Bruce Eastick North Para River Flood Mitigation Dam site and access.

Recently work has been progressed by the Department for Environment and Planning to facilitate the Gawler River Flood Mitigation Business Case.

This is an important and complementary project to the GRFMA Stormwater Management Plan and collaborative approaches will be of benefit to all parties.

Operational Contributions (Member Subscriptions)

Operational contributions are calculated to include the costs reflective of Administration of the GRFMA, plus general costs for the provision of consultancies to pursue outcomes envisaged in flood mitigation strategies (Business Case, Stormwater Management Plan) and does not include capital works or maintenance of Assets. Interest received is deducted from total subscriptions required.

Key Budget Outcome Operational Items

- Administration of the GRFMA.
- Business Case /SMP – Further works as recommended ISA Gate 2 and Stormwater Management Plan, consultancies feasibility or initial design studies.
- Information Management Framework for a digital environment.
- Less income earned, bank interest etc.

Total Operation Cost: \$163,195.

Maintenance Contributions (Council Subscriptions)

Maintenance contributions are calculated from the costs reflective of capital works or maintenance works for the Bruce Eastick Flood Mitigation Dam and any approved flood mitigation capital works.

Maintenance and operations of the scheme during 2024 to 2025 will include work identified in the previously established, Bruce Eastick North Para Flood Mitigation Dam Maintenance Cost Analysis 2023-2032, continuation of the revegetation program around land associated with the Bruce Eastick and repayment of the Cash Advance Debenture previously raised to fund Dam repairs in 2022.

Key Budget Outcome Maintenance Items

- Dam Maintenance Cost Analysis 2024/2025.
- Rates and levies, ESL.

- Cash Advance Debenture repayments (principal and interest).

Total Maintenance cost \$ 139,550

Depreciation of Assets

URS Australia Pty Ltd, Dam Designers, have previously advised that a concrete RCC dam wall (as per the Bruce Eastick North Para Flood Mitigation Dam) can be expected to have a life of 80 years after completion.

On that basis the Bruce Eastick North Para Flood Mitigation Dam wall has been depreciated at the rate of 1.25% annually.

The GRFMA Asset Management Plan 2023-2032 provides:

Funding (cash allocation) of annual depreciation calculations is not undertaken, rather the policy is ensuring the GRFMA is provided with sufficient cash flow to maintain the Dam at required service provision levels.

This plan covers the infrastructure assets that provide Flood Mitigation comprising of:

- *Bruce Eastick North Para Flood Mitigation Dam*
- *Associated land*
- *Road Access*

The projected outlays necessary to provide the services covered by this Asset Management Plan (AM Plan) includes operations, maintenance, renewal and upgrade of existing assets over the 10-year planning period is \$1,233,642.

In November 2023 North Projects (NP) was engaged by the Gawler River Flood Management Authority (GRFMA) to conduct a revaluation of the Bruce Eastick North Para Flood Mitigation Dam structure to determine the replacement cost of the dam at 2023/2024 prices.

The 2023/2024 revaluation process involved estimating the value of the existing dam based on 2023/2024 market conditions to determine the Current Valuation and estimating the value of the depreciation since construction to determine to its Written Down Value.

The Current Valuation for the Bruce Eastick North Para Flood Mitigation Dam is \$54,036,053 based on 2023/2024 market conditions and the Written Down Value is \$43,313,042.

Annual depreciation of the Dam, land and road access is \$706,098.

The net equity share (of annual depreciation costs) of each Constituent Council is subsequently reflected in the (Financial Statements) Schedule of Constituent Councils interest in net assets as at 30 June each year and a statement is prepared to meet the requirements of clause 16.6 of the GRFMA charter.

Cost Escalator

GRFMA Long Term Financial Plan 2022/23-2031/32:

The basic assumptions in relation to the major drivers of GRFMA expenditure including inflation (Consumer Price Index), as well as a number of expenditure influencers and capital expenditure projections are detailed below.

The underlying assumption is that the levels of service being provided are relatively unchanged. As indicated above some of these levels are externally determined. Others depend on GRFMA policy. For instance, if GRFMA wishes to increase the level of expenditure on renewal of assets or to construct new assets then that is an increase in service level. This increase must be accompanied by an increase in funding either from an increase in income such as constituent council contributions, state or federal government funding or borrowings.

The Consumer Price Index (CPI) is regarded as Australia's key measure of inflation. It is designed to provide a general measure of price inflation for the Australian household sector as a whole. The CPI measures changes over time in a wide range of consumer goods and services acquired by Australian metropolitan households and is measured quarterly.

The All-groups CPI, index numbers and percentage changes December Qtr 2022 to December Qtr 2023 for Adelaide equals 4.8%.

The Local Government Price Index is the measure of price movements faced by Local Government in South Australia.

Changes for the September Qtr 2022 to September Qtr 2023 equals 4.8%.

An increase of 5.9% has resulted in the quantum of the 2024/2025 GRFMA Budget. Mainly due to increases in Chair honorarium, Insurance premiums and some capacity resources for business case and SMP considerations.

Summary

The 2024/2025 draft Budget has been constructed referencing the GRFMA Strategic Plan 2021-2026, the GRFMA Long Term Financial Plan 2022/23-2031/32, the GRFMA Asset Management Plan 2023-2032 and the 2024/2025 GRFMA draft Annual Business Plan.

Adjustment will be made to the GRFMA Long Term Financial Plan 2022/23-2031/32 and the GRFMA Asset Management Plan 2023-2032 following endorsement of the 2024/2025 draft Budget. The updated documents will be provided to Constituent Councils and at the June 2024/2025 GRFMA meeting.

The draft Budget proposal has been formulated with an inclusive approach to identified service and project requirements for 2024/2025. This has been affected with allocation of capital and maintenance expense estimates.

Revenue requirement calculations for Constituent Council contributions, shown at Table 1, have been based on this inclusive approach. Any budget amendments directed by meeting considerations will subsequently be reflected in the quantum of revenue to be sought from Constituent Councils.

Constituent Council contributions for 2024/2025 total \$306,680 which is a budgeted increase from \$289,387 in 2023/2024. A net Operating Loss of (\$701,298) is forecast for 2024/2025. This is materially the amount of unfunded depreciation less a small surplus income contingency.

See below Table 1 – Constituent Council shares proposed as per draft 2024/2025 GRFMA Budget and further copy of details (MYOB format) of the GRFMA Budget functions which identifies the current 2023/2024 Budget BR1 against Year to Date (30/01/2024) income and expenditure and the 2024/2025 Draft Budget income and expenditure proposals.

See separate attached copy of the GRFMA 2024/2025 budgeted financial statements presented, in a manner consistent with the Model Financial Statements, pursuant to section 123(10)(b) of the Local Government Act 1999.

Table 1

Constituent Council shares proposed as per draft 2024/2025 GRFMA Budget - Refer 1.1 Member Subscriptions (\$167,131) and 3.1 Council Subscriptions (\$139,550).

Council	2023/24	2023/24	2023/24	2024/25	2024/25	2024/25
	Operational	Maint	TOTAL	Operational	Maint	TOTAL
Adelaide Plains Council	24,938	40,390	\$65,328	27,855	40,330	\$68,185
Adelaide Hills Council	24,938	2,418	\$27,356	27,855	2,414	\$30,269
The Barossa Council	24,938	12,117	\$37,055	27,855	12,099	\$39,954
Town of Gawler	24,938	24,234	\$49,172	27,855	24,198	\$52,053
Light Regional Council	24,938	12,117	\$37,055	27,855	12,099	\$39,954
City of Playford	24,938	48,482	\$73,420	27,855	48,410	\$76,265
Total	149,630	139,758	\$289,387	167,131	139,550	\$306,680

Table 2 Percentage Share

Constituent Council	Capital Works	Maintenance of Assets	Operational Costs
	Percentage Share	Percentage Share	Percentage Share
Adelaide Plains Council	28.91%	28.91%	16.66%
Adelaide Hills Council	1.73%	1.73%	16.66%
The Barossa Council	8.67%	8.67%	16.66%
Town of Gawler	17.34%	17.34%	16.66%
Light Regional Council	8.67%	8.67%	16.66%
City of Playford	34.68%	34.68%	16.66%
Total	100%	100%	100%

Gawler River Floodplain Management Authority Budget - Functions & Items 20223/24 and draft for 2024/2025

Code		2023-2024		2024-2025
		Budget	YTD	Budget
	REVENUE			
	Administration of the GRFMA			
1,1	Member Subscriptions	149,630	74,814	167,371
1,3	Interest LGFA	780	775	824
1,4	Interest BankSA	104		
1,5	Other			
	Total	150,514	75,589	168,195
	Operations Flood Mitigation Scheme			
2,1	Council Subscriptions			
2,3	State Grant			
2,4	Commonwealth Grant			0
2,5	Sale of Land			0
2,6	Other			0
	Total	0		0
	Maintenance Flood Mitigation Scheme			
3,1	Council Subscriptions	139,758	69,879	139,550
3,3	Other	270,420	270,420	
	Total	410,178	340,299	139,550
	TOTAL INCOME	560,692	415,888	307,745
	EXPENDITURE	2023-2024		2023-2024
		Budget	YTD	Budget
	Administration of the GRFMA			
6,1	Executive Officer Contract	58,656	25,415	58,800
6,2	Advt, Print, Stat, Postage	1,300	0	1,300
6,3	Travelling Expenses	4,160	0	4,200
6,4	Insurance - PL & PI	9,060	6,833	9,600
6,41	Audit Committee	2,756	1,300	2,600
6,5	Audit Fees	5,824	5,509	6,175
6,6	Bank Fees	125	27	120
6,7	Legal Advice	2,080	0	0
6,8	Honorarium Chairperson	9,048	4,600	14,400
6,10	Other	11,064	2,242	10,800
	Total	104,073	45,925	107,995

	Business Case			
9,7	Consultancies	46,080	22,629	55,200
9,8	EO Supervision			
9,9	Business Case contributions	270,420	270,420	
	Total	316,500	293,049	55,200
	Maintenance Flood Mitigation Scheme			
10,2	Maintenance Contractors	0	0	
10,3	BENPFM Dam Maintenance	69,550	6,320	69,550
10,31	Rates - GST Free	208	124	200
10,4	Depreciation Dam	322,298		706,098
	Total	392,056	6,444	775,848
	Other Expense Finance **	70,000	5,961	70,000
	ALL EXPENDITURE	\$882,629	\$351,379	\$901,048
	SURPLUS/DEFICIT	-321,937	64,508	--701,298

** MYOB cash format representing Interest and principal payments.

Local Government Model Financial Statements represent interest payments as operational expenditure and finance repayment, CAD, as reduction in liability (Balance Sheet).

*Rounding

GRFMA ANNUAL BUSINESS PLAN

2024-2025

Draft 15/02/2024

Gawler River Floodplain Management Authority

Constituent Councils:

Adelaide Hills Council

Adelaide Plains Council

The Barossa Council

Town of Gawler

Light Regional Council

City of Playford

Business Plan 2024-2025

Gawler River Floodplain Management Authority (GRFMA)

The Gawler River

The Gawler River is formed by the confluence of the North Para and South Para in the town of Gawler and is located in the Adelaide Plains district of South Australia. The district surrounding the river produces cereal crops and sheep for both meat and wool, as well as market gardens, almond orchards and vineyards. The farm gate output of the Gawler River floodplain horticultural areas is estimated to be at least \$355 million.

History

The river is subject to periodic flood events.



Desirable Levels of Protection Cost of Flooding

Flood Frequency (ARI)	Estimated Damages
1 in 10	\$15m
1 in 20	\$24m
1 in 50	\$102m
1 in 100	\$182m
1 in 200	\$212m
Average Annual Damage	\$7.40m
Present Value of Damages	\$109m

Properties at Risk

Flood Frequency (ARI)	Number of residential properties within each hazard rating			
	Low	Medium	High	Extreme
1 in 50	1056	785	483	236
1 in 100	1559	1451	1179	457
1 in 200	1814	1652	1419	615

Purpose of the GRFMA

The Gawler River Floodplain Management Authority (GRFMA) was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 on 22 August 2002. The Constituent Councils are the Adelaide Hills Council, The Adelaide Plains Council, The Barossa Council, The Town of Gawler, Light Regional Council, and the City of Playford.

The Authority has been established for the following purposes:

- to co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River. This purpose is the core business of the Authority;
- to raise finance for the purpose of developing, managing and operating and maintaining works approved by the Board;
- to provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flood mitigation for the Gawler River; and
- upon application of one or more Constituent Councils pursuant to clause 12.4:
 - to coordinate the construction, maintenance and promotion and enhancement of the Gawler River and areas adjacent to the Gawler River as recreational open space for the adjacent communities; and
 - to enter into agreements with one or more of the Constituent Councils for the purpose of managing and developing the Gawler River.

Numerous factors have a significant influence on the operations of the Authority.

These include:

- Arrangements for managing stormwater in South Australia are very complicated, reflecting incremental changes over time in legislation, guidelines, structures, and funding arrangements. For the Authority, specific concerns are:
 - There is no clear definition of the responsibilities of levels of government for managing stormwater.
 - Floodplain management is not well recognised in the current framework for stormwater management.
 - Responsibilities for different aspects of managing the Gawler River sit with various (mostly SA Government) agencies, yet there is no overarching structure, body, or plan to ensure an integrated approach to managing it.
 - Most of the Gawler River is located on private land (a common situation in South Australia) which restricts the ability of the Authority (and other bodies) to carry out its functions.
 - Most flood management initiatives within the Gawler River catchment and floodplain are beyond the capacity of Constituent Councils to fund and State and Federal Government engagement and funding support will be required before any such initiatives are to be realised.
- The effects of flooding on intensive food production and residential properties on the Northern Adelaide Plains.
- Impacts of climate change on the timing, frequency, and volumes of flows into the river.
- Changes in stormwater flows and the risks of flooding associated with new residential development in the Gawler River catchment.

- The level of community understanding of the risks of flooding within the entire catchment and how individuals can reduce the risks.
- Signs of growing interest in the concept of water cycle management with greater integration of different aspects of water management, including stormwater and floodwater.
- Differences in perspectives and priorities between upstream and downstream Constituent Councils in relation to beneficiaries, funding arrangements, and priorities.
- The limited resource base of the Authority, which is supplemented on an ad-hoc basis through partnering with Constituent Councils.

Governance

The Authority is governed by the Board of Management. The Board comprises of:

- One independent person, who is not an officer, employee or elected member of a Constituent Council, to be appointed as the Chairperson of the Board of Management of the GRFMA for a term of two years.
- Two persons appointed from each of the six Constituent Councils (12 members in total). Council appointees comprise of the Council CEO, or delegate and one Elected Member.
- Deputy Board members as appointed by each constituent council.

The Board

The Members of the Board are:

Council	Board Members	Deputy Board Members
Chairperson and Independent Member	Mr Ian Baldwin	
Adelaide Hills Council	Cr Malcolm Herrmann Mr Ashley Curtis	Ms Natalie Armstrong
Adelaide Plains Council	Cr Terry-Anne Keen Mr James Miller	Cr Dante Mazzio Mr. Tom Jones
The Barossa Council	Cr Bruce Preece, Mr Jake Mc Vicar	Ben Clark
Town of Gawler	Cr Paul Koch Ms Whendee Young	Cr Brian Sambell
Light Regional Council	Cr Michael Phillips-Ryder Mr Richard Dodson	
City of Playford	Cr Clinton Marsh Mr Greg Pattinson	Cr Peter Rentoulis

A Technical Assessment Panel has been appointed to support the decision-making processes of the Board with delegated powers to provide advice and manage the technical aspects of the design, assessment and construction of the various parts of the Scheme.

The Members of the Panel are:

- Mr Ian Baldwin, Independent Chair
- Ms Ingrid Franssen, Manager Flood Management, DEW
- *Vacant*, SA Water
- 1 Constituent Council representative, Mr Shaun Fielding, City of Playford
- 1 Constituent Council representative, Mr Braden Austin, The Barossa Council
- Mr David Hitchcock, Executive Officer

An Audit and Risk Committee has been appointed to review:

- The annual financial statements to ensure that they present fairly the financial state of affairs of the Board; and
- The adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Board on a regular basis.

The Members of the Audit Committee are:

- Mr Peter Brass, Independent Member and Chair
- Cr Malcolm Herrmann, Adelaide Hills Council
- Mr Greg Pattinson, City of Playford

A suite of Policies has been adopted to provide management guidelines for the day-to-day business of the GRFMA.

Policies include:

- Fraud, Corruption, Misconduct and Maladministration Prevention
- Public Consultation
- Procurement and Procedures
- Code of Practice for Meeting Procedures
- Internal Review of Decisions
- Freedom of Information Statement
- Work Health and Safety
- Anti-Discrimination/Fair Treatment
- Dam Valuation
- Treasury Management
- Internal Review of Decisions



To meet the statutory and operational responsibilities the Authority maintains appointment of a part time Executive Officer, and External Auditor, on a contract basis.

On 28/06/2023 the GRFMA engaged LUVROK Pty Ltd to undertake GRFMA Executive Officer services, in accordance with the agreed contract for service, for the term 1 July 2023 to 31 December 2025. Mr David Hitchcock is identified as the key person providing the services pursuant to agreed terms.

Dean Newbery and Partners are appointed as the external auditor until completion of the 2023/24 audit process. The Board has recently resolved to facilitate reappointment of Dean & Newbery Pty Ltd as GRFMA External Auditor for a term of three plus two years, effective 1 July 2024.

The Authority has also facilitated the appointment of a part time administrative assistant on a contract basis.

The Authority is required to hold a minimum of 6 meetings per year and to provide the required Business Plans, Budgets Reports and Audited Statements to its Constituent Councils required by the Charter and Local Government 1999.

The format of the Annual Business Plan has been constructed referencing the GRFMA Strategic Plan 2021-2026, the GRFMA Long Term Financial Plan 2022/23 – 2031/32 and the GRFMA Asset Management Plan 2023-2032.

The Authority will conduct two reviews each year of its performance against the targets set in this Annual Business Plan that will form part of the report to its Constituent Councils and will be included in its Annual Report.

Cost of Operations

The budget revenue is sourced from predetermined “formula based” financial contributions by the six Constituent Councils, opportunistic funding applications and some interest from financial institutions. Recently any shortfalls in income (over expenditure) have been met from reserves.

Expenditure is budgeted on estimated costs of executive management and administrative and governance requirements of the Authority according to its charter. Other costs are incurred with maintenance of the Bruce Eastick North Para River Flood Mitigation Dam site and access.

Recently work has been progressed by the Department for Environment and Planning to facilitate the Gawler River Flood Mitigation Business Case. This is an important and complementary project to the GRFMA Stormwater Management Plan and collaborative approaches will be of benefit to all parties. There is an expectation by the state Government that the GRFMA (including Constituent Councils) will contribute to the development and completion of the business case.

The contributions of the Constituent Councils are based on the following percentage shares for capital works, maintenance of Scheme assets and operational costs of the Authority. (GRFMA Charter Clause 10).

Constituent Council Shares for Contributions

Constituent Council	Capital Works	Maintenance of Assets	Operational Costs
	Percentage Share	Percentage Share	Percentage Share
Adelaide Hills Council	1.73%	1.73%	16.66%
Adelaide Plains Council	28.91%	28.91%	16.66%
The Barossa Council	8.67%	8.67%	16.66%
Town of Gawler	17.34%	17.34%	16.66%
Light Regional Council	8.67%	8.67%	16.66%
City of Playford	34.68%	34.68%	16.66%
Total	100%	100%	100%

The GRFMA Strategic Plan 2021-2026 is arranged under three themes, each with its own objective, related to the outcomes to be pursued.

Theme 1: Design, build, and maintain physical flood mitigation infrastructure.

Objective: To have in place an agreed extent of physical flood mitigation infrastructure that is fit for purpose and achieves the targeted levels of performance.

Theme 2: Develop and evolve key relationships.

Objective: To maintain key relationships that are most important to the Authority achieving its purpose.

Theme 3: Ensure good governance and ongoing financial sustainability.

Objective: To ensure that the Authority meets legislative requirements and contemporary standards of governance and is financially sustainable for the long term.

Priority Actions 2024/2025

The Department for Environment and Water (DEW), in partnership with the GRFMA, has facilitated development of a Gawler River Flood Management Business Case to identify a shared vision and objectives to improve flood management in the Gawler River region.

The Gawler River Flood Management initiative was included in Infrastructure SA's (ISA) Capital Intentions Statement in 2021 as a priority for business case development. Further work was undertaken in conjunction with ISA, project partners and stakeholders throughout 2021 and 2022 to provide additional information and details regarding the initiative. The work culminated in DEW completing the ISA Assurance Framework (ISAAF) Gate 1 review in May 2022 and the Business Case and Gate 2 review process on 4 December 2023.

The Business Case recommends a portfolio of actions to improve flood protection in the Gawler River. These initiatives are considered feasible and provide complementary benefits for the management of flood in the Gawler River, and comprise:

- Increasing the height of the Bruce Eastick Dam on the North Para River (nominally a 10 m increase in the height of the dam wall)
- Improving planning controls for developments near the Gawler River that will reduce the likelihood of flood and the impacts of flood inundation on new developments – this may include advocating for policy changes in the flood hazard overlay, making recommendations for inclusion in regional plans, working with local councils to set local development policies.
- Implementing a Community Flood Awareness Campaign.
- Undertaking the repair and maintenance of existing riverside levee banks in the lower Gawler River, which play a critical role in constraining floodwaters to the river channel during high flow events, and reducing potential damage of flood

The Authority will continue to work with the Department for Environment and Water to determine a course of action to consider and progress recommendations. Considerations will include regard to recommendations from the GRFMA Strategic Plan 2021-2026 and the Gawler River Stormwater Management Plan.

GRFMA Strategic Plan Priorities

Work to facilitate delivery of the objectives of the Gawler River Stormwater Management Plan. The Gawler River Stormwater Management Plan is the key GRFMA document to assist in determining physical and other works required to reduce the risks and impacts of flooding.

Review, with Constituent Councils and stakeholders, design standards for infrastructure works including costs and benefits. The default policy position of the Authority has been for a 1 in 100-year design standard. Reviewing that policy position through consideration of the costs and benefits of various design standard scenarios will assist in identifying appropriate standards.

In conjunction with the Constituent Councils, develop and implement a schedule of flood mitigation infrastructure works for the Gawler River referencing the Gawler River Stormwater Management Plan. A schedule of works is to be consolidated from the recommendations from the completed GRFMA Gawler River Stormwater Management Plan and the Department for Environment and Planning, Gawler River Flood Mitigation Business Case. Considered funding will be sought from the State and Federal Governments and where appropriate commercial investment.

Working with the Constituent Councils, develop a framework to clearly articulate the respective roles and responsibilities of the Authority and the Councils and suitable partnering arrangements to maintain a low-cost base for the Authority. Identification of partnering opportunities within the capacities of the Councils (e.g., in relation to monitoring information about climate change and climate change policy, and water policy) in delivering the functions, operations and project management required of the Authority would help to keep the Authority's administrative costs low.

Continue to advocate for improved governance and funding arrangements for flood avoidance, resilience, and mitigation in South Australia with frontline experience the Authority is well positioned to develop a narrative about changes that are required to improve governance and funding arrangements for flood avoidance and mitigation.

The Authority will continue to work with the Department for Environment and Planning, in consultation with Constituent Councils, on implementation and funding arrangements for the State Government funded Gawler River Flood Mitigation Business Case.

Assist the Constituent Councils in communicating with general communities and specific interest groups in relation to flood mitigation for the Gawler River. Communication with communities is likely to be a joint activity between the Constituent Councils and the Authority.

Gawler River Storm Water Management Plan recommended options

- Enlarged Bruce Eastick North Para Flood Mitigation Dam (Bruce Eastick Dam).
- Northern Floodway and Levee Improvements.
- Southern Floodway and Levee Improvements.
- Strategic Levees – Gawler, Virginia and Two Wells combined.

Maintenance and operations of the scheme during 2024 to 2025

- Work identified in the previously established, Bruce Eastick North Para Flood Mitigation Dam Maintenance Cost Analysis 2023-2032.
- Scheduled inspections and environmental management of land associated with the Dam location. Routine (monthly), Intermediate (annually), Comprehensive (every 5 years due 2028/2029).
- Continuation of the revegetation program around land associated with the Bruce Eastick North Para Flood Mitigation Dam.
- Implementation of an Information Management Framework for a digital environment



**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED DRAFT BUDGET 2024/2025**

STATEMENT OF COMPREHENSIVE INCOME

2023/2024 FULL YEAR REVISED ESTIMATE		2024/2025 DRAFT BUDGET
\$	INCOME	\$
559,808	Subscriptions	306,921
-	Grants Subsidies and Contributions	-
780	Investment Income	824
104	Other	-
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560,692	TOTAL REVENUES	307,745
 EXPENSES		
490,331	Materials, Contracts and Other Expenses	232,945
15,000	Finance Costs	15,000
322,298	Depreciation, amortisation & impairment	706,098
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827,629	Total Expenses	954,043
 OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS		
(266,937)		(646,298)
-	Net gain (loss) on disposal or revaluation of assets	-
-	Amounts specifically for new or upgraded assets	-
-	Physical resources received free of charge	-
 (266,937) TOTAL COMPREHENSIVE INCOME (646,298)		
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**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED DRAFT BUDGET 2024/2025**

CASH FLOW STATEMENT

2023/2024 FULL YEAR REVISED ESTIMATE		2024/2025 DRAFT BUDGET
\$		\$
Inflows		Inflows
(Outflows)		(Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
559,912	Operating Receipts	306,921
780	Investment Receipts	824
	PAYMENTS	
(490,331)	Operating payments to suppliers & employees	(232,945)
(15,000)	Finance Payments	(15,000)
55,361	Net Cash provided by (or used in) Operating Activities	59,800
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
-	Grants specifically for new or upgraded assets	-
0	Sale of Assets	0
	PAYMENTS	
-	Capital Expenditure on renewal/replacement of assets	-
-	Capital Expenditure on new/upgraded assets	-
-	Net Cash provided by (or used in) Investing Activities	-
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
-	Proceeds from Borrowings	-
	PAYMENTS	
(55,000)	Repayment of Borrowings	(55,000)
(55,000)	NET CASH USED IN FINANCING ACTIVITIES	(55,000)
361	NET INCREASE (DECREASE) IN CASH HELD	4,800
29,496	CASH AT BEGINNING OF YEAR	29,857
29,857	CASH AT END OF YEAR	34,657

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED DRAFT BUDGET 2024/2025**

BALANCE SHEET

2023/2024 FULL YEAR REVISED ESTIMATE		2024/2025 DRAFT BUDGET
	ASSETS	
	CURRENT ASSETS	
\$		\$
29,857	Cash and cash equivalents	34,657
91,125	Trade & other receivables	91,125
-	Inventories	-
<u>120,982</u>	TOTAL CURRENT ASSETS	<u>125,782</u>
	NON-CURRENT ASSETS	
-	Financial Assets	-
43,832,305	Infrastructure, Property, Plant & Equipment	43,126,207
<u>43,832,305</u>	TOTAL NON-CURRENT ASSETS	<u>43,126,207</u>
<u>43,953,288</u>	TOTAL ASSETS	<u>43,251,990</u>
	LIABILITIES	
	CURRENT LIABILITIES	
67,733	Trade & Other Payables	67,733
385,409	Borrowings	330,409
-	Short-term Provisions	-
<u>453,142</u>	TOTAL CURRENT LIABILITIES	<u>398,142</u>
	NON-CURRENT LIABILITIES	
-	Long-term Borrowings	-
-	Long-term Provisions	-
<u>-</u>	TOTAL NON-CURRENT LIABILITIES	<u>-</u>
<u>453,142</u>	TOTAL LIABILITIES	<u>398,142</u>
<u>43,500,146</u>	NET ASSETS	<u>42,853,848</u>
	EQUITY	
12,294,265	Accumulated Surplus	11,647,967
31,205,881	Asset Revaluation	31,205,881
-	Other Reserves	-
<u>43,500,146</u>	TOTAL EQUITY	<u>42,853,848</u>

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED DRAFT BUDGET 2024/2025**

STATEMENT OF CHANGES IN EQUITY

2023/2024 FULL YEAR REVISED ESTIMATE		2024/2025 DRAFT BUDGET
\$		\$
	ACCUMULATED SURPLUS	
12,561,202	Balance at end of previous reporting period	12,294,265
-266,937	Net Result for Year	-646,298
0	Transfer From Reserves	0
0	Transfer To Reserves	0
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12,294,265	BALANCE AT END OF PERIOD	11,647,967
	ASSET REVALUATION RESERVE	
8,664,973	Balance at end of previous reporting period	31,205,881
22,540,908	Gain on revaluation of infrastructure, property, plant & equipment	0.00
0.00	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	0.00
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31,205,881	BALANCE AT END OF PERIOD	31,205,881
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43,500,146	TOTAL EQUITY AT END OF REPORTING PERIOD	42,853,848

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED DRAFT BUDGET 2024/2025**

UNIFORM PRESENTATION OF FINANCES

2023/2024 FULL YEAR REVISED ESTIMATE		2024/2025 DRAFT BUDGET
\$		\$
560,692	Operating Revenues	307,745
(827,629)	less Operating Expenses	(954,043)
<u>(266,937)</u>	Operating Surplus / (Deficit) before Capital Amounts	<u>(646,298)</u>
	Less Net Outlays in Existing Assets	
-	Capital Expenditure on renewal and replacement of Existing Assets	-
(322,298)	less Depreciation, Amortisation and Impairment	(706,098)
<u>-</u>	less Proceeds from Sale of Replaced Assets	<u>-</u>
(322,298)		(706,098)
	Less Net Outlays on New and Upgraded Assets	
-	Capital Expenditure on New and Upgraded Assets	-
-	less Amounts received specifically for New and Upgraded Assets	-
<u>-</u>	less Proceeds from Sale of Surplus Assets	<u>-</u>
-		-
55,361	Net Lending / (Borrowing) for Financial Year	59,800

