ANNUAL BUSINESS PLAN & BUDGET 2025-2026



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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DEPUTY MAYORS' MESSAGE

On behalf of the Mayor and Council Members, it is an honour to present the Town of Gawler Annual Business Plan & Budget.

The Annual Business Plan & Budget is an important part of our planning and is guided by aspirational goals and strategies encapsulated within our Community Plan 2035+, demonstrating Council's services, programs, and projects for the 2025-2026 financial year.

This year's Plan has been developed with careful consideration of the economic landscape, organisational priorities, and the needs of our community. We recognise the challenges and opportunities ahead and have structured this Plan and supporting budget to ensure financial stability while making the necessary investments to drive value for our community.

This year's Plan will mark the first year of Council's financial strategy aimed at strengthening its financial position.

As part of this commitment, Council has allocated resources to areas that will deliver the greatest value. Our key priorities include renewing our infrastructure in line with our Asset Management Plans and the Long Term Financial Plan, with a $7 million investment in renewing our roads, footpaths and playgrounds, directing funds towards addressing the renewal backlog based on asset condition.

We are investing a further $2.2 million in extending the Towns' footpath network and safety improvements to the road network. In addition, an ongoing program of cost and efficiency reviews will further support financial sustainability.

> This Plan reflects our commitment to responsible stewardship, sustainable growth, and long-term success.

Transparency and accountability remain at the heart of our financial planning, and we are committed to ensuring that every dollar is used effectively to support our goals. This Plan reflects our commitment to responsible stewardship, sustainable growth, and long-term success. Together, we can achieve our shared goals and build a stronger future for the Town of Gawler.

I thank the community for the level of participation in the budget process and encourage you to read our Annual Business Plan which outlines our vision and commitments for the coming year.

Nathan Shanks
DEPUTY MAYOR



CEO'S MESSAGE

It is a great pleasure to present to the community my first Annual Business Plan & Budget as the Town of Gawler CEO. This years' Plan is a financial roadmap that reflects our strategic vision, operational priorities, and commitment to sustainable growth. This budget is more than just numbers – it is a plan designed to support our financial strategy, drive efficiencies, and ensure long-term success.

As we navigate an evolving economic landscape, we remain focused on strengthening core operations, enhancing community well-being, and investing in community infrastructure to ensure it delivers a service standard deserved by our community.

This year's budget prioritises responsible financial management while allowing us to seize opportunities to create lasting value for our community.

We listened to the community and have made thoughtful decisions to balance financial discipline with the necessary investments to drive efficiency and impact. Our approach remains embedded in transparency, accountability, and a shared commitment to delivering results.

I want to extend my gratitude to our leadership team, Council Members, and everyone involved in shaping the budget that supports the Annual Business Plan. The dedication and collaboration are instrumental in ensuring that the Town of Gawler continues to thrive and grow.

> "Our approach remains embedded in transparency, accountability, and a shared commitment to delivering results."

Through commitment to delivering on this plan, we will build on our progress and achieve even greater milestones in the year ahead.

Thank you for your continued support.

Chris Cowley
CHIEF EXECUTIVE OFFICER

STRATEGIC PLANNING FRAMEWORK

> Council holds itself accountable through its Community Scorecards and Annual Report.

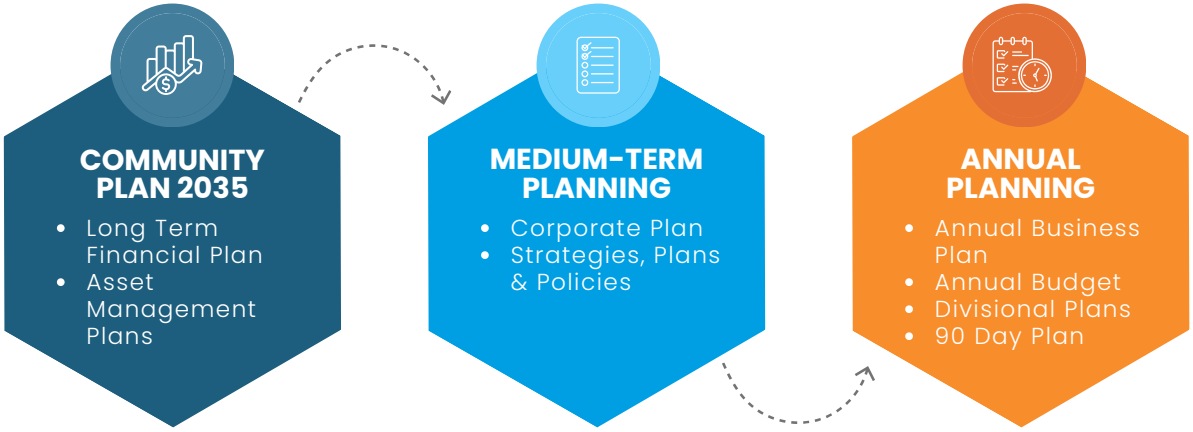
Our Annual Business Plan is a key document in Council's overall Planning Framework. It sets out Council's proposed projects, services, and programs for the 2025-2026 financial year.

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

24,988

Our Population
as at 2021 Census

Council Members -
Mayor and 10 Area
Councillors

19 Playgrounds

2 Outdoor Exercise
Equipment locations

Major Industries |
Retail trade, Health
and Community
Service and education

474

Hectares of Open
Space

Road Lengths
192.6km sealed roads
19km unsealed roads

12,754

Rateable Properties

Sporting Facilities |
Gawler Aquatic
Centre, Gawler Sport &
Community Centre,
Skate BMX Park, and
Basketball Courts

Cycleway and
Walking Trails
7 walking trails
Gawler Cycle Way

42km2

Area

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

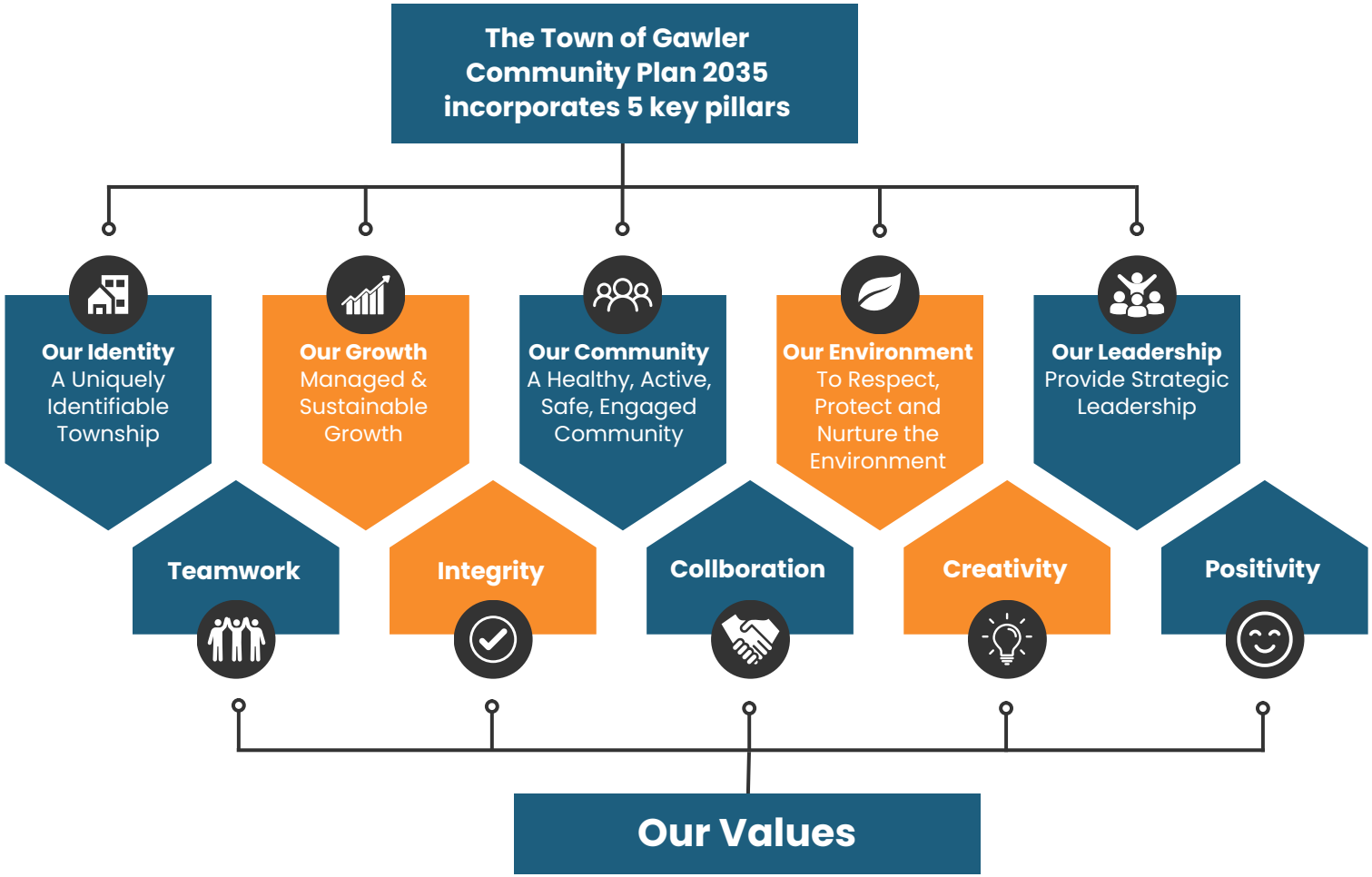
Our Mission: The Town of Gawler is dedicated to enhancing its liveable urban environment, capitalising on its natural beauty and strategic importance as a regional centre. We embrace an engaged local community and prioritise innovation and sustainability.



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.

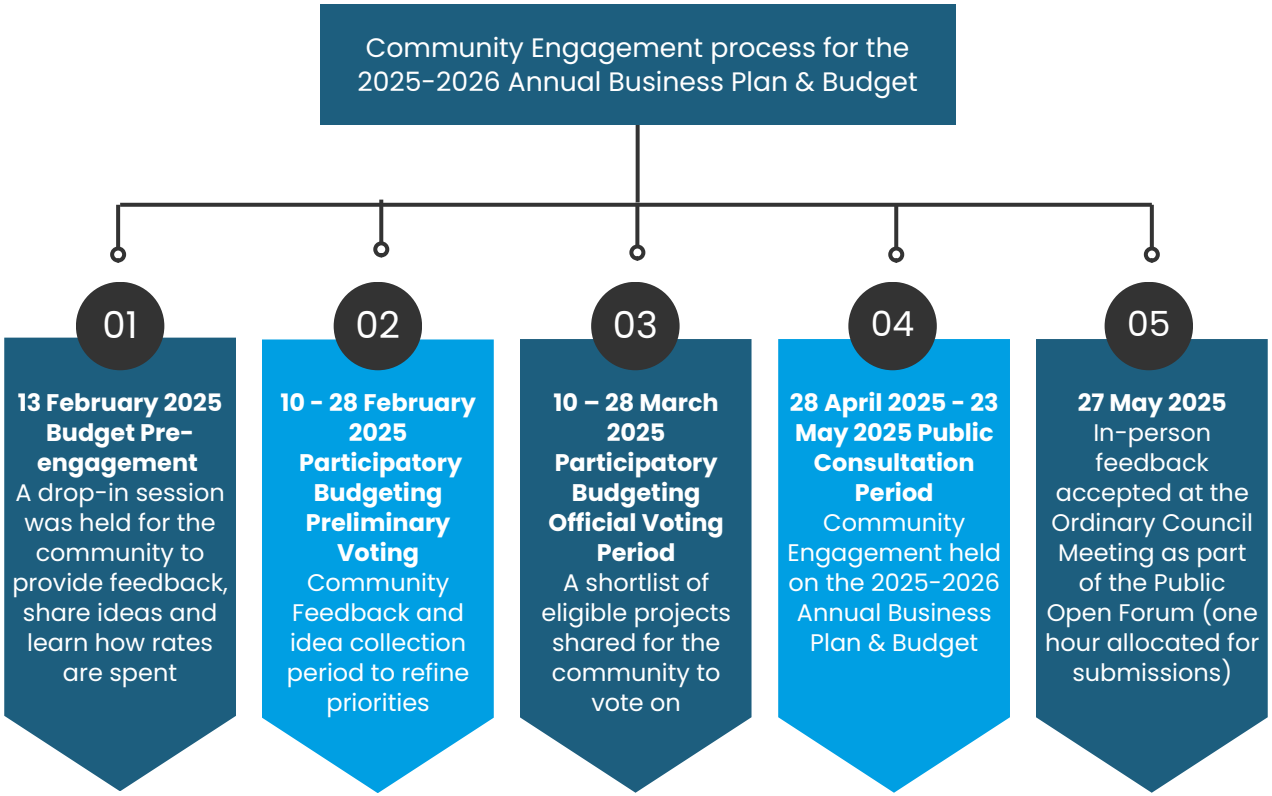


COMMUNITY ENGAGEMENT

> Council invites its residents, businesses, and ratepayers to provide feedback and comments on the Draft 2025-2026 Annual Business Plan & Budget.

Council is committed to open, accountable, and responsive decision-making, guided by clear communication and genuine community consultation. As part of this commitment, we invited residents to help shape the 2025-2026 Annual Business Plan & Budget through our Participatory Budgeting initiative, which provides an accessible and interactive way for the community to influence how Council funds are allocated. This process enables residents and ratepayers to provide feedback on key projects and priorities that will benefit the broader community (further details on page 13).

Input on service levels, infrastructure upgrades, and community initiatives ensure that Council's decisions reflect the needs, values, and aspirations of our community. Council welcomed the high level of participation in the development of this year's priorities. The changes reflected in the final plan is set out on page 65.



OUR SERVICES

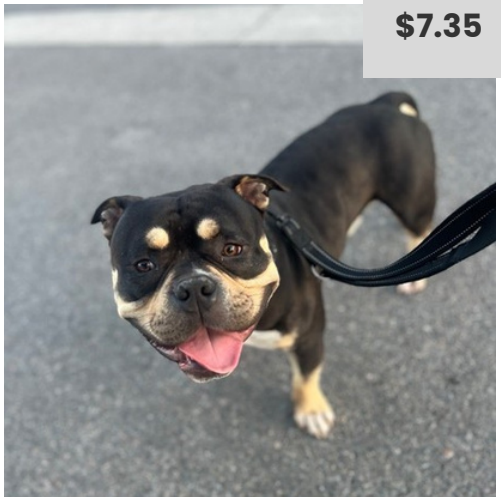
Amount spent per $100 of Rates



$39.82

INFRASTRUCTURE MANAGEMENT

- Design and delivery of Council's capital works program
- Traffic planning and management
- Public lighting
- Maintenance of Council building and facilities
- Town maintenance including road, footpath, and stormwater maintenance
- Rapid Response
- Willaston Cemetery Services



$7.35

REGULATORY SERVICES, ENVIRONMENT & TOWN PLANNING

- Planning and Development services
- Flood mitigation infrastructure of the Gawler River
- Parking control
- Building inspections
- Animal management



$16.88

TREES, PARKS, SPORTS & RECREATION

- Maintenance of parks, playgrounds and open spaces
- Tree management - pruning, planting, watering, removal
- Gawler Aquatic Centre including programs and activities - learn to swim, aqua aerobics, gentle fitness
- Sport and recreation facilities along with providing various programs and activities for the community



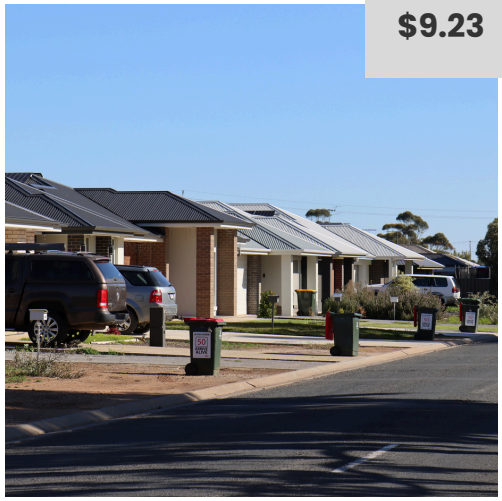
$7.56

COMMUNITY & STRATEGY, HEALTH, AGED AND YOUTH SERVICES

- Strategic planning
- Volunteer support
- Town of Gawler community grants program
- Youth Services
- Community Home Support Program
- Environmental Health services
- Immunisation program
- Library Services and Programs

OUR SERVICES

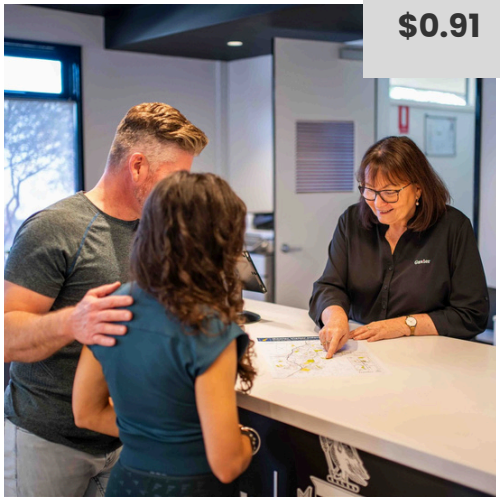
Amount spent per $100 of Rates



$9.23

WASTE MANAGEMENT AND RECYCLING

- Kerbside collection of household waste, recycling and green waste
- Hard waste collection and disposal
- Illegal dumping pick-up
- Public litter bins



$0.91

ECONOMIC DEVELOPMENT AND TOURISM

- Economic development within the Gawler region and surrounds
- Support for Gawler Business Development Group (GBDG)
- Business Innovation Hub
- Gawler Visitor Information Centre
- Advocate and support regional tourism



$16.34

GOVERNANCE, COMMUNICATIONS & ADMINISTRATION

- Customer Service
- Council Member Support
- Corporate Governance
- Finance Management and Services
- Rates administration
- Information Governance Management Services
- People, Organisational Development and WHS
- Procurement Services
- Business Improvement
- Communications



$1.91

COMMUNITY EVENTS, HERITAGE & CULTURE

- Community Events
- Civic Centre Operations
- Supporting arts, music and culture
- Cultural Heritage Centre - Heritage Gallery and Research Centre, providing exhibitions, programs and support for heritage researchers

MAJOR PROJECTS & INITIATIVES

GAWLER & DISTRICTS TENNIS ASSOCIATION (GDTA) REDEVELOPMENT

The Town of Gawler was successful in attracting $1.2 million in external funding through the Australian Government's Thriving Suburbs Program towards the Gawler & District Tennis Association Court Redevelopment.

The redevelopment involves constructing two new courts and fully reconstructing the ten existing tennis courts. Once complete, the facility will be a regional tennis complex with twelve fully compliant courts including LED sports lighting to competition standard.

The Court Redevelopment is essential for providing a high-quality regional tennis facility that meets the needs of current players and supports the expected growth across Gawler and the region. The expansion will provide Gawler & District Tennis Association with meaningful opportunities to increase all aspects of participation - male/female, junior/senior, tournament/competition, social/unstructured. More importantly, the additional two courts will provide opportunities to attract offical Tennis Australia tournaments and competitions. The Gawler & District Tennis Association Court Redevelopment will be delivered by the Town of Gawler, with the following funding:

- $1.153 million from the Australian Government Thriving Suburbs Program
- $360,000 from the Town of Gawler
- $100,000 from the Gawler & District Tennis Association
- $100,000 from Tennis Australia through its National Court Rebate Program



> The project will significantly enhance the liveability of the Gawler region by providing a state-of-the-art sports facility that will become a hub for community activity





MAJOR PROJECTS & INITIATIVES

GAWLER TOWN CENTRE STRUCTURE PLAN AND DEVELOPMENT DELIVERY FRAMEWORK

The Gawler Town Centre Structure Plan and supporting development delivery framework will be a comprehensive strategy guiding the future use, development, and building design within Gawler's heritage streetscape. This strategy will build upon and refine existing plans, including the Urban Design Framework 2016, to create a clear vision for new investment in the Gawler Town Centre.

The framework will focus on improving access and mobility for pedestrians, cyclists, vehicles, and public transport, as well as ensuring seamless integration of new and existing developments within the heritage context. Included will be a set of costed, prioritised initiatives that focus on delivering real impact, an investment prospectus to highlight exciting opportunities, and updated code provisions designed to support mixed-use development and the revitalisation of key sites. The plan and framework are about driving smart, sustainable growth ensuring we are creating spaces that work for both the community and businesses, and will shape vibrant, well-connected places.

ECONOMIC DEVELOPMENT

To drive local economic growth and better support businesses and tourism, Council is proposing the appointment of an Economic Development Officer. This role will be instrumental in revitalising the delivery of Council's Economic Development Strategy and Tourism Plan, ensuring our strategic goals translate into tangible outcomes for the community.

The Economic Development Officer will lead the review and implementation of the Economic Development Plan and oversee the Business Innovation Hub, driving increased occupancy and revenue, while strategically aligning resources and timelines to priority initiatives. By investing in this role, Council will be better positioned to attract investment, support local enterprise, enhance regional tourism, and create new opportunities for economic development, ensuring a stronger, more resilient local economy for the benefit of all residents.

MAJOR PROJECTS & INITIATIVES

ROAD AND FOOTPATH RENEWAL PROGRAMS

Council is continuing to maintain and improve local roads, footpaths, and drainage infrastructure to ensure safety, accessibility, and longevity. Key programs include:

- Reseal Roads Program – Resealing roads that have reached the end of their service life to maintain pavement integrity.
- Bridge & Culvert Renewal Program – Repairing and improving bridges and culverts to enhance structural safety.
- Footpath Renewal Program – Upgrading footpaths that fall below the current service standard.
- Kerb & Gutter Renewal Program – Repairing kerbs and gutters on roads scheduled for resealing, including heritage slate kerbing in Gawler's State Heritage Area.

The full list of planned works can be found in Appendix 1.

WILLASTON STORMWATER AND MAIN NORTH ROAD UPGRADES

As a key entry point to the Town of Gawler, Council is investing in infrastructure improvements in Willaston through key projects focused on stormwater management and streetscape enhancements along Main North Road.

Willaston Stormwater Drainage Project – Stage 2

Council will update the 2016 stormwater design and construct an underground drainage network along Main North and Chamberlain Roads with the aim to reduce property flooding and support future streetscape improvements. Given the scale of work, this will be a multi-year project, with $150,000 allocated for design and investigations in 2025-2026 and an estimated $2.26m for construction in 2026-2027.

Willaston Main North Road – Detailed Design

A concept plan for the Main North Road streetscape upgrade was developed in 2023-2024. The next step is to complete a detailed design for the section from Sanders Way to Redbanks Road. This will ensure the project is "shovel-ready" to seek Federal and State funding, addressing infrastructure and amenity issues in the area.





PARTICIPATORY BUDGETING

Participatory Budgeting is an interactive way for residents and ratepayers to have a direct say in how Council funds are allocated. By providing feedback and voting, the community helped determine which projects were prioritised to benefit our local area. Residents were invited to vote on community projects for inclusion in the 2025-2026 Annual Budget. This input plays a key role in shaping local spaces, ensuring they reflect what matters most to the community.

How It Works
A shortlist of projects was developed based on feedback received during the preliminary voting period and the community drop-in session. Residents were provided the opportunity to review the shortlisted projects and vote for their preferred projects. The projects receiving the most votes have been included for funding in this Annual Business Plan & Budget.

Funded Initiatives
A total of $40,000 has been allocated in the 2025-2026 Annual Budget to deliver the following community-selected projects:

Bird Nest Box / Bee Hotel
To support local biodiversity and promote environmental sustainability, Council will install nesting boxes for native birds and bee hotels in selected urban green spaces. These installations will encourage pollinators and native wildlife, contributing to healthier ecosystems across our community.

Outdoor Shelter
Council will install an outdoor shelter in a park or community area to provide shade and weather protection. This structure will create a more comfortable and inclusive public space for residents to gather, relax, and enjoy the outdoors.

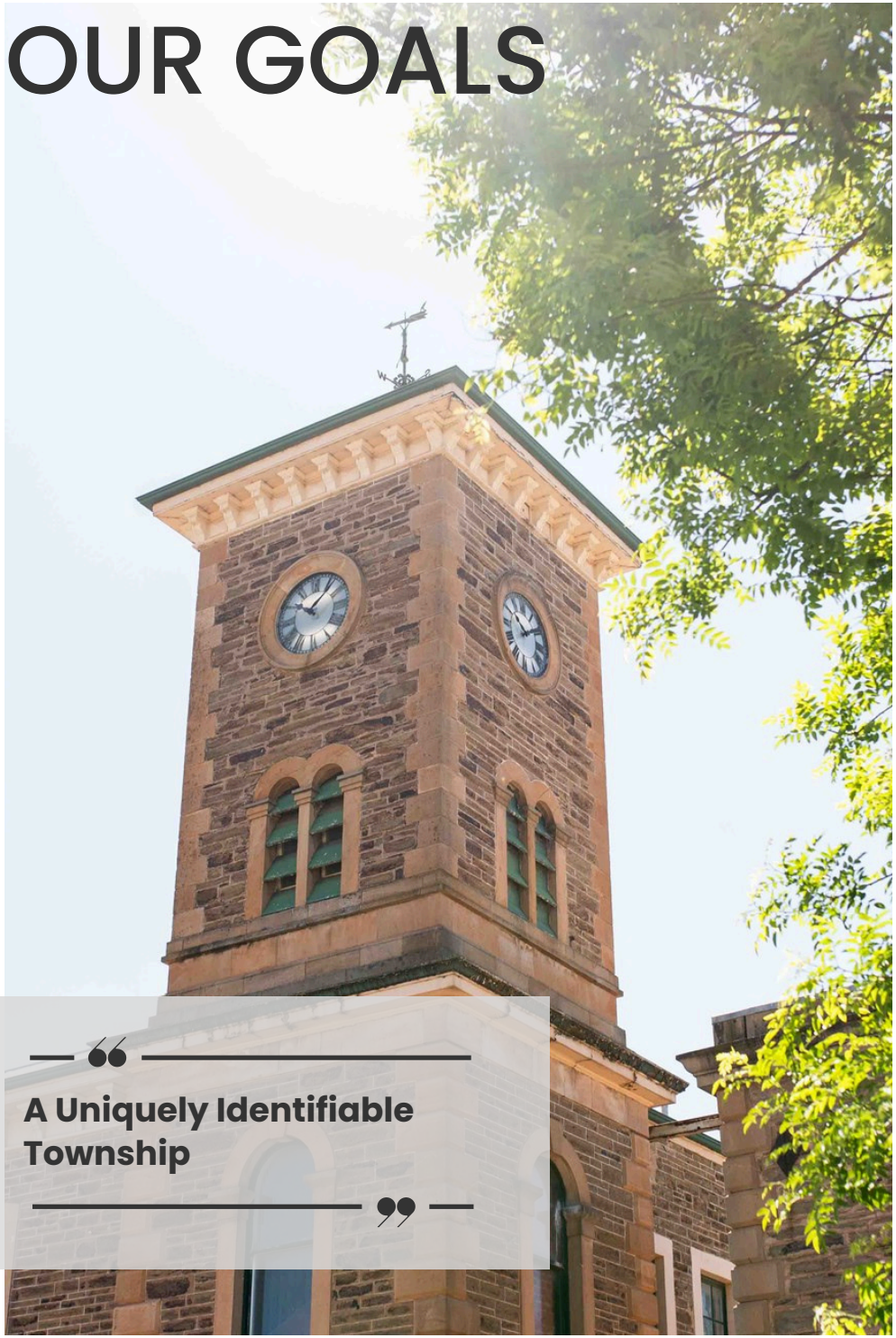
Park Bench
A new park bench will be installed in a public/recreational area to improve comfort and accessibility by offering a resting spot.







OUR GOALS



> **A Uniquely Identifiable Township**

OUR IDENTITY

Annual Business Plan Objectives

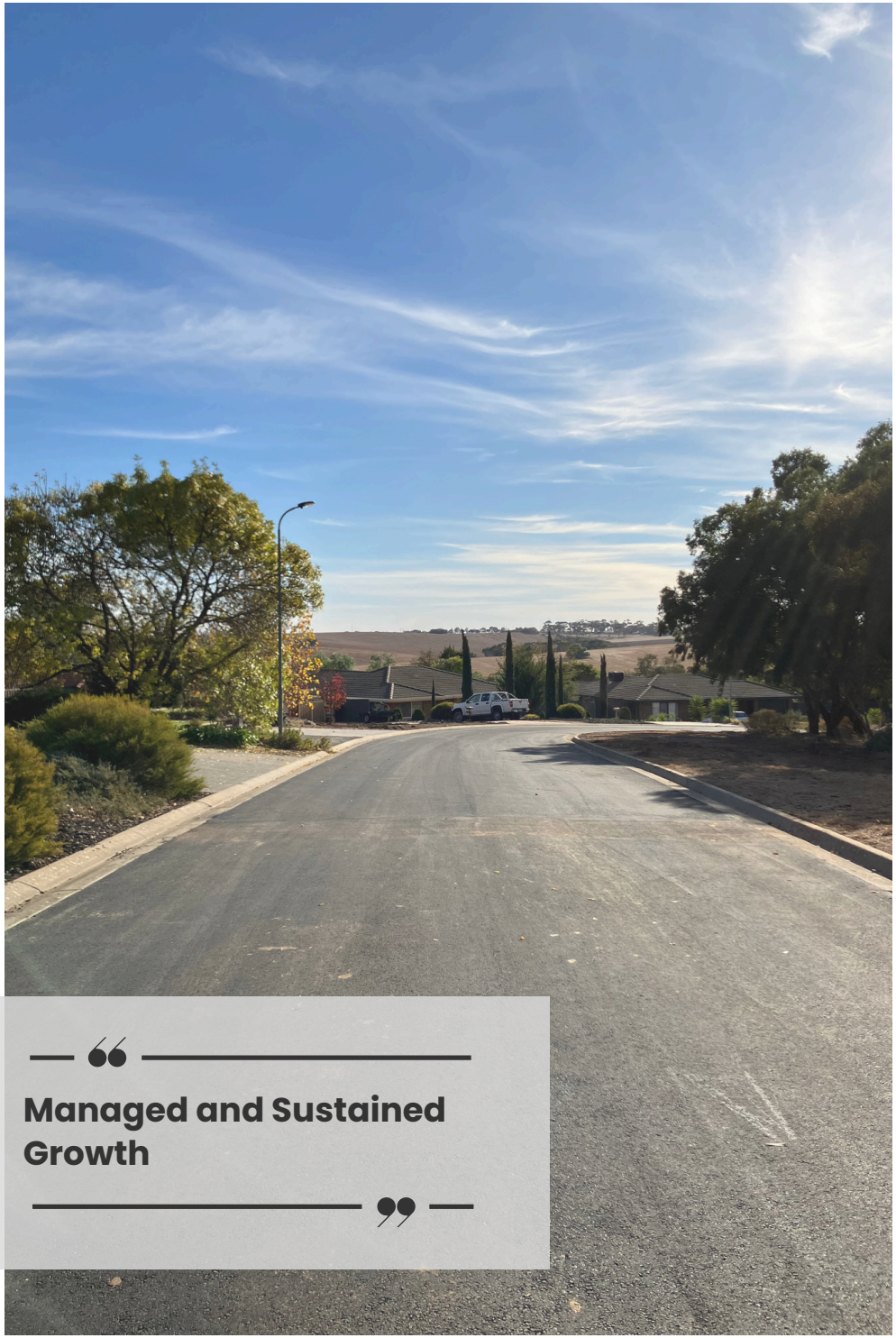
- Ensure development respects our identity, enhancing the social and cultural character of the town
- Promote the Town as a tourism destination
- Recognise and plan for the Gawler Town Centre as a vibrant activity centre that meets community needs both existing and emerging

2024-2025 Key Achievements

- Completed the Gawler Growth Framework
- Completed the Integrated Transport Strategy
- Advocated for Town of Gawler through a formal submission to the Greater Adelaide Regional Plan
- Boundary Realignment Investigation - Stage 3

Key Initiatives for 2025-2026

- Gawler Town Centre Structure Plan and Development Delivery Framework
- Design of Main North Road, Willaston Street Scape Upgrade



> **Managed and Sustained Growth**

OUR GROWTH

Annual Business Plan Objectives

- Grow the local economy through the support of existing business and attraction of new investment and innovation
- Deliver on the infrastructure renewal programs set out in our Asset Management Plans
- Focus new infrastructure including transport networks that promotes a physically and socially connected and accessible community benefitting both existing and new residents alike

2024-2025 Key Achievements

- Southern Rural Areas Structure Plan
- Deliver the 2024-2025 Transport Asset Program as per the Transport Asset Management Plan

Key Initiatives for 2025-2026

- Delivery of the 2025-2026 Transport Asset Renewal and Upgrade programs
- Appointment of an Economic Development Officer to foster a thriving local economy.
- Economic Development Strategy and Tourism Plan review and update



> **A Healthy, Active, Safe, Engaged Community**

OUR COMMUNITY

Annual Business Plan Objectives

- Support events and programs which engage and celebrate our community
- Deliver services that are community focused and cost effective
- Diverse open spaces that provide opportunities for passive and active sporting and recreation activity

2024-2025 Key Achievements

- CCTV upgrade at Aquatic and Sport & Recreation Centres
- Ayling and Dwyer Lime Kiln Park Playground upgrade
- Sport & Community Recreation Facility Plan - Part 1
- Dead Man's Pass upgrade

Key Initiatives for 2025-2026

- Gawler & Districts Tennis Association (GDTA) Redevelopment
- Tambelin Station to Evanston Gardens Primary School Shared Use Path
- Gawler Sport & Community Recreation Facility Plan - Part 2



> **To Respect, Protect and Nurture the Environment**

OUR ENVIRONMENT

Annual Business Plan Objectives

- Continue with improving the greening and biodiversity of our natural spaces with increasing focus on tree canopy cover and riparian reserves accessibility
- Continue to address the impacts of climate change

2024-2025 Key Achievements

- Stormwater Drainage Programs
- Biodiversity Management
- Electricity Procurement Business Case
- Climate Emergency Plan Initiatives

Key Initiatives for 2025-2026

- Delivery of the 2025-2026 Open Space Renewal Program
- Climate Emergency Action Plan Implementation
- Participatory Budgeting Initiative - Bee Hotels



> **Provide Strategic Leadership**

OUR LEADERSHIP

Annual Business Plan Objectives

- Maintain the balance between reasonable rate rises and generating the funds necessary to continue to provide services and programs while reducing debt levels
- Continue to identify savings and operational efficiencies
- Set a budget that forms the foundation to return the Council to an operating surplus or cash positive position within the remaining term of Council

2024-2025 Key Achievements

- Procure to Pay
- Gawler Administration Centre Wi-Fi Upgrade
- ESCOSA Review

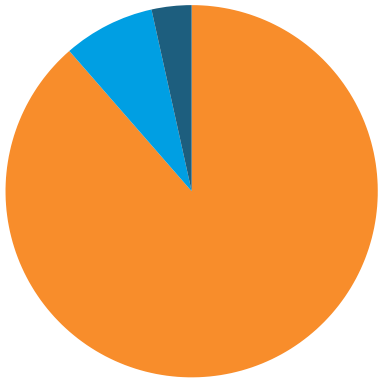
Key Initiatives for 2025-2026

- Introduce a Citizen Central portal providing a one stop shop for residents to access Council services anytime, on any device.

INFRASTRUCTURE MANAGEMENT

INCOME	
Rates & Service Charges	13,161,079
Grants, Subsidies & Contributions	1,187,949
Other Revenue	517,256
	14,866,284

EXPENDITURE	
Recurrent Operating Expenditure	5,097,979
Ownership Expenditure	9,548,808
Service Initiatives	140,000
	14,786,787

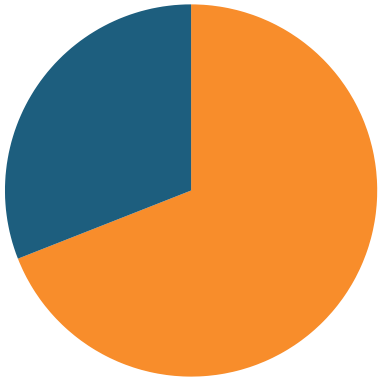




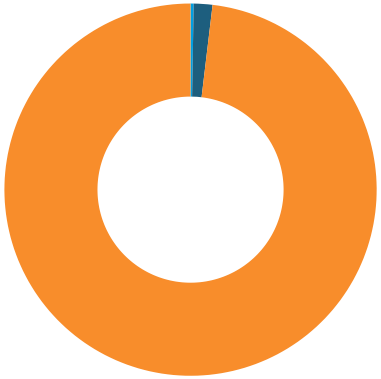
SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Asset Planning	Long term management, construction and renewal of the Town's civil and community infrastructure.	198,901	3,000	195,901
Infrastructure Maintenance	Programmed and responsive maintenance of Council's civil infrastructure to the required service standard. Maintenance Programs include:			
	• Footpaths Kerbs & Gutter	1,997,941	-	1,997,941
	• Road & Traffic Management	6,443,644	739,120	5,704,524
	• Stormwater Drainage	2,133,449	-	2,133,449
	• Street Lighting	601,060	-	601,060
Town Services	Maintenance and cleansing of the Town, including street cleaning, public conveniences, and public lighting	1,558,195	-	1,558,195
Property Management	Management of Council owned Community Buildings	1,517,551	270,536	1,247,015
Cemetery	Management of the Willaston Cemetery	196,048	175,000	21,048
Initiatives	Employment of Strategic water Engineer to deliver Stormwater drainage enhancements and Civic Centre facade painting. Roads-to-Recover Funding	140,000	517,549	(307,549)
	TOTAL	**14,786,787**	**1,705,205**	**13,081,582**

REGULATORY SERVICES, ENVIRONMENT & TOWN PLANNING

INCOME	
Rates & Service Charges	2,429,459
Grants, Subsidies & Contributions	-
Other Revenue	1,015,433
	3,444,892



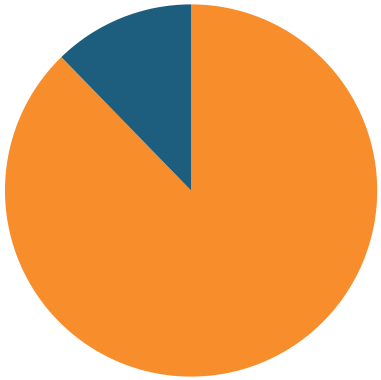
EXPENDITURE	
Recurrent Operating Expenditure	3,203,441
Ownership Expenditure	8,776
Service Initiatives	218,000
	3,430,217



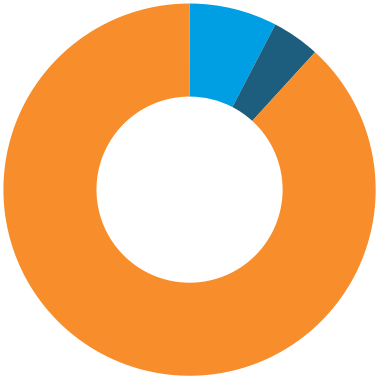
SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Building Control	Responsible for issuing building permits, as well as administering and enforcing the Building Code and other legal requirements related to building safety.	308,102	128,000	180,102
Town Planning	Responsible for the development of strategic policy and planning across the Town, including the issuing of planning permits, regulation of land use and development, and provision of advice on sustainable urban design.	1,438,694	250,000	1,188,694
Animal Management	Administers the provisions of the *Dog and Cat Management Act 1995*, including dog registration, managing barking and wandering dogs, responding to noise complaints, and maintaining the dog pound.	339,117	312,000	27,117
Environment	Responsible for delivering environmental and sustainability programs, including the development and implementation of Council's Climate Action Plan.	126,391	1,432	124,959
Parking Management	Responsible for ensuring compliance with parking provisions under the *Australian Road Rules and the Private Parking Areas Act 1986*.	244,798	305,001	(60,203)
Regulatory Services	Manages abandoned vehicles and investigates and enforces alleged breaches of local laws, including nuisance issues associated with building sites, littering, and flammable undergrowth.	755,115	19,000	736,115
Initiatives		21,000	-	218,000
	TOTAL	**3,430,217**	**1,015,433**	**2,414,784**

TREES, PARKS, SPORTS & RECREATION

INCOME	
Rates & Service Charges	5,578,738
Grants, Subsidies & Contributions	-
Other Revenue	832,171
	6,410,909



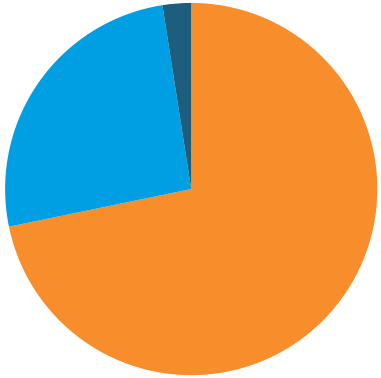
EXPENDITURE	
Recurrent Operating Expenditure	5,821,472
Ownership Expenditure	515,740
Service Initiatives	40,000
	6,377,212



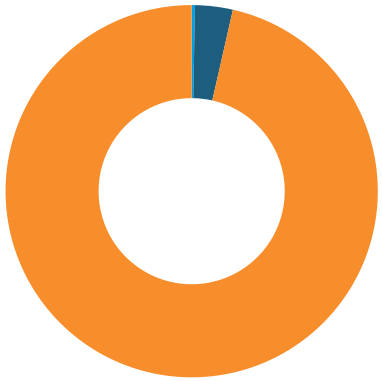
SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Parks & Reserves	Responsible for the maintenance of a diverse range of open space that provide passive recreation opportunities for the community.	2,489.576	-	2,489,576
Sporting Facilities	Maintenance of a diverse range of open space and facilities that provide active recreation opportunities for the community.	623,303	68,371	554,932
Sports Centre	Manages the Sports Centre, which offers a wide range of sporting, recreational, educational, wellness, and social opportunities for the community.	965,271	299,300	656,971
Street Trees & Verges	Responsible for the management and maintenance of over 11,000 street trees across the Town and in reserves, including inspection, condition assessment, watering, pruning, planting, and removal.	1,181,730	-	1,181,730
Swimming Centre	Operates the seasonal Outdoor Swimming Centre, providing lap swimming, swimming lessons, and general recreational swimming.	1,086,333	464,500	621,833
Initiatives	Swimming Centre Asset Condition Assessment, Sports & Recreation Plan - Stage 2	40,000	-	40,000
	TOTAL	**6,377,212**	**832,171**	**5,545,041**

COMMUNITY & STRATEGY, HEALTH, AGED & YOUTH SERVICES

INCOME	
Rates & Service Charges	2,497,682
Grants, Subsidies & Contributions	956,344
Other Revenue	91,902
	3,545,928



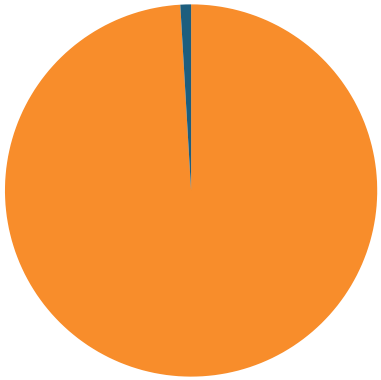
EXPENDITURE	
Recurrent Operating Expenditure	3,573,188
Ownership Expenditure	10,348
Service Initiatives	129,514
	3,530,841



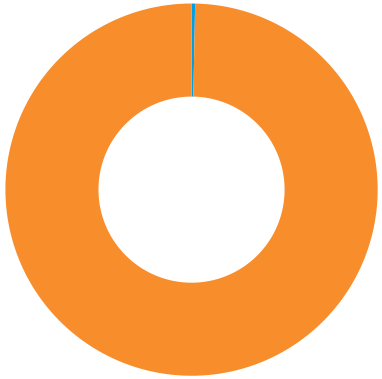
SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Libraries	Provides two libraries, offering access to books, digital resources, community programs, and lifelong learning activities.	1,010,112	109,251	900,861
Volunteer Services	Develops and promotes volunteering opportunities across a range of Council services.	107,998	-	107,998
Youth Services	Delivers programs and facilities that support young people, including recreational activities and youth development programs.	204,181	1,000	203,181
Community & Strategy	Provides services that enhance community wellbeing, including the *Ageing Well Framework*, Reconciliation and Inclusion initiatives, community support programs, and the development of strategies to improve the Town's liveability.	509,822	-	509,822
Community Support		504,715	11,001	493,714
Environmental Health	Enhances public health through the registration of premises as required by the *South Australian Public Health Act 2011* and delivers the Town's immunisation program.	336,276	56,650	279,626
Home Assist	Delivers a government-funded program that supports seniors and people with disabilities, including home care and social support services aimed at preventing social isolation and enabling independent living.	728,222	768,830	(40,608)
Initiatives	Contributes to the regional Public Health Officer Community Neighbourhood Development (CND) Program.	129,514	101,514	28,000
	TOTAL	**3,530,841**	**1,048,246**	**2,482,595**

WASTE MANAGEMENT & RECYCLING

INCOME	
Rates & Service Charges	3,050,000
Grants, Subsidies & Contributions	-
Other Revenue	28,500
	3,078,500



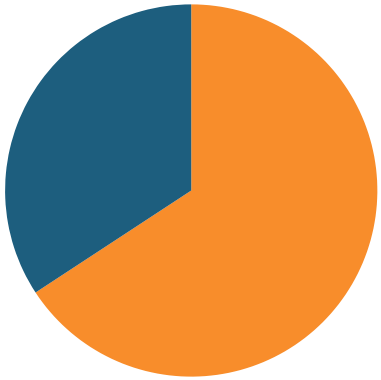
EXPENDITURE	
Recurrent Operating Expenditure	3,048,758
Ownership Expenditure	9,469
Service Initiatives	-
	3,058,227

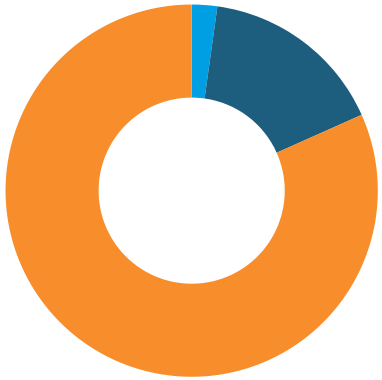


ECONOMIC DEVELOPMENT & TOURISM

INCOME	
Rates & Service Charges	299,676
Grants, Subsidies & Contributions	-
Other Revenue	225,982
	525,086

EXPENDITURE	
Recurrent Operating Expenditure	404,231
Ownership Expenditure	14,605
Service Initiatives	106,250
	525,086



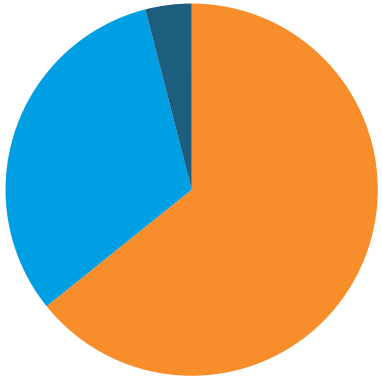


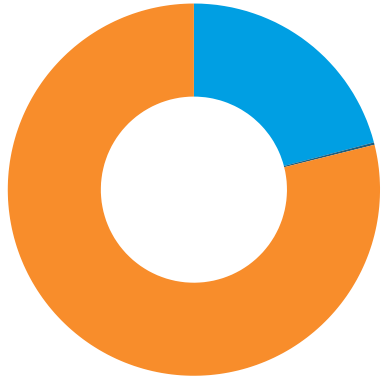
SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Economic Development	Provides services that support economic growth and the development of business precincts across the Town.	324,914	37,760	287,154
Tourism	Delivers programs and services that support the visitor economy.	93,922	188,222	(94,300
Initiatives	Engagement of an Economic Development Officer and Review of Economic Development & Tourism Plan	106,250	-	106,250
	TOTAL	**525,086**	**225,982**	**299,104**

GOVERNANCE, COMMUNICATIONS & ADMINISTRATION

INCOME	
Rates & Service Charges	5,401,725
Grants, Subsidies & Contributions	2,488,000
Other Revenue	313,946
	8,203,671

EXPENDITURE	
Recurrent Operating Expenditure	6,595,294
Ownership Expenditure	1,559,749
Service Initiatives	16,000
	8,171,043



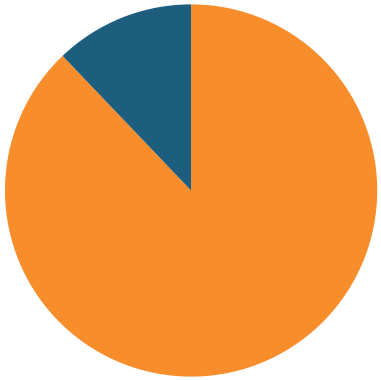


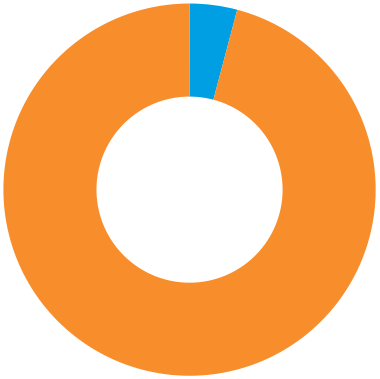
SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Communication & Marketing	Responsible for delivering corporate external communications, marketing, community engagement, and government relations and advocacy on behalf of the organisation.	386,197	-	386,197
Customer Services	Acts as the primary interface between the customer, the community, and the delivery of Council services.	306,775	50,000	256,775
Corporate Governance	Responsible for managing the processes and systems that enable good governance and ensure the public can access, understand, and participate in local government processes.	1,439,671	-	1,439,671
Employee Services	Promotes and supports excellence in people to enable high organisational performance, including services such as industrial relations advice, human resource management, work health and safety, recruitment, and training and development.	814,034	2,500	811,534
Financial Management & Services	Ensures the effective management and control of the Town's financial resources, including strategic financial planning, budgeting, financial performance management, compliance reporting, and treasury management.	3,015,529	2,749,446	266,083
Information & Data Management	Supports the organisation to embrace technology and harness data for informed decision-making, while managing the information governance framework for corporate records.	2,192,837	-	2,192,837
Initiatives		16,000	-	16,000
	TOTAL	**8,171,043**	**2,801,946**	**5,369,097**

COMMUNITY EVENTS, HERITAGE & CULTURE

INCOME	
Rates & Service Charges	630,365
Grants, Subsidies & Contributions	-
Other Revenue	77,500
	707,865

EXPENDITURE	
Recurrent Operating Expenditure	607,766
Ownership Expenditure	26,291
Service Initiatives	70,000
	704,057



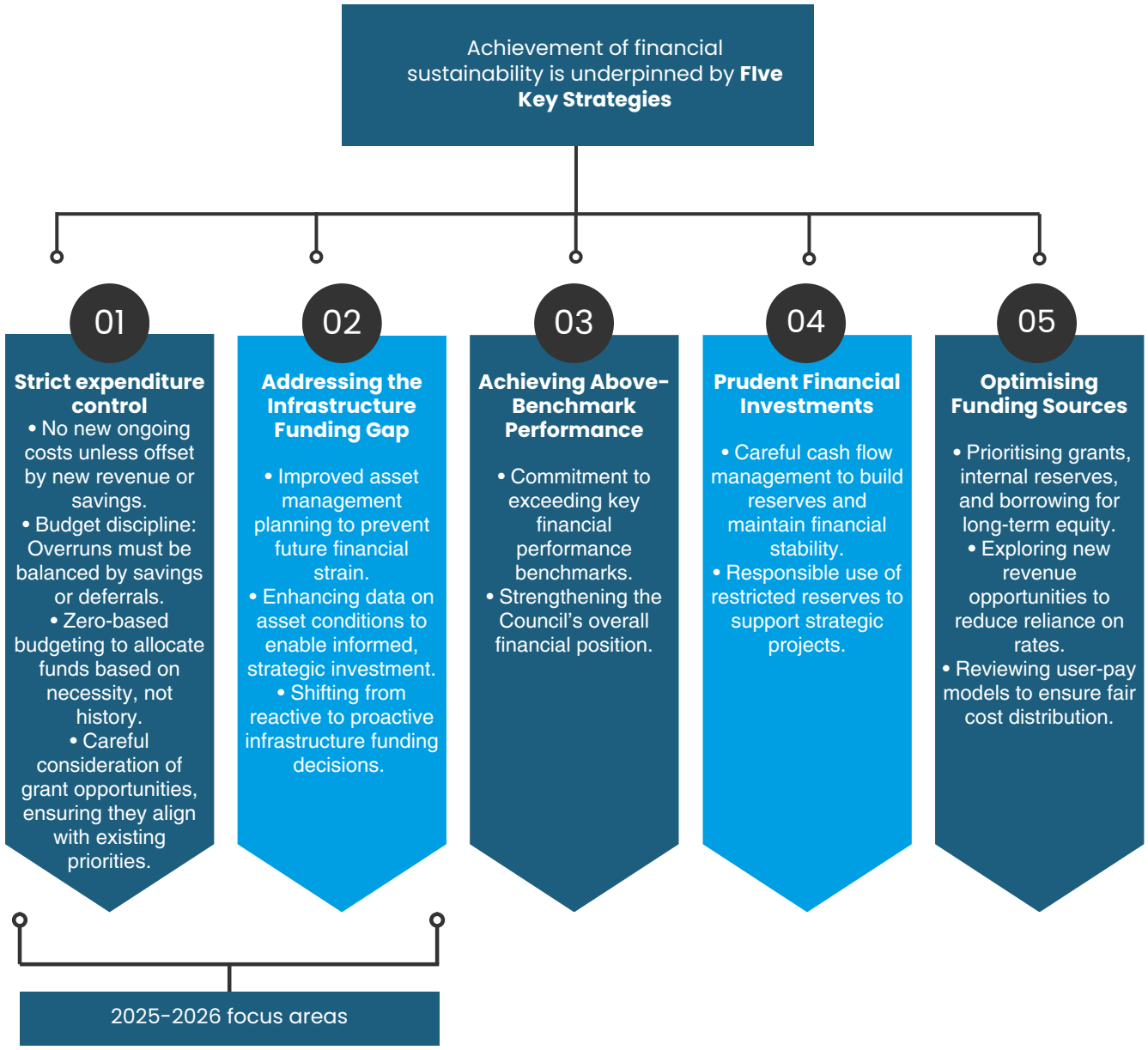


SERVICE AREA	DESCRIPTION	EXPENDITURE	INCOME	NET COST (CONTRIBUTION)
Community Events	Delivers and supports community events across the Town that foster a sense of community.	133,883	-	133,883
Culture	Manages public art initiatives, events, and productions hosted at the Town of Gawler Civic Centre.	436,136	77,500	358,636
Heritage	Operates the Cultural Heritage Centre, supporting the community to celebrate the Town's history through exhibitions, historical services, and activities.	64,038	-	64,038
Initiatives	Williston Cemetery Master Plan	70,000	-	70,000
	TOTAL	**704,057**	**77,500**	**626,557**

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.



LONG TERM FINANCIAL PLAN

OUR FINANCIAL GOAL

The Long Term Financial Plan (the Plan) is designed as a 'roadmap' to chart the Council's future strategic financial direction and aspirations. This year's Annual Business Plan and Budget marks the start of Council's financial strategy to strengthen its financial position. The Plan sets out how we will fund our commitments to infrastructure renewal, service delivery, paying down debt and investment in new infrastructure which is important to the community.

When forecasting into the future, consideration has been given to the economic factors and market driven assumptions that are likely to impact of our performance and finances. The financial forecasts also make assumptions about how we anticipate service levels delivered to the community may change over time. The assumptions and market driven data will be reviewed and updated annually to reflect current conditions.

Council's future success is reliant on delivering on its financial strategy. We will measure ourselves against a series of financial outcomes.

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 www.gawler.sa.gov.au

RATES

Income from rates is the major component of the Council's revenue base, with rate revenue representing 80% of operating income.

Rates are a form of property taxation, and property values determine how much each property contributes towards funding essential services such as management of infrastructure, public health and safety, as well as asset renewal and maintenance and the provision of community programs and events as well as the new projects and initiatives set out in the Annual Business Plan.

Property values, continue to increase at an average of 19.9% per annum across the Town. The change in property values is taken into account when setting rates through a reduction in the general rate. For 2025-2026 the general rate is 0.3517 cents in the dollar, down from 0.4043 cents in the dollar.

For the 2025-2026 financial year, Council plans to collect $31.4 million in general rates, an increase of $1.76 million from the previous year. Existing ratepayers will contribute $1.45 million, with $314,000 from new development.

Council, as part of its long-term financial plan, remains committed to fair and equitable rates. reflective of the service level of the Towns infrastructure, services, and programs.

To avoid residential ratepayers bearing a disproportionate share due to excessive movements in the property values, the total residential contribution is capped at 75% of general rates collected. To this end, Council's rating strategy includes two differential rates which apply to commercial and industrial uses and vacant land.

The average rate per property (inclusive of all land uses) increased by $126, with the average residential rate for existing residential ratepayers increasing by $93 per annum or 4.8%. The average commercial rate, after application of the tiered rate remission will increase by $314, or 4.8%.

The actual rates payable will vary depending on individual property valuations, land use, and any development or improvements made to the property.

Key aspects of Council's Rating Policy are included in Appendix 4 of this document with the complete policy available on Council's website at www.gawler.sa.gov.au



2025-2026 BUDGET OVERVIEW

> Our financial goal is to meet the community growth and the achievement of our organisational goals by committing to managing our financial resources in a responsible and sustainable manner.

This is the first Council budget since the adoption of its new Long Term Financial Plan aimed at strengthening our financial position. The key principle driving the budget is setting the platform for Council to deliver sustainable operating surpluses and build on this for the future to achieve financial sustainability, allowing for debt reduction and future investment in major strategic projects which enhance the well-being of our community.

With this in mind, the budget has been developed based on the financial strategy set out in the Long Term Financial Plan (LTFP), in particular:

- Maintaining expenditure control; and
- Narrowing the renewal gap.

This will enable Council to continue to deliver its existing services and programs, meet increasing service levels from past and current growth, and enhance service provision to the community through recommended capital projects that will create new or upgraded community infrastructure, assets and initiatives.

The development of the Budget has been undertaken in consultation and review by Council Members and the Audit & Risk Committee. Engagement with the community was undertaken from 28 April 2025 until 23 May 2025, with the opportunity to ask questions of Council Members on the items set out in the Annual Business Plan & Budget in the public open forum on 27 May 2025.

The budget has a strong focus on efficient delivery of core services of Council and funding infrastructure renewals coupled with new initiatives which will position Council to effectively respond to the future challenges emanating from the future growth, not only within the council area but also the anticipated growth planned for the region.

Council is forecasting an operating surplus of $246,000, which has been achieved by applying budget discipline through zero-based budgeting. Focused on driving down operating expenditure through the elimination of waste and the review of how we deliver our core services and programs, operating expenditure (employee and material & services expenditure) has resulted in a reduction of **0.2%** on the 2024-2025 projected June 30 position.

Despite this a number of significant factors have influenced the budget, these being:

- Enterprise Agreements, which allow for salary and wages adjustments.
- Superannuation Guarantee contributions which increase from 11.5% to 12% from 1 July.
- Price pressures on Council's key inputs being above the traditional range of between 2-3%.
- The annual Financial Assistance Grant allocation from the Commonwealth Government will continue to be advanced in the last quarter of the current year.
- Commitment to strategic projects which span more than one financial year and asset investments subject to Grant funding agreements.
- Receipt of developer-built civil and community infrastructure and the associated maintenance and renewal costs.
- Delivery of new and improved infrastructure, which are subject to Development Deeds.

This year's budget demonstrates Council's commitment to addressing the financial challenges presented and reflects the solid groundwork Council put in place in 2024-2025, including the reshaping of the Long-term Financial Plan and the financial strategy that underpins it.

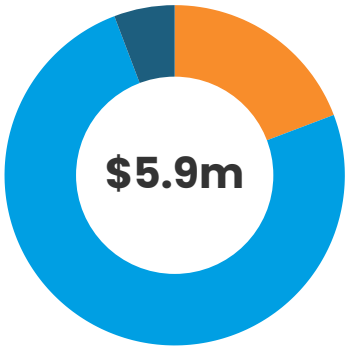
A comparison of Financial Indicator targets and how they are met by the 2025-2026 Budget are detailed below:

	Indicator	Target met
Operating Ratio	0.6%	✓
5 year rolling average	(3.1%)	✗
Net Financial Liabilities Ratio	80.3%	✓
Asset Renewal Ratio	98%	✓
3 year rolling average	96%	✓

2025-2026 BUDGET OVERVIEW

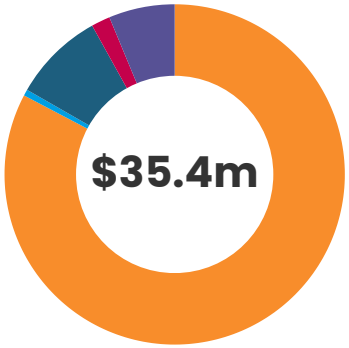
Gawler

Income



GOVERNMENT & FINANCING

Operating Grants	$4.63m
Statutory charges	$1.09m
Other income	$0.24m



COMMUNITY & RATEPAYERS

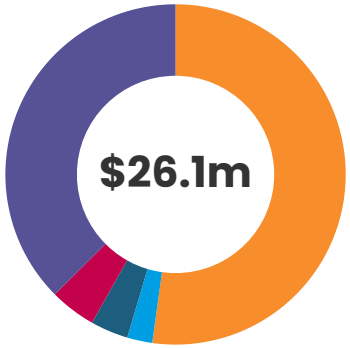
General Rates	$29.792m
Separate Rates	$205,000
Waste Service Mgmt Charge	$3.050m
Regional Landscape Levy	$638,000
User fees	$1.773m

Expenditure*



EMPLOYEE EXPENSES

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



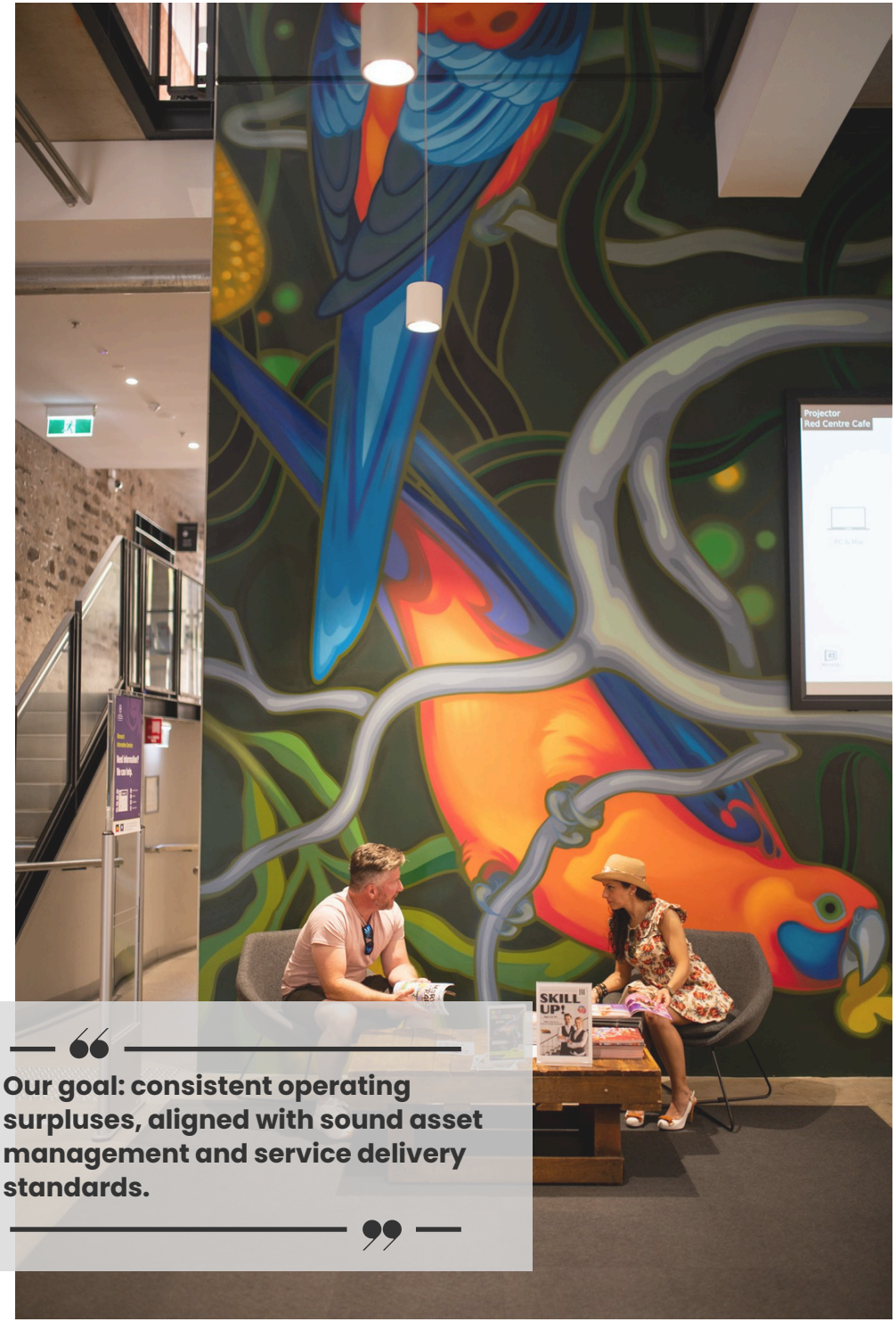
SERVICES & MATERIALS

Services & Materials	$13.255m
Depreciation	$10.267m
Interest	$1.450m
Initiatives	$466,000
Regional Landscape Levy	$638,000

Total Operating Expenditure $41,350,000

Operating Surplus $246,000

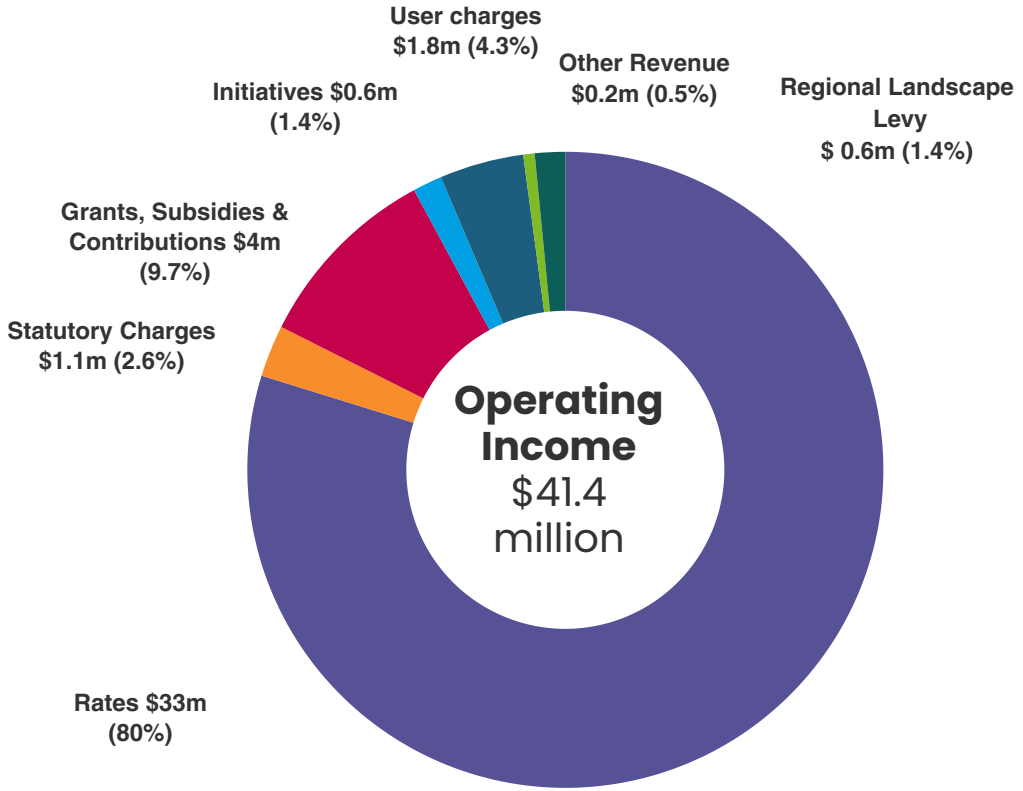
*Excludes regional subsidies



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

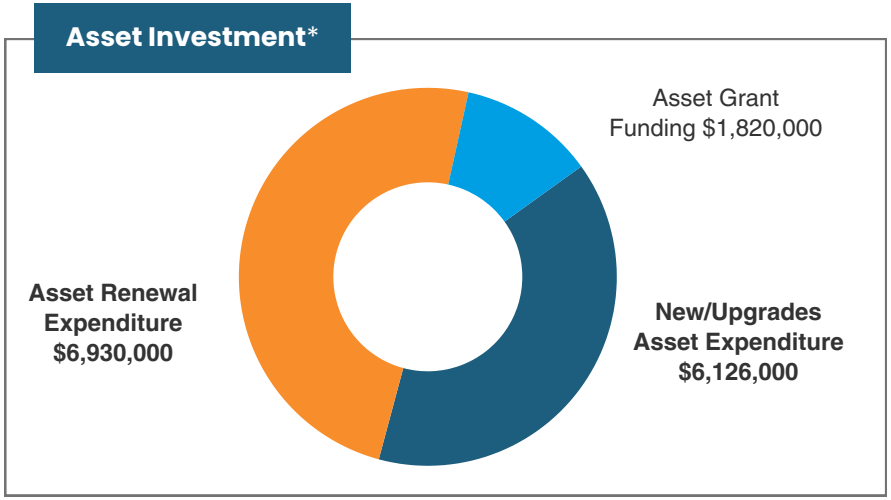
INCOME & FUNDING

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.



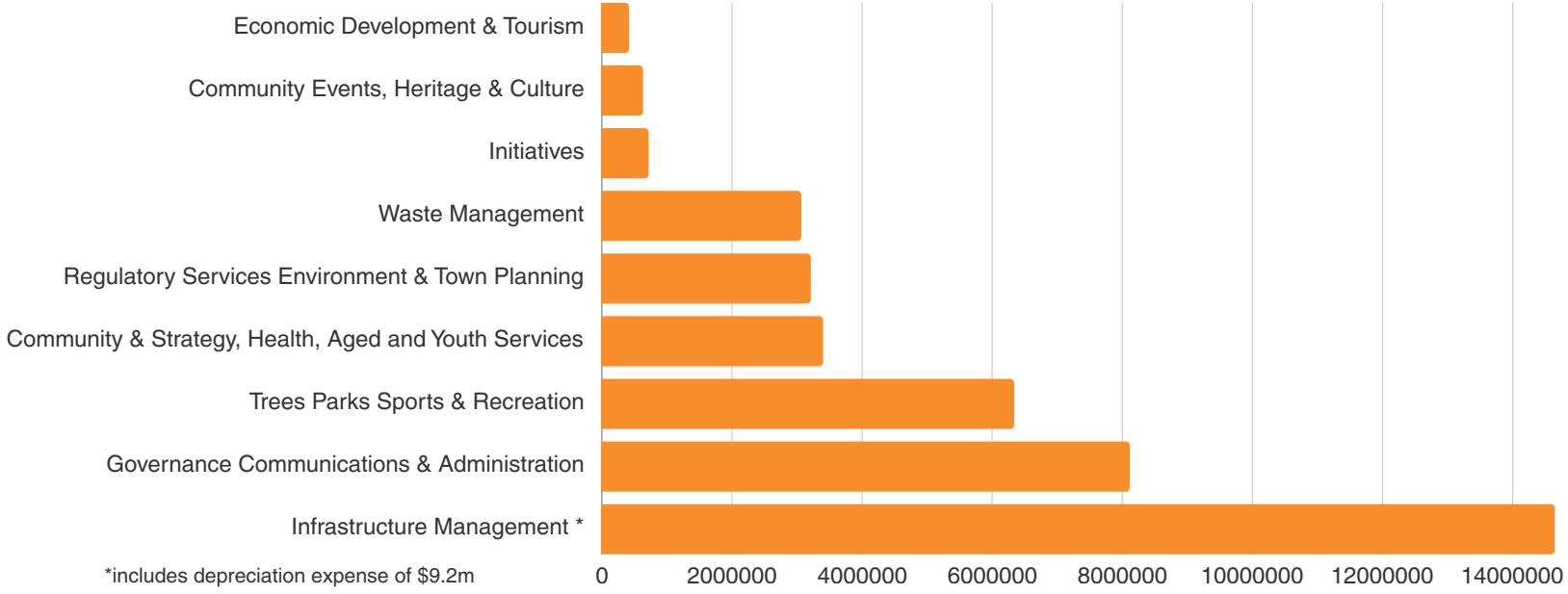
EXPENDITURE & INVESTMENT

Asset Investment*



**excludes carry forwards

Expenses by Service Category



*includes depreciation expense of $9.2m

APPENDIX 1

2025-2026 Key Projects & Initiatives



TRANSPORT ASSET PLAN

ROAD RESEAL, KERB & GUTTER PROGRAM

Street	From	To	Street	From	To
Dalkeith Road	Stebonheath Road	Intersection	Modra Court	Berrett Road	End of Cul-de-sac
Porter Street	Finniss Street	Parnell Street	Crown Street	Lyndoch Road	Bright Terrace
School Road	Porter Street	End	Richards Avenue	Crosby Avenue	Lawrence Avenue
Moore Street	Reid Street	Dundas Street	Marsh Avenue	Crosby Avenue	Lawrence Avenue
Dundas Street	Jacob Street	Moore Street	Duncan Crescent	Rice Avenue	End of Cul-de-sac
Bishop Street	Lyndoch Road	House No.11	Lawrence Avenue	Fourteenth Street	Marsh Avenue
Clark Road	Coventry Road	Dawson Road	Milne Court	Main North Road	End of Cul-de-sac
Dawson Road	Clark Road	Northside Court	Elgin Avenue	Bacton Street	End of Cul-de-sac
Northside Court	Dawson Road	End	Willison Avenue	Dundee Street	South End
East Terrace	Deland Avenue	Mahoney Street	Longford Street	Elgin Avenue	Bacton Street
East Terrace	Rusby Drive	Calton Road	Witney Street	Bacton Street	End
Deuter Street	Deland Avenue	End of Cul-de-sac	Rau Avenue	Dawson Road	End
Quarton Street	Cheek Avenue	Deuter Street	Orchard Drive	Rau Avenue	House No. 10
Quarton Court	Deuter Street	Y-End	Berrett Road	Bella Street	Cheek Avenue
Deland Avenue	East Terrace	Popham Avenue	Freeman Court	Berrett Road	Start of Cul-de-sac
Trevu Avenue	Calton Road	Deland Avenue	Bartel Court	Berrett Road	End of Cul-de-sac
Martin Street	Bright Terrace	Athens Terrace	Bassett Crescent	Berrett Road East	Berrett Road West
Mary Street	Lyndoch Road	Bright Terrace	Sweeney Court	Bassett Crescent	End of Cul-de-sac
Lewis Avenue	Mary Street	Crown Street	Forgie Court	Bassett Crescent	End of Cul-de-sac

NEW KERB & GUTTER PROGRAM

Street	From	To
Dalkeith Road	Stebonheath Road	Intersection

FOOTPATH RENEWAL

Street	From	To
Moore Street	Light Square	Dundas Street
Dundas Street	Jacob Street	Moore Street
Porter Street	Finnis Street	Parnell Street

NEW FOOTPATH PROGRAM

Street	From	To
Tingara Road	Sunnyside Dr	Darrell St
Greenway Street	Tingara Rd	Panorama Rd
Panorama Road	Greenways St	Bentley Rd
Jennifer Street	Tingara Rd	Panorama Rd
View Crescent	Panorama Rd	Jennifer St
Darrell Street	Panorama Rd	Tingara Rd

ROAD RE-SHEETING

Street	From	To
Provisional list below:		
Clover Glen Road	Stebonheath Road	Coventry Road
Weaver Drive North	Bright Street	50m

Community Plan Goal					Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding
INFRASTRUCTURE MANAGEMENT											
		●	●	●	Painting - Civic Centre Facade	★	In line with the Building Asset Management Plan, the Civic Centre Facade painting is scheduled for 2026 as part of a scheduled maintenance plan. The painting program is an important element of managing the deterioration risk to the facade of the Heritage Listed building.	$50,000	$-	$50,000	$-
●	●			●	Strategic Water Engineer	★	The Strategic Water Engineer will address the major engineering and water strategy gap that exists across the organisation. Climate uncertainties, population growth, stormwater infrastructure needs within the Town and region and regional opportunities for co-funded projects has created demand for strategic water analysis and planning which becomes cost prohibitive if outsourced to external consultants.	$105,000	$-	$105,000	$-
				●	Traffic Signal Maintenance	★	External support to resolve faults and damage to Council's traffic signal infrastructure. Service inclusions are bi-annual services, traffic light faults, and repair of damage to traffic signal infrastructure.	$15,000	$-	$15,000	$-
●	●	●	●	●	Delivery of the 2025-2026 Transport Asset Renewal program as per the Transport Asset Management Plan	■	The 2025-2026 Renewal Program as per the Transport Asset Management Plan includes the following works programs: **Reseal Roads Program** - Resealing roads which have reached end of economic life for the purpose of maintaining the integrity of road pavement structure. **Bridge & Culvert Program** - Repairs and safety improvements to bridge and culvert structures for structural integrity and user safety. The program of works will be prioritised based on the bridge condition audit. **Footpaths Program** - Renewal of footpaths identified as being below acceptable level of service standard, based on condition audit findings. **Kerb & Gutter Program** - Repair kerb and gutter on roads scheduled for resealing and renew slate kerbing in Gawler State Heritage Area. **Re-sheet Unsealed Roads Program** - Re-sheet unsealed roads which have a surface condition below acceptable level of service. The planned program of works is listed at the beginning of Appendix 1. **Crack Sealing Program -** Seal any road cracks to prevent ingress of water into pavement structure which cause structural failures.	$4,127,000	$-	$4,127,000	$-
		●	●	●	Delivery of the 2025-2026 Building Renewal Program as per Building Asset Management Plan	■	Building renewal works include: **Gawler Sport and Community Centre** 1. Demolition and restoration work to the rear section of the Stone Pavilion, including removal of air conditioning units. 2. Renewal of changerooms and DDA compliance works 3. New flooring for the Centre foyer and entrance 4. Drainage remediation works	$720,000	$-	$720,000	$-

■ Assets ★ Initiatives

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Community Plan Goal					Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding $
							Other Building works 1.Air conditioning renewal program (as per independent plan) 2.Elderly Centre fascia renewal Additional works to be prioritised based on further analysis of condition assessments.				
	●				Delivery of the 2025-2026 Stormwater Drainage Renewal Program	■	As per the Stormwater Asset Management Plan: • Stormwater pit lids to be replaced with heavy duty lids at road intersections to minimise damages to lids • Replace damaged pipe and pits.	$112,000	$-	$112,000	$-
●				●	Light Fleet and Plant replacement and renewal	■	Renewal of Councils light fleet vehicles due for replacement which includes replacement of three (3) operations utility vehicles and minor plant and equipment which have reached the end of their operational life.	$175,000	$-	$115,000	$60,000
	●		●	●	Street Light Upgrade and Renewal	■	Provide improved public safety through the: • Design and installation of street lighting along Julian Terrace, south of Adelaide Road. • Installation of additional street lighting to address deficiencies within the road network. • Installation of four (4) solar lights at Reid Street car park to improve lighting for afterhours use. • Renewal of LED streetlights throughout the Town as required.	$124,000	$-	$35,000	$89,000
	●	●	●	●	Tambelin Station to Evanston Gardens Primary School Shared Use Path	■	Construction of a shared-use path from the major public transport hub at Tambelin Station through to Evanston Gardens Community Centre and Evanston Gardens Primary School. Works include a 2.5m wide asphalt shared use path suitable for walking, cycling and all ability access, along Clark Road, with a pedestrian refuge crossing on Coventry Road. New kerbing to improve drainage, formalised parking bays on the northern side of Angle Vale Road including a DDA compliant bay and landscape treatment to affected verges, focusing on street tree planting. The project is part funded through grant funding secured through the State Government Bicycle Fund and the Federal Government Active Transport Fund.	$1,251,280	$452,757	$-	$798,523
	●			●	Main North Road Willaston Stormwater Upgrade	■	Design update of Stage 2 works to upgrade the underground stormwater drainage network along Main North Road and Chamberlain Road to reduce instances of property flooding and facilitate the proposed future street scape upgrade. Works will be delivered as a multi-year project, with an estimated project cost of $2.406 million. Proposed timing of project expenditure: • 2025-2026: $150,000 • 2026-2027: $2.256 million	$150,000	$-	$-	$150,000

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Community Plan Goal					Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding $
	●	●	●	●	Main North Road, Willaston Street Scape Upgrade	■	A concept plan was developed in 2023-2024 for the streetscape upgrade of Main North Road. The project aims to complete the detailed design from Sanders Way to Redbanks Road, ensuring that Main North Road Willaston is prepared for Federal and State funding as a shovel-ready initiative.	$150,000	$-	$-	$150,000
		●	●	●	Delivery of the 2025-2026 Transport Asset Upgrade program as per the Transport Asset Management Plan	■	The 2025-2026 Upgrade Program as per the Transport Asset Management Plan, includes the following works programs: **New Footpaths Program** Construction of new footpaths across the Township. The planned program is listed at the beginning of appendix 1. **New Kerb & Gutter Program** Construct new kerb and gutters throughout the Township. The planned program includes Dalkeith Road at Stebonheath Road Intersection.	$511,000	$-	$-	$511,000
				●	Capital Works Engineering Design Program	■	Prepare engineering designs for 2025-2026 capital works program and subsequent forward whole-of-life infrastructure works program. Engineering design for: 1. Kerb and Gutter Renewal -Whitaker Street 2. Stormwater Upgrade - Gosford Street - Skurray Court 3. Stormwater Drainage Improvement - Main North Road - St Albans Road intersection 4. Stormwater Drainage Improvement - at Twentieth Street 5. Stormwater Drainage Improvement - Twentysecond Street - Twentyfourth Street 6. Stormwater Drainage Improvement - Argent Lane drain to Gawler River 7. Resealing Civic Centre off-street car park 8. Seal urban unsealed road - Station Lane 9. Schomburgk Drive on-demand bus stop	$210,000	$-	$-	$210,000
			●	●	Gawler East Link Road Safety Improvements - Schomburgk Drive Speed Limit Upgrade	■	Infrastructure improvements to enable an increase in speed limit from 50 km/h to 60 km/h on Schomburgk Drive between Potts Road and Springwood entrance. Improvements include installation of frangible guideposts, installation of 9 new signs and relocation of 5 signs, replacement of R4-1-50 with R4-1-60, changeover of upstand kerb to rollover kerb as interim pull out measure and raised median on bridge (funds permitting).	$100,000	$-	$-	$100,000

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Community Plan Goal					Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding $
		●	●	●	New Hardscaping Assets Program	■	New hardscaping assets including bus shelters and street furniture for community needs/requests. Inclusions: 1. Bus Shelter, Stop 108 Gawler River Road, Willaston (Willaston Oval) 2. Dog bag dispenser - Congdon Street, Gawler East 3. Street Bin - Eighteenth Street near Park Bench/ Church, Gawler South Allowance for additional customer requests	$30,000	$-	$-	$30,000
●	●			●	Springfield Waters Trash Rack	■	Installation of trash racks to collect gross (large) pollutant and trash in the Jack Cooper drain at Springfield Waters.	$100,000	$-	$-	$100,000
							Subtotal	**$7,930,280**	**$452,757**	**$5,279,000**	**$2,198,523**
REGULATORY SERVICES, ENVIRONMENT & PLANNING											
●	●				Climate Emergency Action Plan Implementation	★	Continued implementation of Council's Climate Emergency Action Plan: • Contribute to urban tree canopy mapping being undertaken by Green Adelaide. Council will have access to multispectral imagery LiDAR data, data analysis and reports relating to the Town's urban canopy cover. • Participating in a Corporate Risk and Governance Program, for Elected (Council) Members, the Executive Management Team and other key staff that focuses on climate change risks (physical and transitional) to assets, operations, and services.	$20,000	$-	$20,000	$-
		●		●	LPRx and PinForce Images Online	★	Council began a six-month trial in September 2024 to assess Onikan's LPRx technology for parking enforcement in Gawler. The system improves efficiency by automating license plate detection and citation issuance. The trial has allowed for increased the coverage to other areas of the Town which are experiencing parking related issues. The additional funding will allow for the use of LPRx technology to be expanded across the Town.	$28,000	$-	$28,000	$-
		●	●	●	Gawler Town Centre Structure Plan and Development Delivery Framework	★	The Gawler Town Centre Structure Plan will consolidate and refine existing plans, including the UDF 2016, to provide a clear vision for new investment in Gawler Town Centre. The focus will address access and mobility, ensuring seamless integration of new and existing development within a heritage streetscape. Inclusions consist of costed and prioritised interventions, an investment prospectus to highlight opportunities, and updated Code provisions to support mixed-use and key site development.	$165,000	$-	$165,000	$-
	●	●			Native Plant Giveaway	★	The aim of this initiative is to increase canopy cover on private land and support increased biodiversity across the Town. The native plant giveaway provides for: • 1,200 native tube stock plants.	$5,000	$-	$5,000	$-

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Community Plan Goal					Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding $
							• 100 x $30 tree vouchers for native tree planting by residents and landowners on private land. The giveaway provides an opportunity for Council to collaborate with local community groups and small business to support the town's local economy.				
●				●	GIS Feature Manipulation Engine	■	The Town of Gawler's GIS system is a critical tool for decision-making and managing rapid growth. GIS Feature Manipulation Engine software automates the integration of data from various systems, ensuring GIS data is always accurate, up-to-date, and ready to support strategic planning. This investment supports the organisation's aspirations to use GIS as a foundation for efficient, data-driven decision-making, saving time and reducing operational risks.	$10,000	$-	$-	$10,000
							Subtotal	**$228,000**	**$-**	**$218,000**	**$10,000**
TREES, PARKS, SPORTS & RECREATION											
●	●	●	●	●	Purchase of a truck for the Irrigation team	■	To meet operational needs and improve efficiency, the irrigation truck will replace the existing utility vehicle which is due for replacement.	$105,000	$-	$-	$105,000
●	●	●			Aquatic Centre Asset Condition Assessment, Asset Management Plan, and Maintenance /Renewal Program	★	Undertake an asset condition assessment to feed into the development of an Asset Management Plan specific to the Aquatic Centre.	$20,000	$-	$20,000	$-
		●			Gawler Sport & Community Recreation Facility Plan - Part 2	★	Council commenced the development of the Gawler Community Sports & Recreation Facility Plan in 2024-2025. Stage 2 of the project is to review leases to ensure they are contemporary and meet and support the operational needs and financial sustainability of Council and the community organisations. Additionally, there will be an investigation into linking this initiative with successful sessions delivered to community sporting organisation by the Northern Sport & Recreation Network (Cities of Playford, Salisbury, Port Adelaide Enfield, Prospect, Tea Tree Gully, Charles Sturt) to promote more effective and efficient resource use.	$20,000	$-	$20,000	$-
	●	●	●	●	Delivery of the 2025-2026 Open Space Renewal Program as per the Open Space Asset Management Plan	■	The 2025-2026 renewal program as per the Open Space Asset Management Plan, includes the following works programs: • Renew Withers Circuit Playspace and supporting social infrastructure in line with the Town of Gawler's Playspace Strategy.	$746,000	$-	$746,000	$-

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Community Plan Goal					Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding $
							• Renewal of fences in poor condition which are unserviceable and at end-of-life as identified through the Open Space Condition assessment undertaken in 2024-2025. Priority locations are Dead Man's Pass (Allwood Drive sections) and Clonlea Reserve. • Design and renew of irrigation systems which are beyond effective and efficient functioning. ◦ Design irrigation system for Withers Circuit Playspace ◦ Renew Irrigation System at Ayling & Dwyer Lime Kiln Park Playspace • Renewal of Street and Open Space furniture fittings & equipment which are at the end of their operational life. • Renew/Upgrade Electrical infrastructure including lighting and distribution boards which are at the end of their operational life.				
	●	●		●	Aquatic Centre Capital Improvements	■	In line with the LTFP, funding will be allocated to renewal and improvements required to maintain and improve the Aquatic Centre operations. Priority projects will be identified through the maintenance/renewal program developed from the asset condition assessment. Projects may include crack repairs in expansion joints, pool retiling, dosing and chemical safety improvements, upgrades to recreational equipment to support pool patronage plus works identified following the completion of the 2024-2025 Swimming season.	$200,000	$-	$200,000	$-
		●			Roller Skating Equipment Renewal	■	Roller skating equipment requires replacement on a periodic basis to ensure it in a serviceable condition for community use.	$25,000	$-	$25,000	$-
	●	●		●	Verti-Drain machine	■	The purchase of a Verti-Drain machine will ensure that our sporting fields are kept in optimum condition and able to cope with the steady increase in use by the sporting clubs. The use of a verti-drain is critical to maintain the playability condition of council's playing fields. Due to increased usage by sporting clubs, it is more economical for Council to purchase a verti drain machine rather than continue with current hire arrangements.	$60,000	$-	$-	$60,000
		●	●	●	Basketball half court at Aspire Sweat Track Reserve	■	Provision of a new basketball half court at Aspire Sweat Track Reserve, to honour the recreational and sporting infrastructure commitments made to the community for this master planned residential development. Inclusions: Half court, basketball hoop, line marking, fencing, seating, footpath connection to existing footpath infrastructure.	$45,000	$-	$-	$45,000
	●	●	●	●	Gawler & Districts Tennis Association (GDTA) Redevelopment	■	Redevelopment of the Gawler & District Tennis Association facility on Victoria Terrace which includes the rehabilitation of 10 existing synthetic courts, construction of 2 new synthetic courts, addition of new LED lighting to 12 courts and the replacement of boundary fencing to the site.	$1,713,000	$1,153,000	$-	$560,000

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Community Plan Goal					Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding $
	●			●	Gawler Oval and Princess Park Oval Irrigation Upgrade	■	Supply and installation of new water holding tanks and require pumping infrastructure, plus upgrades to irrigation system to introduce water supply security for Gawler Central oval and Princes Park oval.	$250,000	$-	$-	$250,000
		●			Fifth Street Playground Shelter	■	Installation of a shelter with a light over the BBQ and seated area located on a 6mx6m concrete pad. Subject to Lions Club 50% contribution of the cost.	$30,000	$15000	$-	$15,000
							Subtotal	**$3,214,000**	**$1,168,000**	**$1,011,000**	**$1,035,000**
COMMUNITY & STRATEGY, HEALTH, AGED & YOUTH SERVICES											
●		●			Community Neighbourhood Development (CND) Program	★	The Community Neighbourhood Development Program is entering year 2 with continued 100% external funding. In year 1 a Community Needs Analysis was conducted to identify additional programs required by our community, with subsequent years to deliver programs which meet those needs. Funding is provided from the Department of Human Services and is available in 3-year cycles (3 + 3 + 3 years), covering all costs related to the CND Program Officer.	$101,514	$101,514	$-	$-
●		●			Review and update of the Gawler Disability Access and Inclusion Plan	★	Under the Disability Inclusion Act 2018, State Government, and all state authorities (including local government) are legislatively required to have a Disability Access and Inclusion Plan. A new State Disability Inclusion Plan is expected to be released in 2025, and once gazetted, Council will be required to review and update its Gawler Disability Access and Inclusion Plan to align with the new Plan.	$20,000	$-	$20,000	$-
		●			Implement Road Safety Improvements - Para Road Emu Crossing	■	Design and construct an Emu Crossing at the school frontage on Para Road to improve school children's safety.	$50,000	$-	$-	$50,000
		●			Funding Contribution to 2025-2026 Dads Group	★	Funding contribution to 2025-2026 Dads of Gawler Digital Dads Connect Program	$8,000		$8,000	
		●	●	●	2025-2026 Improve Disability Access Program	■	Improve disability access at road intersections and community facilities, including the installation of pedestrian ramps across the Town Centre and surrounding. Inclusions: • Design and construct additional mid-block Murray Street DDA Car Parking Bay. • DDA upgrade at 3 intersections along the southern side of Lyndoch Road including 2 pram ramps and concrete protuberances as required.	$150,000	$-	$-	$150,000

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Community Plan Goal					Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding
●	●	●			Participatory Project Initiative	■	Residents voted for their preferred projects and the projects that received the most votes have been included for funding in the 2025-2026 Budget. **Bird Nest Box / Bee Hotel** - Nesting boxes for native birds/bee hotels will be installed in green spaces to help support local wildlife and improve biodiversity. **Outdoor Shelter** - A new outdoor shelter will be installed in a local park or community space. **Park Bench** - a park bench will be installed in a public/recreational area to improve comfort and accessibility by offering a resting spot.	$40,000	$-	$-	$40,000
							Subtotal	**$369,514**	**$101,514**	**$28,000**	**$240,000**
GOVERNANCE, COMMUNICATIONS & ADMINISTRATION											
●					Microfiche Digitisation	★	Council is required to maintain corporate records in line with the State Records Act. Digitisation of previously microfiched development applications will improve the efficiency of maintaining and managing these permanent corporate records.	$6,000	$-	$6,000	$-
●					Resentencing of Legacy Records	★	Council has a variety of both permanent and temporary records stored in a manner that does not meet the principles required by State Records for Onsite Storage of Information Assets. To meet the State Records Act, the records need to be reviewed, reclassified, resentenced, relisted, and then actioned further dependent on a variety of contributing factors. Unsentenced corporate records is a non-compliance risk.	$10,000	$-	$10,000	$-
●					Network Switch Replacement	■	A network switch connects devices within a network and is essential for the operation of Council business systems and public network. Councils current network switches are at their end-of-life cycle and need to be replaced.	$89,000	$-	$89,000	$-
●		●			Authority Citizen Central	■	Citizen Central is a one-stop online hub for residents to access Gawler Council services at any time, on any device. It simplifies tasks such as requesting permits, making payments, registering pets, or submitting service requests. It fosters a move towards a self-service approach, with a user-friendly interface suitable for both technical and non-technical users. Functionality allows for the centralised view of all Council interactions to track information like account details, view status of requests, notification of outstanding payments, ability to make payments and submit service requests, within a single page.	$45,000	$-	$-	$45,000
							Subtotal	**$150,000**	**$-**	**$150,000**	**$45,000**

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Community Plan Goal					Project Name		Project Description	Project Expenditure	Grant Funding	Rate Revenue	Borrowings & Other Funding
COMMUNITY EVENTS, HERITAGE & CULTURE											
		●	●	●	Willaston Cemetery Master Plan	★	The Willaston Cemetery Conservation Management Plan adopted in 2024-2025 recommended that a masterplan be developed to guide future development of the Willaston Cemetery, including accommodation of new interments, planting and landscape management, vehicle and pedestrian management and infrastructure works, having regard to the overarching Conservation Management Plan.	$70,000	$-	$70,000	$-
		●	●	●	Expansion of Precious Souls section of Willaston Cemetery	■	Expansion of the Precious Souls Memorial to cater for future needs. Includes landscaping to include wall construction, planting, pathways, and irrigation.	$10,000	$-	$-	$10,000
							Subtotal	**$80,000**	**$-**	**$70,000**	**$10,000**
ECONOMIC DEVELOPMENT & TOURISM											
●			●	●	Economic Development Officer	★	An external review of Council's Economic Development Strategy implementation identified Council has insufficient staff resourcing to deliver the outcomes of the strategy. A focus on supporting and building the Town's business sector is essential for the future viability of the Town.	$101,250	$-	$101,250	$-
●			●	●	Economic Development Strategy and Tourism Plan review and update	★	A review of Council's Economic Development Strategy will be undertaken in the 2025 calendar year. Funding is required for community consultation and peer review.	$5,000	$-	$5,000	$-
							Subtotal	**$106,250**	**$-**	**$106,250**	**$-**

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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

Council has developed a Community Scorecard which is used both internally and externally to communicate to the community what Council is achieving and to what levels.
The Community Scorecard can be viewed at https://www.gawler.sa.gov.au/community-scorecard

The Community Scorecard discloses performance against Council activities aligned to the five pillars encapsulated within the Gawler Community Plan 2035.

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 2025-2026, the operating result is a small surplus of $246,000, which results in an operating ratio of 0.6%. The rolling five-year average operating ratio for Council, adjusted for the timing impact of the receipt of the Financial Assistance Grants is minus 3.2%.

While the five-year rolling average is outside the Councils target range, the 2025-2026 Budget has achieved the Audit & Risk Committees recommendation to deliver an operating surplus by 2025-2026 and is the first year reflecting Council's Financial Strategy, which supports our 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 2025-2026, it is anticipated that the Net Financial Liabilities Ratio will be 80.3%.

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.

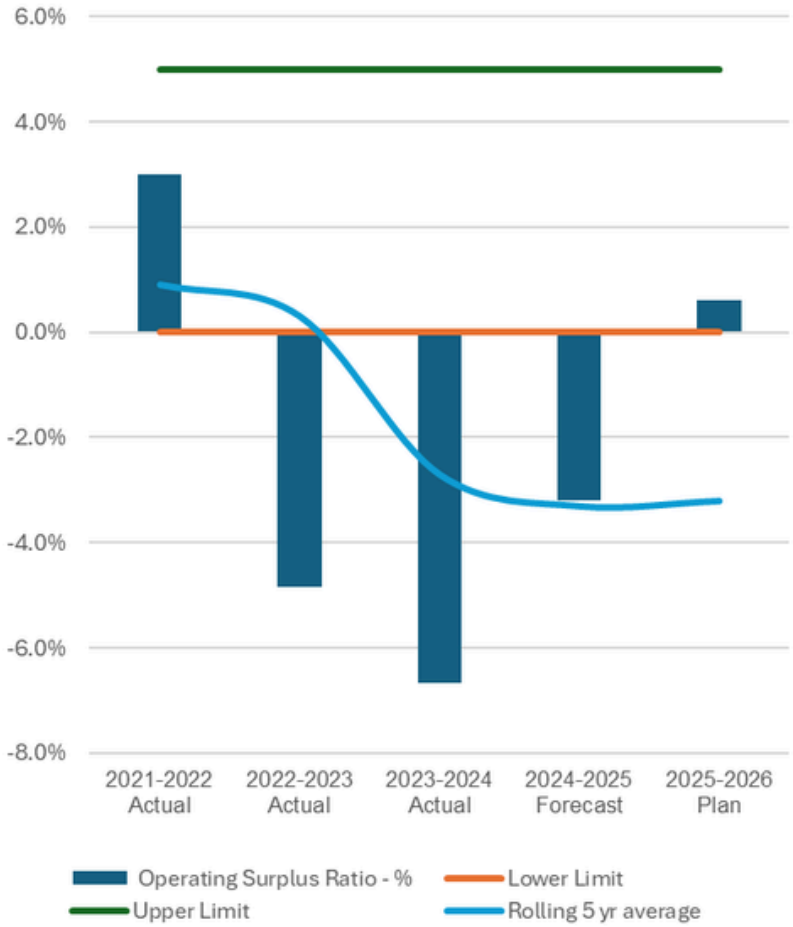
For the remainder of the Council term, Council's focus is on asset renewal, directing funds towards addressing the renewal backlog based on asset condition.

For 2025-2026, Council has planned to spend $7.805 million on asset renewal spend compared to the Asset Management Plan spend of $7.963 million (Asset Renewal Ratio of 98%). On the three-year rolling average, the Asset Renewal Funding Ratio is 96%.

FINANCIAL RATIOS

RESPONSIBLE BUDGET

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

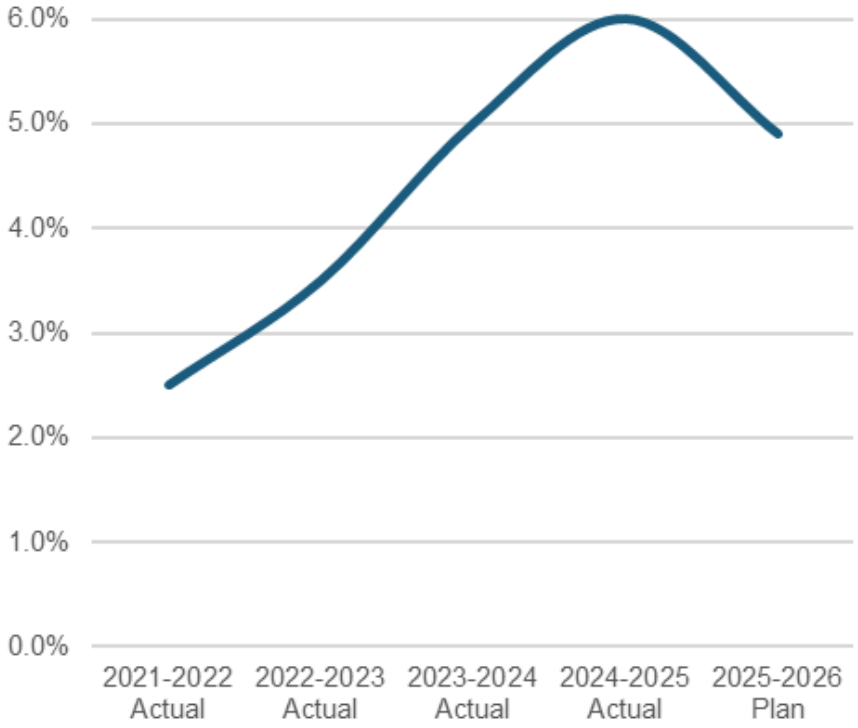


RATE STABILITY

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

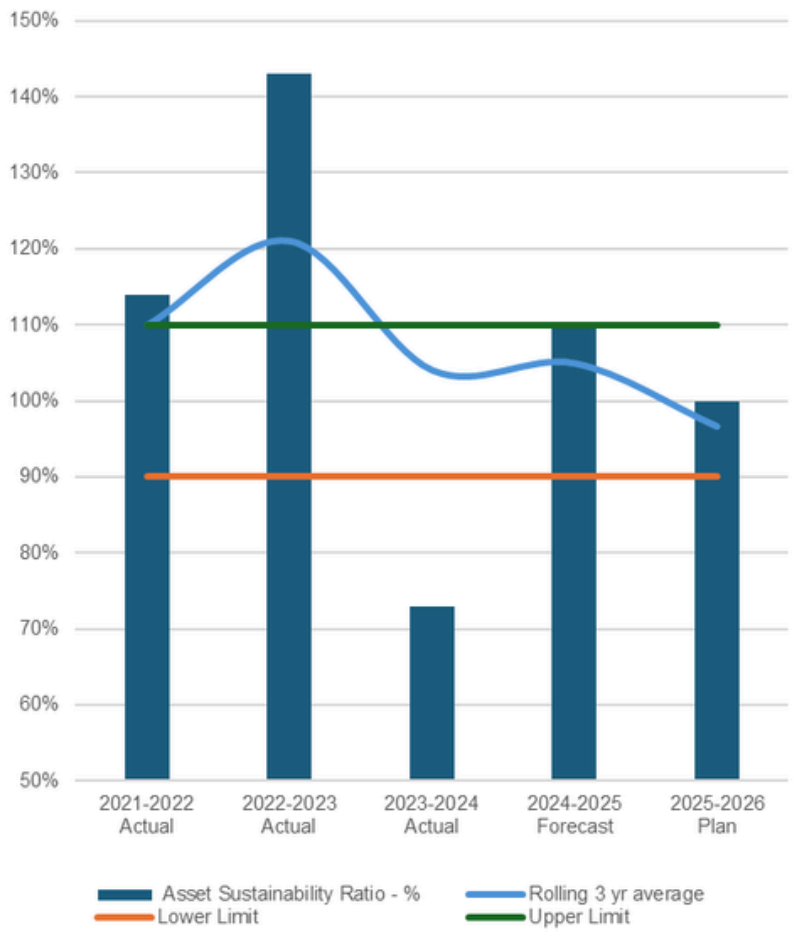
Rate revenue is a major component of the Council's revenue base. Council aims to align rate revenue increases with the cost of delivering essential services, support population growth and service levels through community infrastructure investments and ensure value for money for our community.

From 2024-2025, Council introduced a target range for rate revenue increases (excluding new development growth) to be between 4% and 6%.



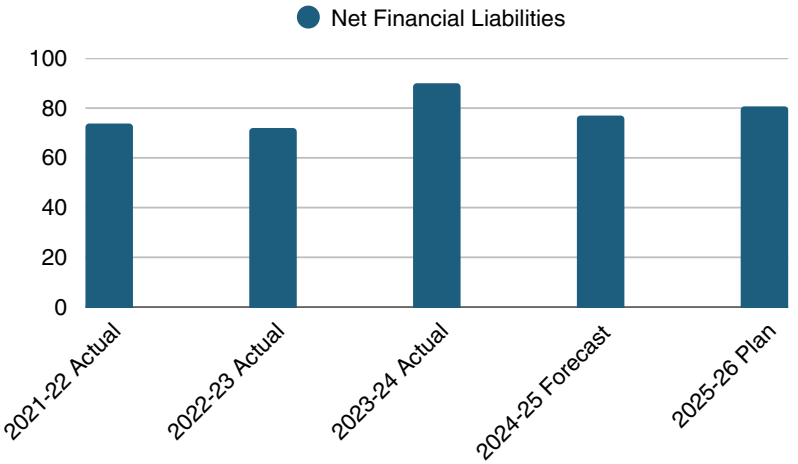
ASSET MANAGEMENT

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.

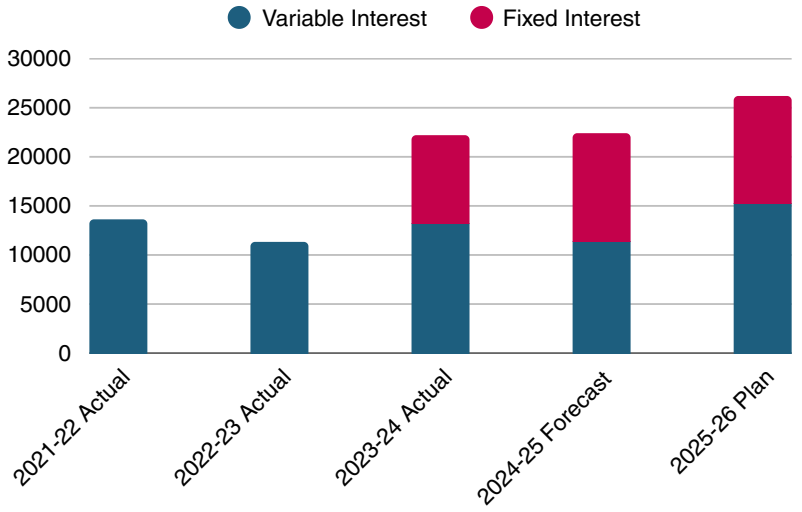


DEBT MANAGEMENT

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.



Cash Advance Facility - Outstanding Balance



APPENDIX 3

Financial Statements



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	Proposed 2025-2026	Forecast 2024-2025	Actual 2023-2024	Actual 2022-2023	Actual 2021-2022
	$'000	$'000	$'000	$'000	$'000
Income					
Rates	33,685	31,529	29,295	27,168	25,783
Statutory charges	1,090	980	933	886	960
User charges	1,773	1,16	2,104	2,111	1,820
Grants, subsidies and contributions	4,632	4,354	1,615	5,165	5,546
Investment income	55	100	390	275	28
Other income	185	245	584	581	643
Net gain joint ventures & associates	176	-	-	-	222
Total Income	**41,596**	**38,954**	**34,921**	**36,186**	**35,002**
Expenses					
Employee costs	15,163	14,624	13,636	14,670	11,483
Materials, contracts & other expenses	14,359	14,741	15,854	13,417	14,549
Finance costs	1,450	1,258	1,444	809	540
Depreciation, amortisation & impairment	10,267	9,551	8,828	8,240	6,739
Net loss Joint Ventures & Associates	111	225	192	120	43
Total Expenses	**41,350**	40,614	39,954	37,256	33,354
Operating Surplus (Deficit)	**246**	**(1,446)**	**(5,033)**	**(1,070)**	**1,648**
Net gain (loss) on disposal or revaluation of assets	-	-	(234)	(763)	(691)
Developer Contributions	2,010	811	-	-	-
Amounts specifically for new or upgraded assets	2,486	5503	4,761	2,034	1,874
Physical resources received free of charge	7,290	6,120	9,447	3,267	13,058
Net Surplus (Deficit) transferred to Equity Statement	**12,033**	**10,989**	**8,941**	**3,468**	**15,889**
Other Comprehensive Income					
Changes in revaluation Surplus- infrastructure, property, plant & equipment	18,447	19,039	30,776	15,501	46,169
Share of Other comprehensive Income - joint ventures and associates	-	-	195	-	-
Total Other Comprehensive Income	**18,447**	**19,039**	**30,971**	**15,501**	**46,169**
Total Comprehensive Income	**30,480**	**30,028**	**39,912**	**18,969**	**62,058**

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 2026

	Proposed 2025-2026	Forecast 2024-2025	Actual 2023-2024	Actual 2022-2023	Actual 2021-2022
	$'000	$'000	$'000	$'000	$'000
Assets					
Current Assets					
Cash and cash equivalents	100	100	398	117	954
Trade & other receivables	2,790	2,870	3,237	3,363	2,379
Financial Assets	27	20	15	15	19
Total Current Assets	**2,916**	**2,990**	**3,650**	**3,495**	**3,352**
Non-current Assets					
Financial Assets	86	93	115	129	177
Equity accounted investments in Council businesses	8,247	8,182	8,407	4,681	4,765
Infrastructure, Property, Plant & Equipment	501,571	467,964	433,888	393,428	372,939
Other Non-current Assets	-	-	4,910	4,070	3,093
Total Non-current Assets	**509,904**	**476,239**	**447,320**	**402,308**	**380,974**
Total Assets	**512,820**	**479,228**	**450,970**	**405,803**	**384,326**
Liabilities					
Current Liabilities					
Trade & Other Payables	7,277	6,134	9,619	12,890	7,356
Borrowings	-	901	1,761	4,796	1,209
Short-term Provisions	3,107	3,301	3,189	3,175	2,875
Total Current Liabilities	**10,384**	**10,335**	**14,569**	**20,861**	**11,440**
Non-current Liabilities					
Long-term Borrowings	25871	22,904	20,441	8,762	15,656
Long-term Provisions	142	48	48	166	198
Total Non-current Liabilities	**26,013**	**22,952**	**20,489**	**8,928**	**15,854**
Total Liabilities	**36,396**	**33,287**	**35,058**	**29,789**	**27,294**
Net Assets	**476,423**	**445,941**	**415,912**	**376,014**	**357,032**
Equity					
Accumulated Surplus	154,581	144,559	134,380	124,825	121,623
Asset Revaluation Reserve	315,646	297,199	278,160	247,384	231,883
Other reserves	6,196	4,186	3,372	3,804	3,502
Total Equity	**476,423**	**445,941**	**415,912**	**376,013**	**357,008**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

	Proposed 2025-2026	Forecast 2024-2025	Actual 2023-2024	Actual 2022-2023	Actual 2021-2022
	$'000	$'000	$'000	$'000	$'000
Accumulated Surplus					
Balance at end of previous reporting period	144,559	134,380	124,826	121,623	106,407
Net Surplus/ (Deficit) for year	12,033	10,989	8,941	3,468	15,889
Other comprehensive Income	-	-	195	-	-
Transfers to Reserve	(2,010)	(811)	432	(302)	(622)
Other Equity Adjustments	(65)	-	(3)		
Balance at end of period	**154,581**	**144,559**	**134,380**	**124,825**	**121,623**
Asset Revaluation Reserve					
Balance at end of previous reporting period	297,199	278,160	247,384	231,883	185,714
Gain on revaluation of infrastructure, property, plant & equipment	18,447	19,039	30,776	15,501	46,169
Balance at end of period	**315,646**	**297,199**	**278,160**	**247,384**	**231,883**
Reserves					
Balance at end of previous reporting period	4,186	3,372	3,804	3,502	2,880
Transfers to (from) Reserve	2,010	811	(432)	302	622
Balance at end of period	**6,196**	**4,186**	**3,372**	**3,804**	**3,502**
Total Equity at end of reporting period	**476,423**	**445,941**	**415,912**	**375,013**	**357,008**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2026

	Proposed 2025-2026	Forecast 2024-2025	Actual 2023-2024	Actual 2022-2023	Actual 2021-2022
	$'000	$'000	$'000	$'000	$'000
Cash Flow from Operating Activities					
Receipts					
Operating Receipts	41,445	39,221	34,829	39,970	34,439
Investment receipts	55	100	171	56	28
Payments					
Operating payments to suppliers and employees	(28,061)	(29,325)	(30,132)	(28,189)	(26,176)
Finance payments	(1,450)	(1,258)	(1,118)	(516)	(557)
Net Cash provided by (or used in) Operating Activities	**11,989**	**8,738**	**3,750**	**11,321**	**7,734**
Cash flow from Investing Activities					
Receipts					
Amounts specifically for new or upgraded assets	1,620	1276	1,778	1,230	4,103
Developer Contributions	2,010	811	-	-	-
Sale of replaced assets	-	200	206	7	192
Repayments of loans by community groups	-	23	14	6	28
Payments					
Expenditure on renewal/replacement of assets	(7,805)	(9,543)	(4,981)	(5,486)	(4,599)
Expenditure on new/upgraded assets	(10,329)	(3,667)	(8,974)	(5,744)	(3,886)
Net Cash provided by (or used in) Investing Activities	**(14,503)**	**(10,900)**	**(11,957)**	**(9,987)**	**(4,162)**
Cash Flow from Financing Activities					
Receipts					
Proceeds from Borrowings	2,967	2,463	8,690	-	-
Proceeds from Bonds & Deposits				1,143	46
Payments					
Repayments of Borrowings	(453)	(599)	-	(3,143)	(2,604)
Repayment of Lease liabilities			(202)	(171)	(149)
Net Cash provided by (or used in) Financing Activities	**2,514**	**1,864**	**8,494**	**(2,171)**	**(2,707)**
Net Increase (Decrease) in cash held	**0**	**(298)**	**281**	**(837)**	**968**
Cash & cash equivalents at beginning of period	100	398	117	954	89
Cash & cash equivalents at end of period	**100**	**100**	**398**	117	**954**

UNIFORM PRESENTATION OF FINANCES FOR YEAR ENDED 30 JUNE 2026

	Proposed 2025-2026	Forecast 2024-2025	Actual 2023-2024	Actual 2022-2023	Actual 2021-2022
	$'000	$'000	$'000	$'000	$'000
Income	41,596	38,954	34,921	36,186	35,002
Less Expenses	(41,350)	(40,399)	(39,954)	(37,256)	(33,354)
Operating Surplus (Deficit)	**246**	**(1,446)**	**(5,033)**	**(1,070)**	**1,648**
Less Net Outlays on Existing Assets					
Capital Expenditure on renewal and replacement of Existing Assets	7,805	9,543	4,981	5,486	4,599
Depreciation, Amortisation and Impairment	(10,267)	(9,551)	(8,828)	(8,240)	(6,739)
less Amounts received specifically for Renewal and Replacement of Assets	666	-	-	-	-
Proceeds from Sale of Replaced Assets	-	(200)	(206)	(7)	(192)
	(2,462)	**(208)**	**(4,053)**	**(2,761)**	**(2,332)**
Less Net Outlays on New and Upgraded Assets					
Capital Expenditure on New and Upgraded Assets	10,329	3,667	8,974	5,744	3,886
Amounts received specifically for New and Upgraded Assets	(1,620)	(1,276)	(1,778)	(1,230)	(4,103)
	8,709	**2,391**	**7,196**	**4,514**	**(217)**
Net Lending / (Borrowing) for Financial Year	**(6,000)**	**(3,629)**	**(8,176)**	**(2,823)**	**4,197**

FINANCIAL INDICATORS

	Proposed 2025-2026	Proposed 2025-2026	Forecast 2024-2025	Actual 2023-2024	Actual 2022-2023	Actual 2021-2022
Operating Ratio	**$'000**					
Operating Surplus/(Deficit)	**246**	**0.6%**	**(3.7%)**	**(14.4%)**	**2.3%**	**4.7%**
Operating Revenue	**41,596**					
This ratio expresses the operating result as a percentage of total operating revenue.						
Net Financial Liabilities Ratio						
Net Financial Liabilities	**33,414**	**80.3**	**77.6%**	**89.6%**	**72.3%**	**67.9%**
Total Operating Revenue	**41,596**					
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.						
Asset Sustainability Ratio						
Net Asset Renewals	**7,805**	**98%**	**79%**	**73%**	**143%**	**114%**
Asset Management Plan	**7,963**					
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		**96%**	**112%**	**104%**	**121%**	**110%**

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 property values across the Town have increased by 19.9%. 0.9% 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 Section 3.2.1.1 of 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:

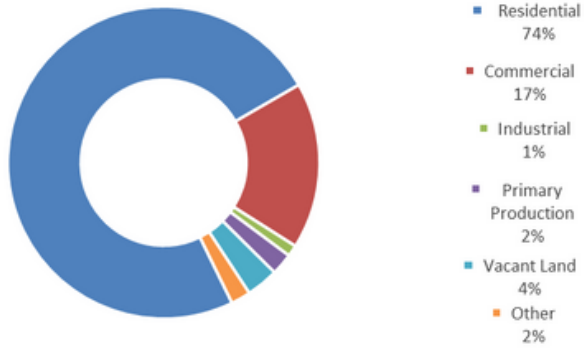
(a) A differential rate of 120% above the base general rate will apply on all vacant land properties as a disincentive towards land banking.

(b) A differential rate loading of 197% 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



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 $1,266. The minimum rate will be applied to 1,145 (9%) of all rateable properties.

RATING STRATEGY

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 2025-2026, a separate rate of 0.053215 cents in the dollar will be levied on properties within the Town Centre zone. A separate rate of 0.023347 cents 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 2025-2026, Council will collect $638,048 via a separate rate of 0.008455 cents in the dollar, applicable to all rateable properties.

Gawler East Development Area Separate Rates
In accordance with Clause 3.3.5 of 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 2025-2026, Council will levy a Gawler East Development Area Separate Rates to the value of $22.8 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 at www.gawler.sa.gov.au

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 2025-2026 is $253 upon receipt of final valuation data.

PROPOSED RATE INCREASE FOR 2025-2026

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 $1.766 million, with $1.452 million being collected from existing ratepayers and $0.314 million from new development.

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 $93 (4.8%) per annum.

RATING STRATEGY

Fo the commercial sector, the average annual increase is $604 (6.4%) per annum. Council may apply a tiered adjustment for commercial and industrial properties, based on various property valuation ranges as set out below. The average annual increase for commercial property after the tired rate remission is $314 (4.8%)

Property Valuation	S158 Adjustment
0 - $499,999	41.9%
$500,000 - $749,999	36.7%
$750,000 - $999,999	31.4%
$1 million - $1.499 million	20.9%
$1.5 million - $1.999 million	10.3%
$2 million - $4.999 million	Nil
> $5 million	Nil

Withholding of Discretionary Rate Remissions for Commercial Properties in a State of Neglect
Introduced in the 2015-2016 financial year, Council may continue to withhold rate adjustments made pursuant to Section 158 of the Act for Commercial properties in the Town Centre determined to be in a state of neglect and detracting significantly from the amenity of the locality. In making any such determination Council will have regard to the following considerations:

a) The features which establish the amenity of the locality in which the property is situated.
b) The aspects of the amenity of the locality which Council seeks to preserve or encourage.
c) The reasons why the particular property significantly detracts from the amenity of the locality
d) Any other matters Council considers relevant, including comment from affected property owners if provided.

The value of discretionary rate rebates withheld are retained in a Property Improvement Reserve Fund. The money in the Fund will be made available to property owners or businesses (including those contributing rebates) in the Town Centre for improving the appearance of their premises.

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 www.gawler.sa.gov.au

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.

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.

Alternative Payment Arrangements
Ratepayers who may, or are likely to, experience difficulty with meeting the standard rate payment cycle are encouraged to contact Council on (08) 8522 9211 to discuss options for alternative payment arrangements. Such enquiries are treated confidentially.

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 at www.gawler.sa.gov.au

	2024-25	2025-26	Change	Comments
Rates Revenue				
General Rates Revenue				
General Rates (existing properties)	$29,630,332	$31,082,218	4.9%	To continue to provide the services and programs required and expected by the community, an additional $1.781 million in rates is required, with $1.481 million (5%) being collected from existing ratepayers and $0.3m (1%) from new development.
General Rates (new properties)	$ -	$314,167		
General Rates (GROSS)	**$29,630,332**	**$31,396,385**	**6.0%**	
Less Mandatory Rebates	($601,000)	($628,000)		Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories: • Health Services - 100 per cent • Religious purposes - 100 per cent • Public Cemeteries - 100 per cent • Royal Zoological Society of SA – 100% • Community Services - 75 per cent • 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)	$29,029,332	$30,768,385	6.0%	
Other Rates (inc. service charges)				
Regional Landscape Levy	$640,322	$638,000		*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. Funds collected are not retained** by Council.
Waste Collection	$2,875,440	$3,050,000		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	$205,401	$205,000		The Council has determined to levy a Business Development and Marketing Separate rate, which is used to fund the operations Gawler Business Development Group, for the purpose of promoting & developing business within the Town of Gawler
	$32,755,142	$34,702,371		
Less; Discretionary Rebates	$1,295,587	$1,091,233		A council may grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base
Total Rates Revenue	$30,819,233	$32,973,138	7.0%	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 Relateable Properties	12,682	12,754	0.7%	Pursuant to reg 6(2) of the Local Government (Financial Management) Regulations 2011, 'growth' refers to the addition of new rateable properties. This can lead to increased infrastructure, services, and program expenditures to support these properties and residents.
Average General Rates per rateable property				
Average per rateable property	$2,335	$2,462	5.4%	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.

	Total Rate revenue			No. of rateable properties		Average per rateable property			Cents in the $
	2024-25	2025-26	Change	2024-25	2025-26	2024-25	2025-26	Change	2025-26
Residential	$21,847,752	**$23,192,326**	6.2%	**11,255**	**11,460**	$1,931	**$2,021**	$93	**0.3517**
Commercial - Shop	$2,841,140	**$2,912,263**	2.5%	**285**	**283**	$10,020	**$10,344**	$270	**1.0440**
Commercial - Office	$394,170	**$430,979**	9.3%	**62**	**61**	$6,553	**$7,102**	$513	**1.0440**
Commercial - Other	$2,202,340	**$2,341,924**	6.3%	**235**	**225**	$9,372	**$10,462**	$1,037	**1.0440**
Industry - Light	$198,867	**$211,785**	6.5%	**42**	**40**	$4,735	**$5,322**	$560	**1.0440**
Industry - Other	$129,523	**$158,055**	22.0%	**19**	**22**	$6,817	**$7,222**	$367	**1.0440**
Primary Production	$728,313	**$697,157**	-4.3%	**275**	**263**	$2,675	**$2,647**	-$25	**0.3517**
Vacant Land	$815,646	**$919,225**	12.7%	**432**	**324**	$1,906	**$2,834**	$931	**0.7737**
Other	$472,581	**$532,672**	12.7%	**77**	**76**	$6,903	**$7,000**	$105	**0.3517**
Total Land Use	**$29,630,332**	**31,396,385**	**6.0%**	**12,682**	**12,754**	**$2,335**	**$2,462**	$126	

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.

The *Local Government Act 1999* allows for Council to apply differential rates. The Town of Gawler applies a differential rating system based on land use, where Commercial and Industrial land uses have a cent-in-the- dollar 197% higher than the General rate. Vacant land has a cent-in-the-dollar 120% higher than the General rate.

	2025-26 No. of properties	% of total rateable properties		2024-25	2025-26	Change
Minimum Rate	**1,145**	**9.0%**		**$1,207**	**$1,266**	**$59**

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.

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

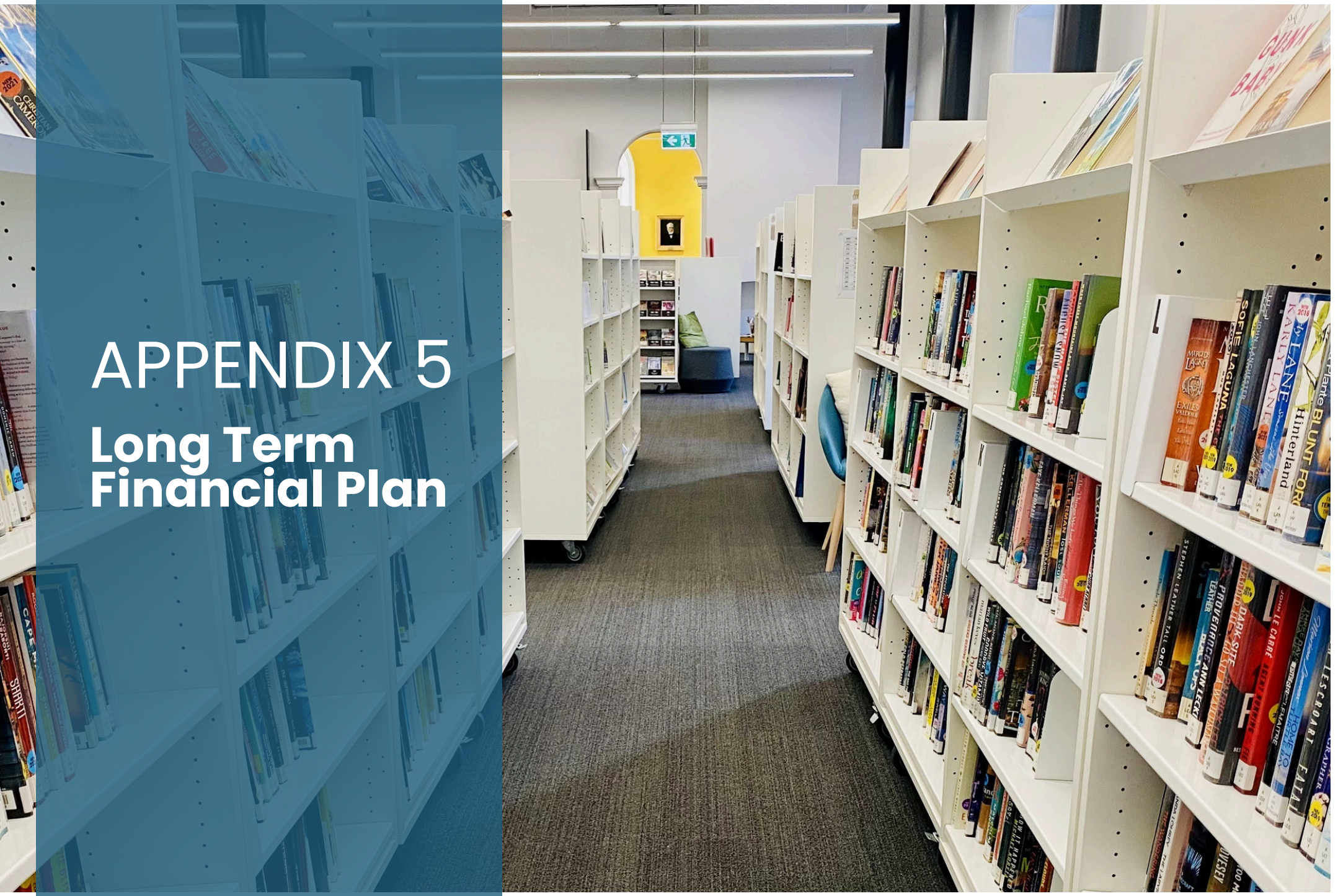
Adopted valuation method

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.
(Note: Site Value ceased being an option to value land from 1 Sept 2023.

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

	2024/25	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	$'000
	Forecast	Draft Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Income											
Rates	31,529	33,685	36,058	38,557	41,274	43,898	46,323	48,865	51,550	54,364	56,820
Statutory Charges	980	1,090	1,123	1,158	1,193	1,228	1,261	1,295	1,331	1,367	1,404
User Charges	1,716	1,773	1,831	1,887	1,944	2,004	2,058	2,113	2,170	2,228	2,288
Grants, Subsidies and Contributions	4,353	4,632	4,579	4,730	4,853	4,980	5,094	5,211	5,331	5,454	5,580
Investment Income	100	55	54	67	67	73	43	76	61	77	74
Reimbursements	245	172	175	178	182	185	189	192	196	200	204
Other Income	31	13	13	14	14	15	15	16	16	16	17
Total Income	**38,954**	**41,596**	**43,834**	**46,591**	**49,528**	**52,382**	**54,983**	**57,768**	**60,654**	**63,706**	**66,386**
Expenses											
Employee Costs	14,624	15,163	16,071	16,636	17,299	17,979	18,585	18,942	19,307	19,679	20,060
Materials, Contracts & Other Expenses	14,741	14,359	14,707	15,510	16,949	17,879	18,885	19,397	20,263	20,873	21,538
Depreciation, Amortisation & Impairment	9,551	10,267	10,920	11,502	12,187	12,825	13,471	14,029	14,642	15,205	15,787
Finance Costs	1,258	1,450	1,328	1,391	1,565	1,468	1,468	1,468	1,468	1,424	1,248
Net loss - Equity Accounted Council Businesses	225	111	0	0	0	0	0	0	-	-	-
Total Expenses	**40,399**	**41,350**	**43,026**	**45,038**	**48,000**	**50,152**	**52,409**	**53,836**	**55,680**	**57,181**	**58,632**
Operating Surplus / (Deficit)	**(1,446)**	**246**	**809**	**1,533**	**1,527**	**2,230**	**2,573**	**3,932**	**4,974**	**6,525**	**7,754**
Developer Contributions	811	2010	1872	1,912	2,378	2,458	2,250	2,318	2,450	2,524	2,603
Amounts Received Specifically for New or Upgraded Assets	5,503	2,486	1,062	1,582	1,124	1,643	2,119	1,263	238	838	838
Physical Resources Received Free of Charge	6,120	7,290	6,687	5,980	5,499	4,317	4,186	4,182	4,177	4,173	4,168
Net Surplus / (Deficit)	**10,989**	**12,033**	**10,428**	**11,027**	**10,527**	**10,648**	**11,128**	**11,694**	**11,839**	**14,059**	**15,362**
Other Comprehensive Income											
Changes in Revaluation Surplus - I,PP&E	19,039	18,447	15,185	16,194	16,613	18,552	19,552	20,662	21,867	23,257	24,664
Total Other Comprehensive Income	**19,039**	**18,447**	**15,185**	**16,194**	**16,613**	**18,552**	**19,552**	**20,662**	**21,867**	**23,257**	**24,664**
Total Comprehensive Income	**30,028**	**30,480**	**25,614**	**27,221**	**27,140**	**29,200**	**30,650**	**32,356**	**33,706**	**37,316**	**40,026**

STATEMENT OF FINANCIAL POSITION

10 Year Financial Plan for the Years ending 30 June 2035

	2024/25	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	$'000
ASSETS											
Current Assets											
Cash & Cash Equivalents	100	100	433	429	597	(189)	748	355	885	748	971
Trade & Other Receivables	2,870	2,790	3,377	3,622	3,888	4,143	4,379	4,626	4,888	5,162	5,398
Inventories	20	20	20	20	20	20	20	20	20	20	20
Total Current Assets	**2,990**	**2,916**	**3,830**	**4,071**	**4,504**	**3,973**	**5,147**	**5,001**	**5,792**	**5,930**	**6,389**
Non-Current Assets											
Financial Assets	93	86	71	71	71	71	71	71	71	71	71
Equity Accounted Investments in Council Businesses	8,182	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247
Infrastructure, Property, Plant & Equipment	467,964	501,571	526,778	557,683	587,078	617,307	647,296	680,068	712,391	745,880	780,781
Total Non-Current Assets	**476,239**	**509,904**	**535,096**	**566,001**	**595,396**	**625,625**	**655,614**	**688,068**	**720,708**	**754,197**	**789,099**
TOTAL ASSETS	**479,228**	**512,820**	**538,926**	**570,071**	**599,900**	**629,598**	**660,761**	**693,387**	**726,501**	**760,128**	**795,488**
LIABILITIES											
Current Liabilities											
Trade & Other Payables	6,134	7,277	5,596	5,902	6,449	6,803	7,186	7,380	7,710	7,942	8,195
Borrowings	901	0	0	0	0	0	0	0	0	0	0
Provisions	3,301	3,107	3,134	3,244	3,373	3,506	3,624	3,694	3,765	3,837	3,912
Total Current Liabilities	**10,335**	**10,384**	**8,730**	**9,145**	**9,822**	**10,309**	**10,810**	**11,074**	**11,475**	**11,779**	**12,107**
Non-Current Liabilities											
Borrowings	22,904	25,871	27,871	31,371	33,371	33,371	33,371	33,371	32,371	28,371	23,371
Provisions	48	142	288	298	310	322	333	339	346	353	359
Total Non-Current Liabilities	**22,952**	**26,013**	**28,158**	**31,669**	**33,680**	**33,693**	**33,704**	**33,710**	**32,716**	**28,723**	**23,730**
TOTAL LIABILITIES	**33,287**	**36,396**	**36,888**	**40,814**	**43,503**	**44,001**	**44,513**	**44,784**	**44,191**	**40,503**	**35,837**
Net Assets	**446,941**	**476,423**	**502,037**	**529,257**	**556,398**	**585,597**	**616,247**	**648,603**	**682,309**	**719,625**	**759,651**
EQUITY											
Accumulated Surplus	144,559	154,581	163,138	172,253	180,402	188,592	197,470	206,846	216,235	227,770	240,529
Asset Revaluation Reserves	297,199	315,646	330,831	347,025	363,638	682,190	401,712	422,374	444,241	467,498	492,162
Other Reserves	4,183	6,196	8,067	9,979	12,357	14,815	17,065	19,383	21,833	24,357	36,960
Total Equity	**445,941**	**476,423**	**502,037**	**529,257**	**556,398**	**585,597**	**616,247**	**648,603**	**682,309**	**719,625**	**759,651**

CASHFLOW STATEMENT

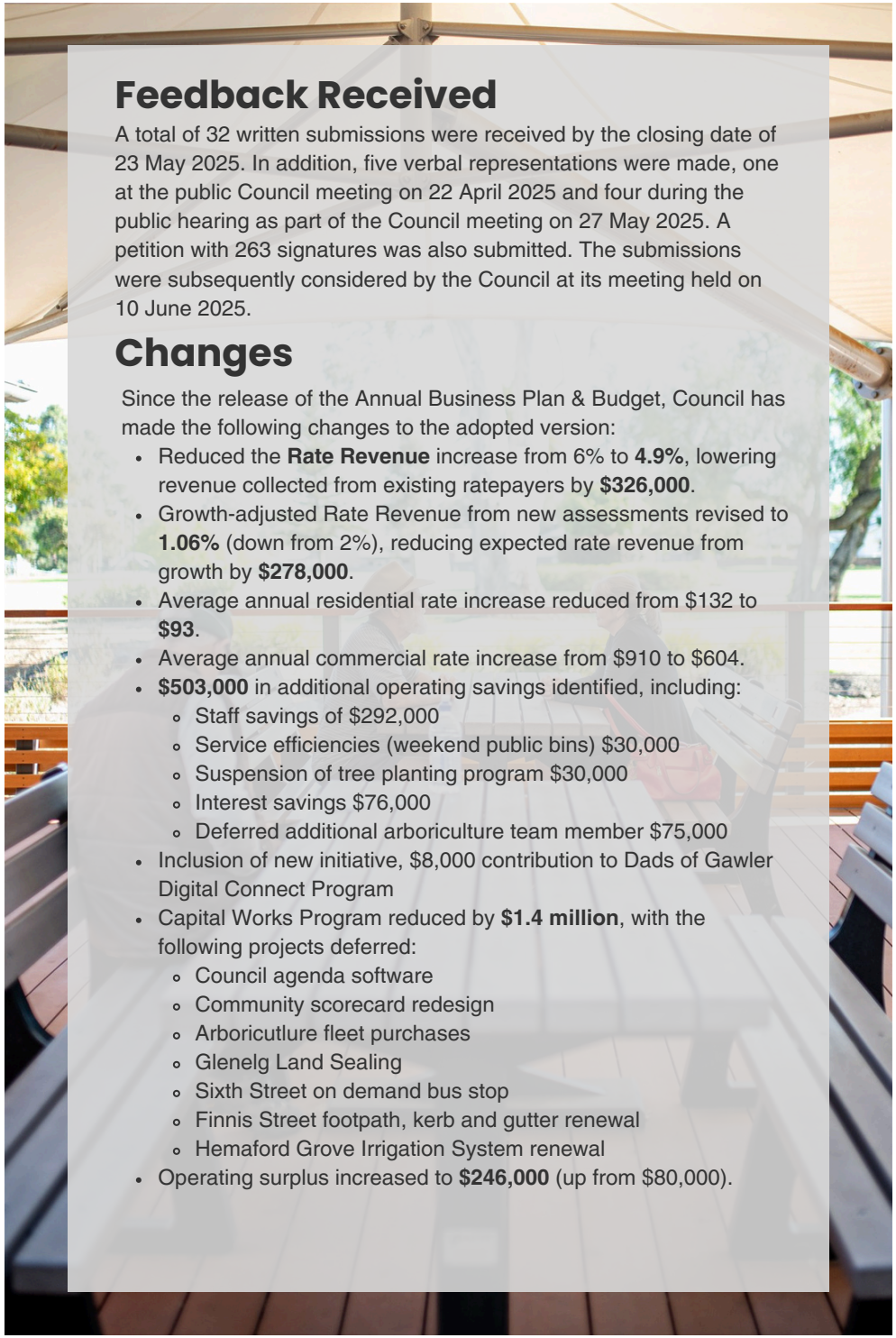
10 Year Financial Plan for the Years ending 30 June 2035

	2024/25	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	$'000
Cash Flows from Operating Activities											
Receipts:											
Operating Receipts	39,221	41,445	43,193	46,279	49,195	52,054	54,704	57,444	60,332	63,354	66,077
Investment Receipts	100	55	54	67	67	73	43	76	61	77	74
Payments:											
Operating payments to suppliers and employees	(29,325)	(28,061)	(30,467)	(31,827)	(33,921)	(35,523)	(37,128)	(37,990)	(39,213)	(40,188)	(41,226)
Finance Payments	(1,258)	(1,450)	(1,328)	(1,391)	(1,565)	(1,468)	(1,468)	(1,468)	(1,468)	(1,424)	(1,248)
Net Cash provided (or used in) Operating Activities	**8,738**	**11,989**	**11,452**	**13,129**	**13,775**	**15,135**	**16,150**	**18,062**	**19,71**	**21,819**	**23,676**
Cash Flows from Investing Activities											
Receipts:											
Amounts Received Specifically for New/Upgraded Assets	1,276	1,620	1,062	1,582	1,124	1,643	2,119	1,263	238	838	838
Developer Contributions	811	2,010	1,872	1,912	2,378	2,458	2,250	2,318	2,450	2,524	2,603
Sale of Replaced Assets	200	0	74	157	86	280	280	50	50	50	0
Repayments of Loans by Community Groups	23	0	22	0	0	0	0	0	0	0	0
Payments:											
Expenditure on Renewal/Replacement of Assets	(9,543)	(7,805)	(8,526)	(10,276)	(9,281)	(9,656)	(10,299)	(10,296)	(8,991)	(9,533)	(9,299
Expenditure on New/Upgraded Assets	(3,667)	(10,329)	(7,622)	(10,008)	(9,914)	(10,646)	(9,563)	(11,790)	(11,929)	(11,834)	(12,594)
Net Cash provided (or used in) Investing Activities	**(10,900)**	**(14,503)**	**(13,199)**	**(16,633)**	**(15,607)**	**(15,922)**	**(15,213)**	**(18,455)**	**(18,182)**	**(17,956)**	**(18,452)**
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings	2,463	2,967	2,000	3,500	2,000	0	0	0	0	0	0
Payments:											
Repayments of Borrowings	(599)	(453)	0	0	0	0	0	0	(2,500)	(7,000)	(9,000)
Net Cash Flow provided (used in) Financing Activities	**1,864**	**2,514**	**2,000**	**3,500**	**2,000**	**0**	**0**	**0**	**(1,000)**	**(4,000)**	**(5,000)**
Net Increase/(Decrease) in Cash & Cash Equivalents	**(298)**	**0**	**333**	**(4)**	**168**	**(786)**	**938**	**(393)**	**529**	**(137)**	**223**
Opening Cash & Cash Equivalents	398	100	100	433	429	597	(189)	748	355	885	748
Closing Cash & Cash Equivalents	**100**	**100**	**433**	**429**	**597**	**(189)**	**748**	**355**	**885**	**748**	**971**

FINANCIAL RATIOS

10 Year Financial Plan for the Years ending 30 June 2035

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Surplus Ratio											
Operating Surplus/(Deficit)	(3.7%)	0.6%	1.8%	3.3%	3.1%	4.3%	4.7%	6.8%	8.2%	10.2%	11.7%
Total Operating Revenue											
5 year rolling average	(3.6%)	(3.1%)	(3.3%)	(1.9%)	1.2%	2.7%	3.5%	4.5%	5.5%	7.0%	8.5%
Net Financial Liabilities Ratio											
Net Financial Liabilities	77.6%	80.3%	75.3%	78.8%	78.6%	76.3%	71.5%	68.8%	63.2%	54.2%	44.3%
Total Operating Revenue											
Borrowing Ratio											
Borrowings	78%	79%	80%	84%	83%	78%	74%	70%	64%	53%	42%
Rate Revenue											
Asset Sustainability Ratio											
Net Asset Renewals	79%	98%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Asset Management Plan											
3 year rolling average	112%	96%	100%	100%	100%	100%	100%	100%	100%	100%	100%



Feedback Received

A total of 32 written submissions were received by the closing date of 23 May 2025. In addition, five verbal representations were made, one at the public Council meeting on 22 April 2025 and four during the public hearing as part of the Council meeting on 27 May 2025. A petition with 263 signatures was also submitted. The submissions were subsequently considered by the Council at its meeting held on 10 June 2025.

Changes

Since the release of the Annual Business Plan & Budget, Council has made the following changes to the adopted version:

- Reduced the **Rate Revenue** increase from 6% to **4.9%**, lowering revenue collected from existing ratepayers by **$326,000**.
- Growth-adjusted Rate Revenue from new assessments revised to **1.06%** (down from 2%), reducing expected rate revenue from growth by **$278,000**.
- Average annual residential rate increase reduced from $132 to **$93**.
- Average annual commercial rate increase from $910 to $604.
- **$503,000** in additional operating savings identified, including:
  - Staff savings of $292,000
  - Service efficiencies (weekend public bins) $30,000
  - Suspension of tree planting program $30,000
  - Interest savings $76,000
  - Deferred additional arboriculture team member $75,000
- Inclusion of new initiative, $8,000 contribution to Dads of Gawler Digital Connect Program
- Capital Works Program reduced by **$1.4 million**, with the following projects deferred:
  - Council agenda software
  - Community scorecard redesign
  - Arboricutlure fleet purchases
  - Glenelg Land Sealing
  - Sixth Street on demand bus stop
  - Finnis Street footpath, kerb and gutter renewal
  - Hemaford Grove Irrigation System renewal
- Operating surplus increased to **$246,000** (up from $80,000).

Gawler

COMMUNITY ENGAGEMENT AND AMENDMENTS TO THE ANNUAL BUSINESS PLAN & BUDGET

Pursuant to the Local Government Act 1999, the Council undertook community consultation on the 2025-2026 Draft Annual Business Plan & Budget

A Public Notice was published in the Bunyip on 30 April 2025, advising the community that Council's Draft Annual Business Plan was available for comment. The consultation period opened on 28 April 2025, with written feedback to be received by 23 May 2025.

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 Open Forum

In-person feedback was accepted at the Ordinary Council Meeting on Tuesday 27 May 2025 as part of the Public Hearing (a minimum of one hour was allocated for verbal submissions).

Promotion of the Community Consultation also included:

- Statutory Public Notice in the Bunyip Newspaper – 30 April 2025
- Town of Gawler E-News newsletter – 9 May 2025
- Designated community engagement Your-Voice page
- Social Media posts via Facebook, LinkedIn and Instagram
  - Facebook: 3 posts, 13 stories and 13 videos with the CEO - theme #GawlerEngagement
  - Instagram: 1 video reel and 1 story
  - LinkedIn: 1 post
- Double Page spread in the Bunyip Newspaper – 21 May 2025
- Media release – 24 April 2025
- Entry Location banners

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

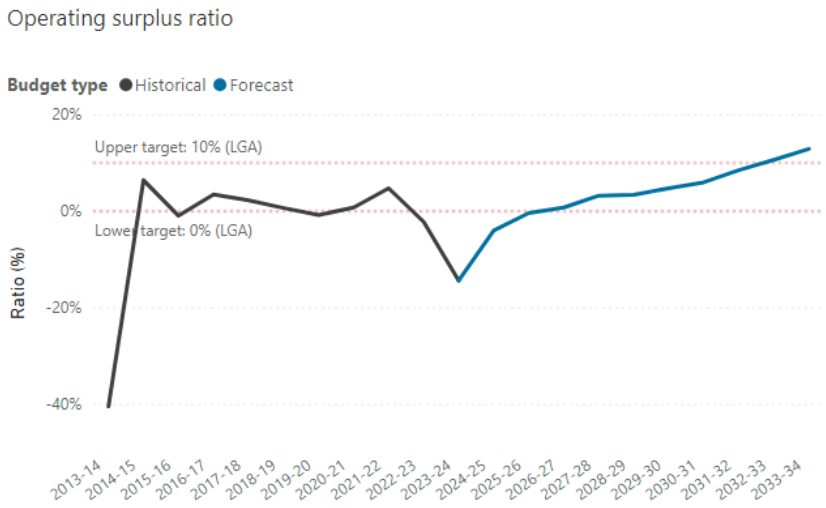
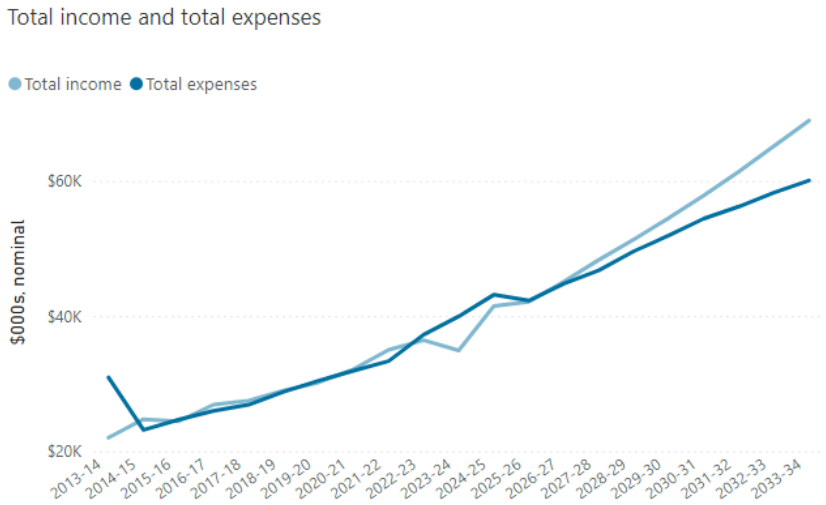


Figure 2: Total income and expenses – historical and forecast



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

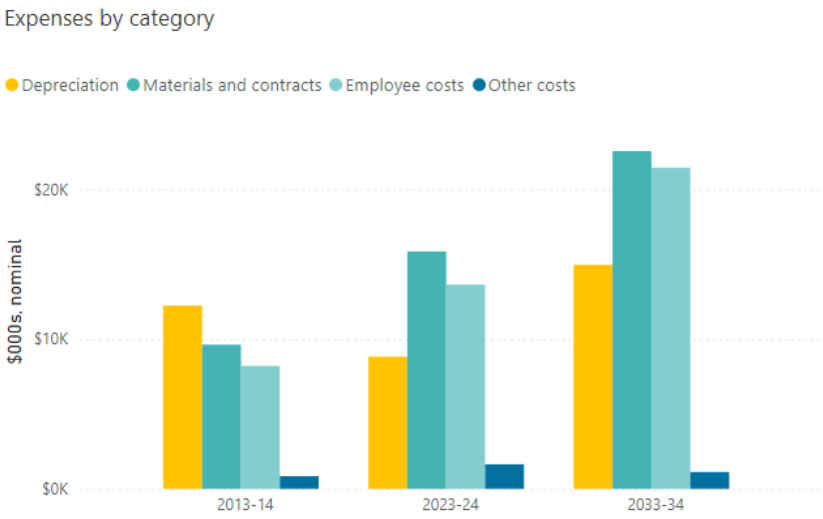
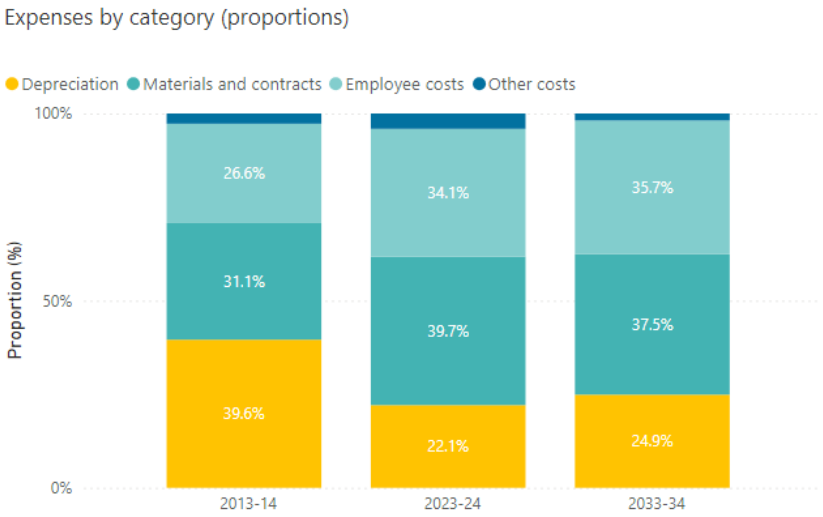


Figure 4: Expenses by category - proportions

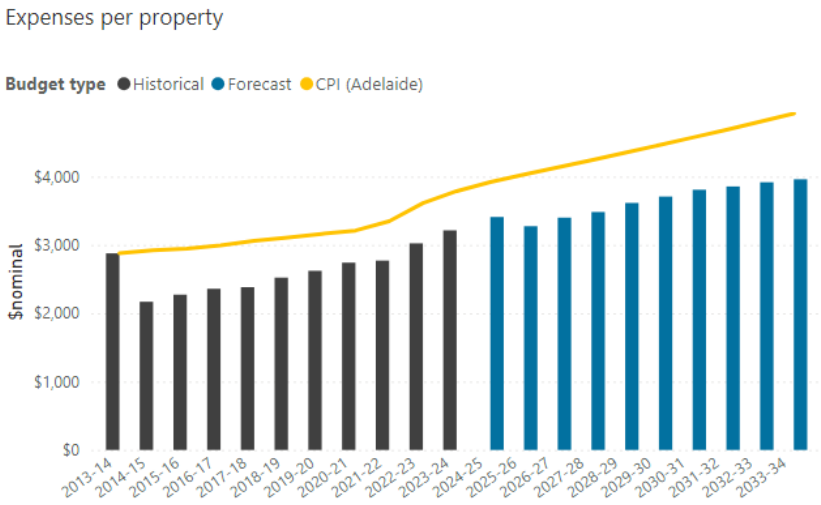


Over the forecast period (from 2024-25 to 2033-34), the Council projects 3.7 percent annual average expense growth, which is lower than the annual average growth of 6.1 percent in the 10 years to 2022-23, however is higher than the RBA-based forecast inflation growth of 2.6 percent per annum.[52] The 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

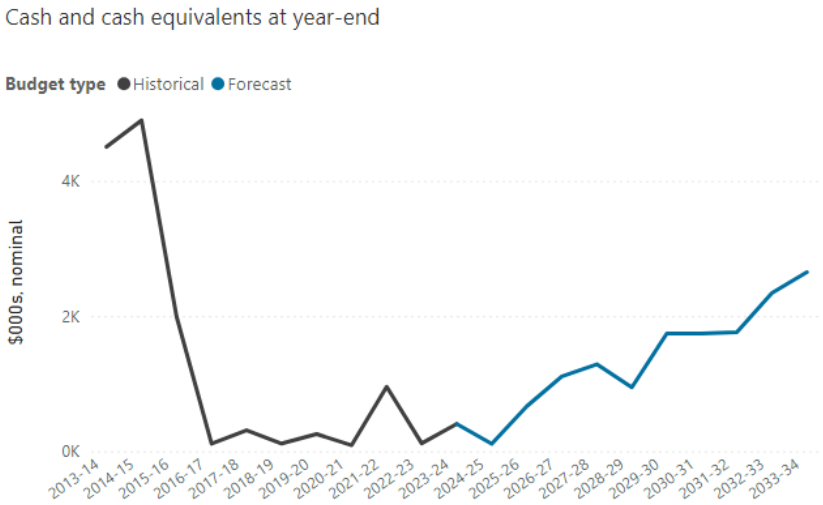
5.2.1 Key points

- 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.

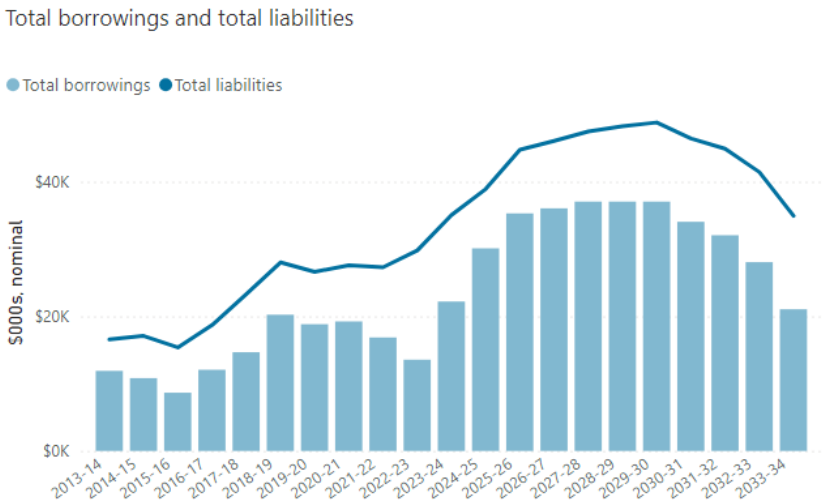
Figure 6: Cash and cash equivalents at year end – historical and forecast



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

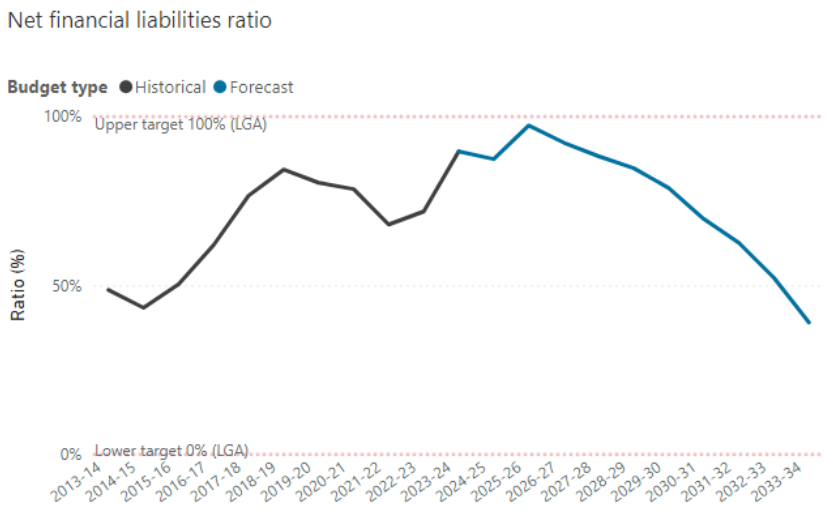
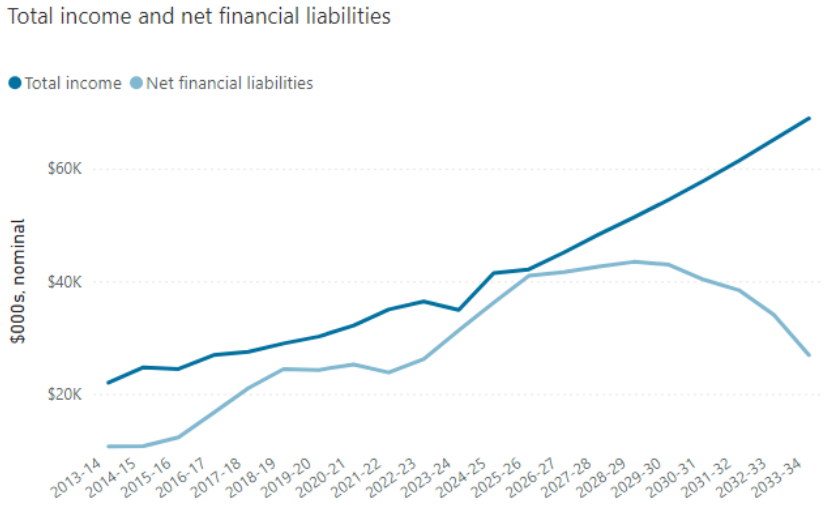


Figure 9: Total income and net financial liabilities – historical and forecast



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.

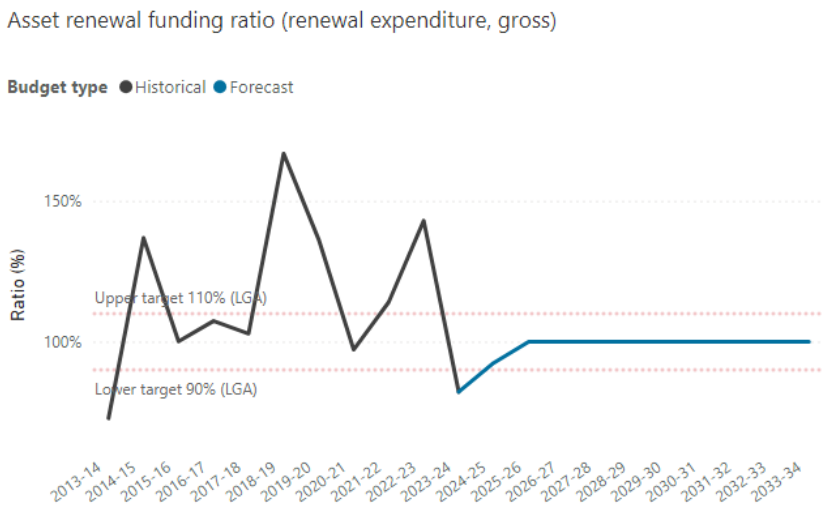
5.3 Asset renewals expenditure

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

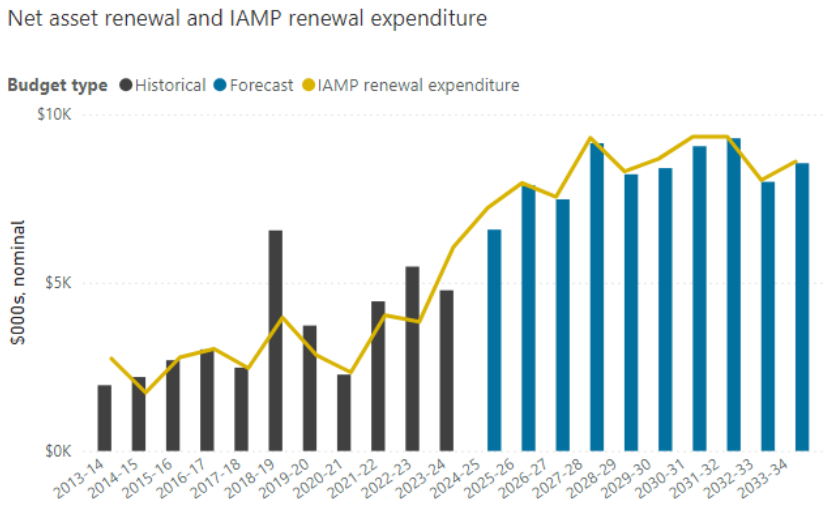
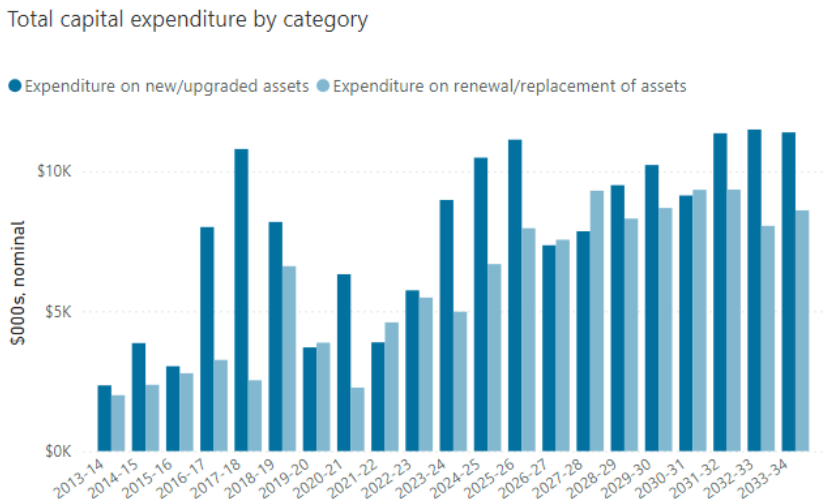


Figure 12: Total capital expenditure by category – historical and projected



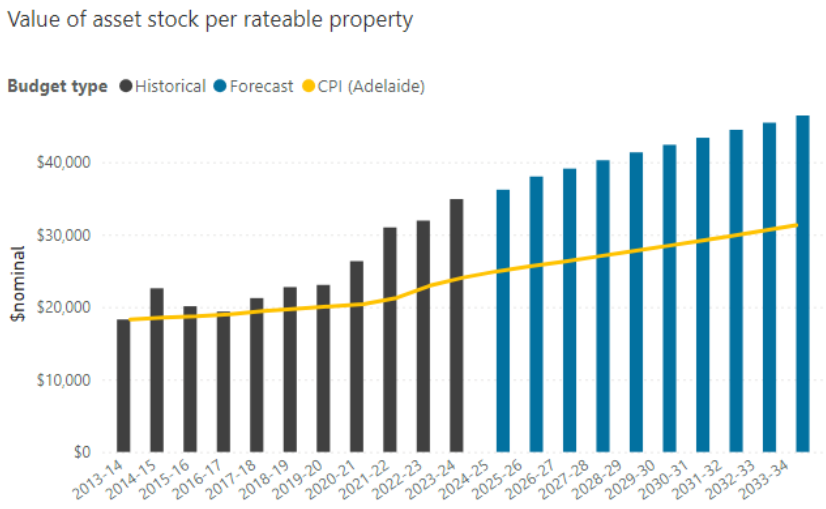
[67] The Council's target for the ARFR is between 90.0 percent and 110.0 percent over a rolling three-year average. Town of Gawler, *Long-Term Financial Plan 2025-2035*, November 2024, p. 25.

[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'.

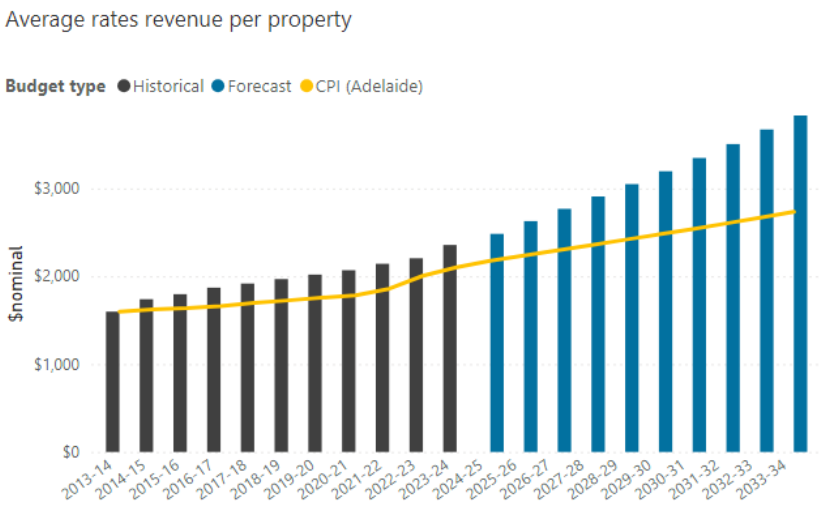
[71] The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent)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



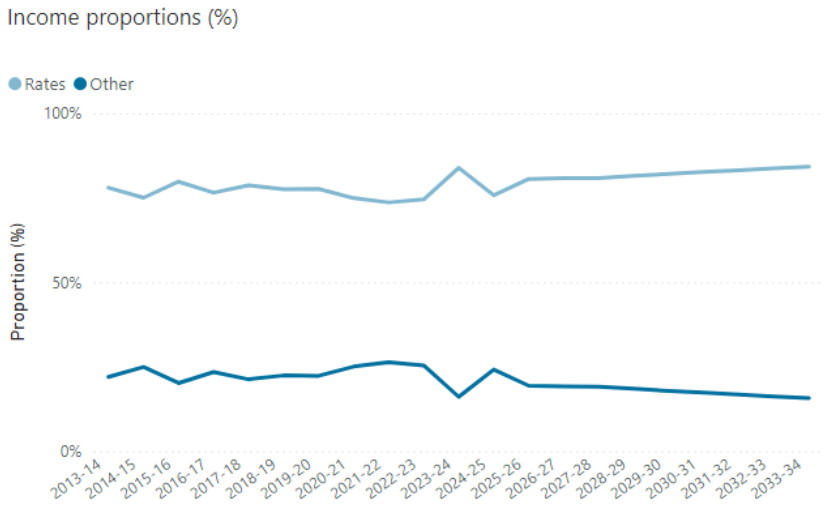
6.2 Historical rates growth

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

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Additional sites of operation include:

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89-91 Murray Street, Gawler SA 5118
08 8522 9267

Gawler Aquatic Centre
Victoria Terrace
08 8522 2034

Gawler Sport & Community Centre
7 Nixon Terrace, Gawler SA 5117
08 8522 9203