AUDIT AND RISK COMMITTEE

NOTICE OF MEETING

To: **Presiding Member** Pamela Lee

Members

David Moffatt
Natalie Simmons
Cr Richard Gladigau
Cr Malcolm Herrmann

Notice is hereby given pursuant to the provisions under Section 87 of the *Local Government Act 1999* that the next meeting of the Audit and Risk Committee will be held on:

Monday 16 February 2026
6:00pm
63 Mt Barker Road, Stirling

A copy of the Agenda for this meeting is supplied under Section 87 of the Act.

Committee meetings are open to the public and members of the community are welcome to attend.

A Public notice of the Agenda for this meeting is supplied under Section 88 of the Act.

Greg Georgopoulos
Chief Executive Officer

AUDIT AND RISK COMMITTEE

AGENDA FOR MEETING
Monday 16 February 2026
6:00pm
63 Mt Barker Road, Stirling

ORDER OF BUSINESS

1. **COMMENCEMENT**

   1.1.   Acknowledgement of Country

   Council acknowledges that we meet on the traditional Country of the Peramangk and Kaurna people. We pay our respects to Ancestors and Elders past and present as the Custodians of this ancient and beautiful land.

2. **APOLOGIES/LEAVE OF ABSENCE**

   2.1.   Apology

   2.2.   Leave of Absence

   2.3.   Absent

3. **MINUTES OF PREVIOUS MEETINGS**

   3.1.   Audit and Risk Committee Minutes – 17 November 2025

   Recommendation
   That the minutes of the Audit and Risk Committee meeting held on Monday 17 November 2025, as supplied, be confirmed as an accurate record of the proceedings of that meeting.

4. **PRESIDING MEMBER'S OPENING REMARKS**

   4.1.   Presiding Member Remarks

   4.2.   Council Update – verbal update

5. **DELEGATION OF AUTHORITY**
The Audit and Risk Committee operates in accordance with the relevant sections of the Local Government Act 1999, and its Terms of Reference.

6. **DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF THE COMMITTEE**

7. **PRESENTATIONS, ACTION REPORT & WORKPLAN**

   7.1. GRFMA Attendance

   7.2. Action Report and Work Plan Update

   1. *To receive and note the Action Report and Work Plan Update Report (item 7.2, 16 February 2026, Audit and Risk Committee meeting).*
   2. *To note the 2026 Action Report, February 2026, in Appendix 1 (item 7.2, 16 February 2026, Audit and Risk Committee meeting).*
   3. *To adopt the 2026 Work Plan and Reporting Schedule in Appendix 2 (item 7.2, 16 February 2026, Audit and Risk Committee meeting).*

8. **OFFICER REPORTS**

   8.1. Governance Update

   1. *That the report be received and noted (Item 8.1, 16 February 2026, Audit and Risk committee meeting).*

   8.2. Risk Management Report

   1. *To receive and note the Risk Management Report (item 8.2, 16 February 2026, Audit and Risk committee meeting).*
   2. *After discussion, to endorse the Risk Management Report (item 8.2, 16 February 2026, Audit and Risk committee meeting).*
   3. *To note the Strategic Risk Register Report in Appendix 1 (item 8.2, 16 February 2026, Audit and Risk committee meeting).*
   4. *To note the Risk Control Amendments in Appendix 2 (item 8.2, 16 February 2026, Audit and Risk committee meeting).*

   8.3. Internal Audit Update

   1. *To receive, discuss and note the Internal Audit Quarterly Report (item 8.3, 16 February 2026, Audit and Risk Committee meeting).*
   2. *To note the 3-Year Internal Audit Plan in Appendix 1 (item 8.3, 16 February 2026, Audit and Risk Committee meeting).*
   3. *To receive and note the LGAAMF Fleet Risk Management Audit Report in Appendix 2 and Administrations response to recommendations in Appendix 3 (item 8.3, 16 February 2026, Audit and Risk Committee meeting).*

4. *To receive and note the EV Charging Audit Report in Appendix 4 and Administrations response to recommendations in Appendix 5 (item 8.3, 16 February 2026, Audit and Risk Committee meeting).*

5. *To receive and note the Cemetery Compliance Audit Report in Appendix 6 and Administrations response to recommendations in Appendix 7 (item 8.3, 16 February 2026, Audit and Risk Committee meeting).*

6. *To note the Audit Actions Progress Report – February 2026 in Appendix 8 (item 8.3, 16 February 2026, Audit and Risk Committee meeting).*

8.4.   Director Corporate Services Update

1. *That the Director Corporate Services Update report be received and noted (item 8.4, 16 February 2026, Audit and Risk Committee meeting).*

8.5.   Council Quarterly Performance Report – Q2

1. *That the Council Quarterly Performance Report – Q2 2025-26 be received and noted (item 8.5, 16 February 2026, Audit and Risk Committee)*

8.6.   Budget Review 2

1. *That the report on Budget Review 2 2025-26 be received and noted (item 8.6, 16 February 2026, Audit and Risk Committee meeting).*

2. *To recommend to Council to adopt the proposed budget adjustments presented in Budget Review 2 (item 8.6, 16 February 2026, Audit and Risk Committee meeting) which result in:*
    a. *An increase in the Operating Deficit from $3.130m to $3.136m for the 2025-26 financial year.*
    b. *A reduction to the capital expenditure budget for 2025-26 of $3.027m bringing the total budget to $19.819m*
    c. *proposed financial sustainability indicators relative to Council's agreed targets of the following:*
        i.   *Operating Ratio   -4.8%   (Target 0% to 10%)*
        ii. *Net Financial Liabilities Ratio   52%   (Target 0% to 100%)*
        iii. *Asset Renewal Funding Ratio   144%   (Target 90% to 110%)*

8.7.   Legal Fees

1. *That the report on Legal Fees 2025-26 be received and noted (item 8.7, 16 February 2026, Audit and Risk Committee meeting)*

8.8.   Debtors Report

1. *That the Debtors Report be received and noted (item 8.8, 16 February 2026, Audit and Risk Committee meeting)*

8.9.   Long Term Financial Plan

1. *That the Long Term Financial Plan report be received and noted (item 8.9, 16 February 2026, Audit and Risk Committee meeting)*
2. *To recommend that Council endorse the Long Term Financial Plan as contained in Appendix (item 8.9, 16 February 2026, Audit and Risk Committee meeting)*
3. *To note that the Chief Executive Officer may make minor changes to the Long Term Financial Plan arising from the Committee's consideration of the matter prior to it being provided to Council (item 8.9, 16 February 2026, Audit and Risk Committee meeting)*

9.   **QUESTIONS WITHOUT NOTICE**

10.   **CONFIDENTIAL ITEMS**

Nil

11.   **NEXT MEETING**
The next Audit and Risk Committee meeting will be held at 6.00pm on 20 April 2026 at 63 Mount Barker Road, Stirling.

12.   **CLOSE MEETING**

ADELAIDE HILLS COUNCIL
AUDIT AND RISK COMMITTEE MEETING
Monday 16 February 2026
AGENDA BUSINESS ITEM

Item:	**7.2**
Responsible Officer:	**Zoë Gill** **Executive Governance Officer** **Office of the Chief Executive**
Subject:	**Action Report and Work Plan Update**
For:	**Decision**

SUMMARY

The purpose of this report is to provide the Audit and Risk Committee with an updated Action Report and Work Plan, noting these are live documents provided at each Committee meeting.

A formal Audit and Risk Committee Action Report (*Appendix 1*) is maintained to record the items requiring 'actioning' at each of the Audit and Risk Committee meetings. This report also outlines the actions completed since the previous report.

The Audit and Risk Committee Work Plan assists the Committee members and Administration in scheduling both discussion and reports to ensure appropriate coverage of the Committee functions over the 12-month period. The current Audit and Risk Committee Work Plan 2025 is provided in *Appendix 2*.

RECOMMENDATION

The Audit and Risk Committee resolves:

1.   **To receive and note the Action Report and Work Plan Update Report (item 7.2, 16 February 2026, Audit and Risk Committee meeting).**

2.   **To note the 2026 Action Report, February 2026, in *Appendix 1* (item 7.2, 16 February 2026, Audit and Risk Committee meeting).**

3.   **To adopt the 2026 Work Plan and Reporting Schedule in *Appendix 2* (item 7.2, 16 February 2026, Audit and Risk Committee meeting).**

1.   **BACKGROUND**

Action Report
The Action List tracks the implementation of resolutions and recommendations of the Audit and Risk Committee from their previous meetings.

Work Plan

The functions of the Audit and Risk Committee are set out in the Committee Terms of Reference. A Work Plan has been developed to assist the Committee members and staff in scheduling discussion and reports to ensure appropriate coverage of the functions over the 12-month period.

2. **ANALYSIS**

➢ **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

Strategic Plan 2024 – Your Place, Your Space

Goal 4	Organisation
Objective O2	Operate with integrity using best practice governance processes.
Priority O2.1	Demonstrate accountable and transparent decision making.
Priority O2.2	Support decision making through the use of timely data-driven analysis and reporting.
Priority O2.3	Enhance governance structures and systems to be agile and support our legislative obligations.

➢ **Legal Implications**

Section 126 of the *Local Government Act 1999* sets out the functions of an audit and risk committee. Management of Committee's action items and work plan facilitates the achievement of these functions.

➢ **Risk Management Implications**

The management of action items and the work plan will assist in mitigating the risk of:

Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Low (3E)	Low (3E)

The Audit and Risk Committee Action Report and Work Plan are current controls and therefore the Committee's approval of this item will not impact the Residual or Target Risk ratings.

➢ **Financial and Resource Implications**

Council's current budget contains provision for the costs associated with the notification and conduct of audit and risk Committee meetings.

➢ **Customer Service and Community/Cultural Implications**

There is a community expectation that the audit and risk committee monitors actions resulting from their resolutions and establishes a work plan.

➢ **Sustainability Implications**

Not applicable.

> ➢ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

Council Committees: Not Applicable
Council Workshops: Not Applicable
Advisory Groups: Not Applicable
External Agencies: Not Applicable
Community: Not Applicable

> ➢ **Additional Analysis**

The review by the Audit and Risk Committee of the Action Report and Work Plan is an important element of Council's commitment to open and transparent decision making which facilitates public accountability.

Action Report
There is one (1) in progress items and six (6) completed items on the Audit and Risk Committee Meeting Action Report (*Appendix 1*) arising from previous Committee meetings. Commentary against the items is provided for the Committee's information.

Reporting Schedule Update

The *2026 Audit and Risk Committee Work Plan and Reporting Schedule* (*Appendix 2*) was adopted at the November committee meeting and outlines which items are either included in or deferred from this meeting.

Changes
Nil

3.   **OPTIONS**

The Audit Committee has the following options:

I.   To note and adopt the status of the Action Report at *Appendix 1*.
II.   To note the 2026 Work Plan and Reporting Schedule at *Appendix 2*.
II.   To alter or substitute elements of the Action Report or Work Plan.

4.   **APPENDICES**

1.   Audit and Risk Committee Action Report, February 2026
2.   2026 Work Plan and Reporting Schedule

Appendix 1

Audit and Risk Committee Action Report - February 2026

Action Report – 16 February 2026

Status Key
Completed Items
In Progress Items
Not Started

Meeting Date	Meeting	Res No.	Item Name	Action Required (Council Resolution)	Responsible Director	Responsible Officer	Status	Date of Update	Due Date	Status (for Council reporting)
31/10/2023	Audit and Risk Committee	AC39/23	Development Services Service Review - Implementation Plan	1. That the report be received and noted. 2. To receive and note the Management Review and Action Plan in response to the Service Review 2022-23 – Development Services, as contained in Appendix 4. 3. To note that that the implementation status of the agreed actions will be reported to Audit Committee and Council on a biannual basis, nominally March and August.	Jess Charlton	Deryn Atkinson	Completed	06/01/2026	01/05/2026	Implementation of Action Plan in progress - immediate actions completed. Biannual Report presented to Audit Committee and Council at May meeting. Update provided at the October 2024 Audit Committee. Current biannual reporting schedule suspended until October 2025 pending service review outcomes - per Council Resolution 388/24 Since the last report in October 2024 the decision was made to remove the service review reports from the committee workplan, with the workplan being endorsed at the November meeting. Due to this this action has been marked as complete.
20/05/2024	Audit and Risk Committee	AC23/24	Internal Financial Controls Update	1. That the Internal Financial Controls report be received and noted. 2. To note the further developments and improvements that have been made to Council's internal controls environment. 3. Request the CEO to prepare a remediation plan for controls rated three (3) or lower by either the reviewer or the assessor.	Gary Lewis	Bruce Smith	In Progress	04/11/2025	31/12/2025	This has been considered by the Finance and ICT teams during CY 2025. A technology driven solution has been investigated in relation to the control deficiencies relating to Procurement, particularly around reporting and analysis. The solution has been implemented and the reporting and analysis is being undertaken. Similarly, a technology driven solution has been investigated in relation to the control deficiencies relating to Payroll. A project is currently under way to upgrade the Payroll system, including the integration of leave management and timesheets with the Payroll system. The project will be staged in it's roll out and is currently in the testing phase. This will include an upgrade of the current version of the payroll software. This is expected to be completed early in CY 2026 with a staged roll out thereafter.
20/10/2025	Audit and Risk Committee	NA	GRFMA attendance at meeting	Invite GRFMA representative to attend Audit & Risk Committee meeting	Zoe Gill	Georgie Mckeon	Completed	28/01/2026	31/05/2026	13/01/26 - letter sent to GRFMA inviting them to a meeting of the Audit and Risk Committee meeting and to present on the dam insurance issue and provide an overview of the GRFMA. 19/01/25. GRFMA responded via email advising that they will be attending the Audit and Risk meeting on 16 February.
20/10/2025	Audit and Risk Committee	NA	GRFMA insurance	Provide committee with update at the November meeting around the timeline for the insurance for the dam wall	Zoe Gill	Georgie Mckeon	Completed	28/01/2026	28/02/2026	Due date amended from 17/11/2025 to 28/02/2026. This is due to GRFMA considering the issue at the 25 November 2025 GRFMA Audit and Risk committee meeting and then recommendations being provided to the GRFMA Board on 4 December 2025. GRFMA will be attending the AHC Audit and Risk meeting on 16 February and have advised they will speak on this item.
17/11/2025	Audit and Risk Committee	NA	Revised due date in audit action register	Look into how to provide evidence of revised due date changing in audit actions register	Zoe Gill	Lauren Jak	Completed	02/02/2026	16/02/2026	At this stage due to system there is no ability to track if the Revised due date section gets amended multiple times, apart from the manual process of comparing against previous reports. Staff responsible for actions will be advised in future reporting to put a comment in the

											reporting section outlining if the revised due date is amended.
17/11/2025	Audit and Risk Committee	NA	Self-Assessment Recommendations/Suggestions	Bring comments in response to recommendations/suggestions from ARC self-assessment to Feb meeting	Zoe Gill	Lauren Jak	Completed	09/02/2026	16/02/2026		Comments have been made by Administration for the self-assessment recommendations and provided as an appendix to the Governance Update.
17/11/2025	Audit and Risk Committee	NA	Strategic risk controls	Let Committee know if any controls on strategic risks should be actions instead of controls if they haven't been finalised (main one is Assets risk)	Zoe Gill	Lauren Jak	Completed	09/02/2026	16/02/2026		13/1/26 - currently meeting with Risk Owners to review risk controls 02/02 - risks reviewed with risk owners and updated. Control update provided as an appendix in risk management report along with the updated strategic risks

Appendix 2

Audit and Risk Committee 2026 Work Plan and Reporting Schedule

<div align="center">**ADELAIDE HILLS COUNCIL AUDIT and RISK COMMITTEE**</div>

2026 Work Plan and Reporting Schedule

Terms of Reference			2026					
			Feb	April	May	Aug	Oct	Nov
Financial Reporting	Long Term Financial Plan (LTFP) (Corporate)	Annual			▓			
	Annual Business Plan (Corporate)	Annual			▓			
	Budget Review 1 (Corporate)	Annual						2026-2027
	Budget Review 2 (Corporate)	Annual	2025-2026					
	Budget Review 3 (Corporate)	Annual			2025-2026			
	End of Year Financial Report (Corporate)	Annual					2026-2027	
	End of financial year update (Corporate)	Annual				2025-2026		
	Procurement Report (included in Director Corporate Service Update) (Corporate)	Bi-annual	▓			▓		
	Investment Performance Report (Corporate)	Annual						▓
	Final Annual Financial Statements (incl management representation letter) (Corporate)	Annual					2025-2026	
Internal Control and Risk Management	Placement of Council's insurance portfolio (for noting) (Governance)	Annual			▓			
	Internal Financial Controls update (Corporate)	Annual			▓			
	Legal Fees Report (Corporate)	Quarterly	Q2		Q3	Q4		
	Policy and Procedure Update (Governance)	Quarterly	▓					▓
	Financial Delegations Report (Governance)	Annual		▓				
	Quarterly Risk Management Report (Governance)	Quarterly	▓	▓	▓	▓	▓	▓
	LGRS Risk Profiling Report (Governance)	Biennial	2027					
Internal Audit	Internal Audit quarterly update (Governance)	Quarterly	▓	▓		▓		▓
	Internal Audit Plan review (Governance)	Annual						
External Audit	External audit interim letter (Corporate)	Annual			▓			
	External Audit Plan review (Corporate)	Annual		▓				
	Meeting attendance by external auditors (Corporate)	Annual						
	Audit Completion Report (Corporate)	Annual					draft	final
Public Interest Disclosure	Public Interest Disclosure Policy review (Governance)	Triennial				2028		
	Public Interest Disclosure Arrangements and Compliance (Governance)	Annual				▓		
Other Business	Audit and Risk Committee self assessment review (Committee)	Annual						▓
	Presiding Member's Report (Presiding Member)	Annual						▓
	Work Plan and Reporting Schedule (Governance)	Annual						▓
	Audit and Risk Committee Meeting Dates (Governance)	Annual						▓
	Council's Annual Report (Corporate)	Annual						▓
	Action Report & Work Plan Update (Governance)	All Mtgs	▓	▓	▓	▓	▓	▓
	Director Corporate Services Update (Corporate)	All Mtgs	▓	▓	▓	▓	▓	▓
	Audit Committee's Terms of Reference (Governance)	Quadrennial					2028	
	Quarterly Performance Report (Corporate)	Quarterly	Q2		Q3	Q4		Q1

Version Control:	Version 1 - November 2025

ADELAIDE HILLS COUNCIL
AUDIT AND RISK COMMITTEE MEETING
Monday 16 February 2026
AGENDA BUSINESS ITEM

Item:	**8.1**
Responsible Officer:	**Zoë Gill** **Executive Governance Officer** **Governance**
Subject:	**Governance Update**
For:	**Information**

SUMMARY

This report provides an update from the Executive Governance Officer. These items are not significant enough to prepare a separate report to the Committee. They are therefore addressed collectively through this report.

Information and updates will be provided on the following:

- GRFMA
- Boundary Change
- Policy and Procedures
- Insurance
- Election
- Legislation
- Other Items

RECOMMENDATION

The Audit and Risk Committee resolves:

1. **That the report be received and noted (Item 8.1, 16 February 2026, Audit and Risk committee meeting).**

1. **BACKGROUND**

The Executive Governance Officer would like to update the Committee on several key items and projects which do not form part of any report to be presented to the Committee.

It should be noted that as some of these items or projects mature the matter may return to the Committee in a standalone report.

2.   **ANALYSIS**

   ➢   **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

   Strategic Plan 2024 – Your Place Your Space
   Goal   Organisation
   Objective 02   Operate with integrity using best practice governance processes.
   Priority 02.1   Demonstrate accountable and transparent decision making.

   There is an ongoing need to ensure that Council operates in an efficient and effective manner. This includes reporting and updating the Committee on the business of Council.

   ➢   **Legal Implications**

   Not applicable.

   ➢   **Risk Management Implications**

   The report from the Executive Governance Officer will assist in ensuring the Committee is fully informed of governance and policy matters, which mitigates the risk of:

   Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches

Inherent Risk	Residual Risk	Target Risk
Extreme (5B)	Medium (3C)	Medium (3D)

   This report provides greater insight into the Council's operations and an opportunity for the Committee to provide suggestions and recommendations to the Administration where appropriate.

   Financial and Resource Implications

   Although the updates themselves do not have a cost implication, the projects and initiatives which are discussed may have cost implications for Council.

   ➢   **Customer Service and Community/Cultural Implications**

   Not applicable.

   ➢   **Sustainability Implications**

   Not applicable.

➢ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

Council Committees: Not Applicable
Council Workshops: Not Applicable
Advisory Groups: Not Applicable
External Agencies: Not Applicable
Community: Not Applicable

➢ **Additional Analysis**

Gawler River Flood Management Authority (GRFMA)
Representatives from the GRFMA will attend part of the meeting to provide a presentation to the Audit and Risk Committee. The presentation will introduce the GRFMA for the benefit of new Committee members and provide an update on the under insurance of the Bruce Eastwick North Para Flood Mitigation Dam. Further detail on this matter is provided below to assist Committee members in considering questions arising from the presentation.

Background – External Audit and Insurance Issue

In mid-2025, the GRFMA underwent an external audit as part of its annual certification of the financial statements for the 2024/25 financial year. The audit identified issues relating to the adequacy of insurance coverage for the Bruce Eastick North Para Flood Mitigation Dam (the Bruce Eastick Dam or the Dam).

Following receipt of the audit findings, on 17 September 2025 the Administration contacted the GRFMA Executive Officer seeking advice on:
- actions being taken to address the insurance coverage issues raised;
- whether the identified under-insurance had been resolved;
- potential financial implications for constituent councils; and
- whether any increase in council contributions was anticipated.

GRFMA Audit and Risk Committee Consideration

On 23 September 2025, the GRFMA advised the Administration that the GRFMA Audit and Risk Committee had earlier resolved in September 2025 to request the GRFMA Executive Officer to undertake a risk-based assessment, including a formal cost–benefit analysis, of available insurance options for the Bruce Eastick Dam. This assessment was to consider damage, failure, natural disaster risks and potential third-party property damage, with a further report to be provided to both the GRFMA Audit and Risk Committee and the GRFMA Board.

The GRFMA Audit and Risk Committee subsequently commenced liaison with the Local Government Association Mutual Liability Scheme regarding appropriate insurance arrangements for the Dam. At its meeting on 8 October 2025, the Committee resolved to request further information regarding the process for applying for membership of the LGA Asset Mutual Fund (LGAAMF) and insuring the Dam as an asset;

LGAAMF Advice

The LGA AMF advised the GRFMA that, as a regional subsidiary established under section 43, Schedule 2 of the *Local Government Act 1999,* the GRFMA is an eligible body for membership of the Fund.

Given that the Dam is the sole asset for which coverage is being sought, the LGAAMF advised that further information is required to assess the risk prior to determining whether membership and coverage can be offered. The requested information includes:

- a current dam condition report;
- details of the flood events the dam was designed to withstand;
- an independent valuation confirming the current replacement cost (like-for-like, excluding betterment);
- details of any significant weather events where the dam has breached or nearly breached; and
- details of any previous loss or damage requiring repair or replacement.

Upon receipt of this information, the LGAAMF will assess the risk and advise whether coverage can be offered and under what conditions.

Surveillance Inspection and Submission to LGAAMF

The GRFMA recently commissioned an Intermediate Surveillance Inspection report for the Dam, which addresses most of the information requested by the LGAAMF, including dam condition, design parameters and historical performance. Following the recommendation from the Audit and Risk Committee, the report was provided to the GRFMA Board at its meeting on 4 December 2025. At this meeting, the GRFMA Board also received a presentation from GHD, the company engaged by the GRFMA to undertake the 2025 Intermediate Surveillance Inspection of the Dam. An independent valuation dated 1 July 2023 is also available to support the submission.

The GRFMA Audit and Risk Committee considered that sufficient information exists to enable a submission to the LGAAMF for formal risk assessment. Accordingly, at its meeting on 25 November 2025, the Committee resolved that the GRFMA Executive Officer proceed with a submission to the LGAAMF seeking consideration of appropriate insurance coverage for the Dam. The assessment process is ongoing.

Boundary Change

In late 2025, the Administration provided significant supplementary information to the Investigator in response to requests for further detail as part of the Campbelltown City Council Boundary Change Inquiry. The investigation phase is now understood to be nearing completion, and Council is awaiting the release of the Investigator's Report.

In accordance with the inquiry process, Council will not receive the Investigator's Report in its entirety until after the Minister has considered its findings, and that of the Local Government Boundaries Commission (LGBC). Prior to this, affected councils will be provided with factual elements of the Draft Investigator's Report for validation and feedback. Having regard to this feedback, the Investigator will review and, where necessary, revise the draft

before submitting a Final Report to the LGBC. The Commission will then consider the Investigator's Final Report and prepare its own Inquiry Report and recommendations for submission to the Minister. Only after the Minister has considered the report will Council receive a full copy of both the Investigator's Report and the LGBC's Inquiry Report.

Recently, Council sought clarification from the Commission regarding an updated review process identified in December 2025. In parallel, Administration continues internal work associated with the inquiry to support readiness for the report's release. This includes preliminary preparations for potential contingency positions, such as transition arrangements, financial compensation, and possible reimbursement of administrative expenses should the LGBC recommend that the proposal proceed.

Policy and Procedures
Since the Audit and Risk Committee was last updated in November 2025, progress on the policy and procedure improvement project has focused on establishing the
foundational systems required to support a more robust and sustainable framework.

Standardised policy and procedure templates have been finalised and are now in active use. This represents a key control improvement, supporting consistency, corporate alignment and clearer version control, and reducing the risk of non-compliant or inconsistently presented documents being drafted or approved.

To address risks associated with decentralised document management and limited oversight of works in progress, centrally located working folders have been established within the Policy SharePoint site. These dedicated spaces enable teams to undertake policy and procedure reviews in a single, controlled environment, improving visibility, traceability and the ability to monitor progress and emerging risks across the organisation.

Implementation of automated review notifications remains on track, with system-generated reminders scheduled to commence from March 2026. This initiative has required significant background ICT configuration to ensure reliability and integration with existing platforms. Once active, the automated reminders will strengthen assurance by reducing reliance on manual tracking and supporting timely reviews, thereby mitigating the risk of policies becoming overdue or non-compliant.

A proposed workflow process has been developed to clearly define consultation timeframes and approval pathways, addressing previously identified control gaps in the end-to-end policy lifecycle. The workflow will be presented to the Executive Leadership Team shortly for endorsement. Subject to approval, a coordinated organisational communication will be undertaken to ensure consistent understanding and application of the process by all staff.

While much of the progress since November has occurred behind the scenes, these activities are critical to establishing a sustainable and auditable policy management framework. It is anticipated that by the next update to the Audit and Risk Committee, the system will be fully operational, embedded in business-as-usual processes, and providing greater assurance that Council's policies and procedures remain current, compliant and effectively managed, noting that there is significant work required to bring all of Councils policies up to date

Insurance

Since the start of 2026 Council has received seven (7) insurance claims made to Council. See graph below in relation to the status of these claims and the different types of claims.

Types of Claims

Current Claims Status
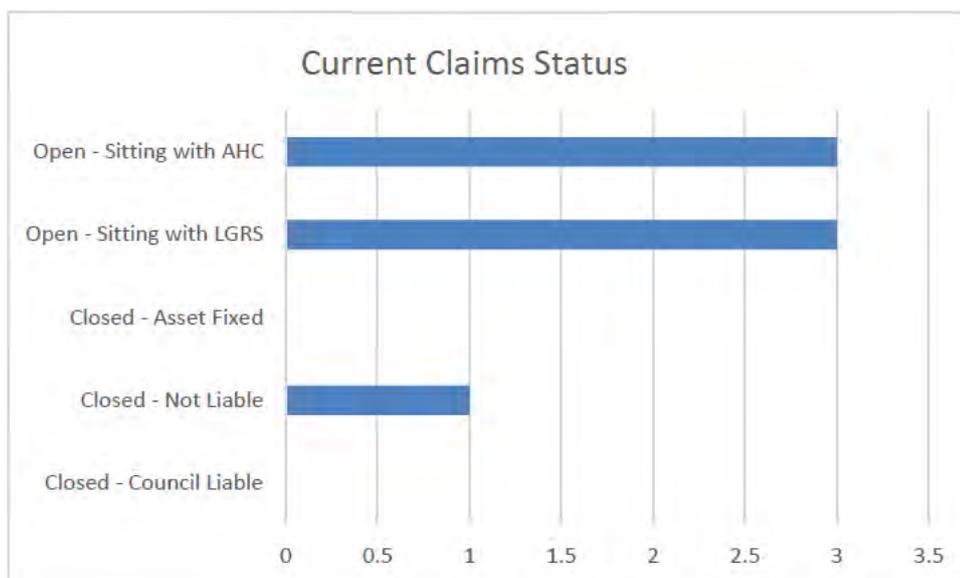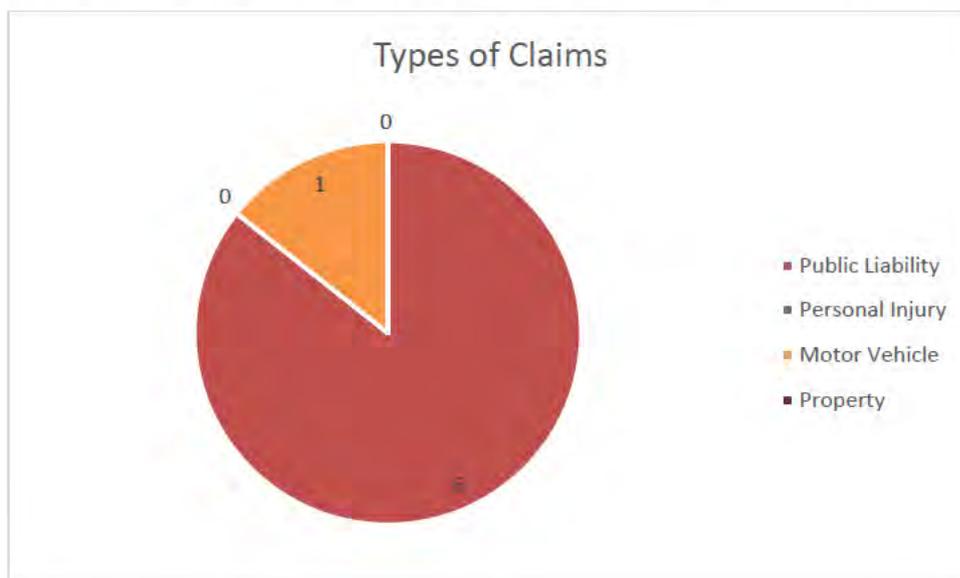
Elections

Mayoral Election

A supplementary has been conducted to fill the vacant position of the Office of the Mayor for the Adelaide Hills Council.

The candidates were:
- Acting Mayor Nathan Daniell
- Georgia McDonnell
- Andrew Mark Stratford

Voting closed on Monday 9 February 2026. Voting closed on Monday 9 February 2026, with counting on 10 February 2026. At time of writing Cr Nathan Daniell is the provisionally successful candidate.

The Electoral Commission of South Australia has advised that the final declaration of results will likely occur on Friday 13 February 2026, assuming there is no request for a recount. The successful candidate will assume the position of Mayor immediately upon the declaration of results on Friday 13 February 2026.   The successful candidate will assume the position of Mayor immediately upon the declaration of results.

Local Government Election

On 3 February 2026, the Electoral Commission of South Australia released key dates for the 2026 Local Government Elections.

The date of the election has been set for 11 November 2026. Unless Council determines otherwise, the Caretaker period for Council will commence on 8 September 2026.

Other key election dates include:

- Roll close: 5pm Friday 31 July 2026
- Nominations open: Tuesday 25 August 2026
- Nominations close: 12 noon Tuesday 8 September 2026
- Ballot draw: 9am Wednesday 9 September 2026
- Candidate profiles published online: No later than Tuesday 22 September 2026
- Mail out of voting materials: Thursday 15 October to Wednesday 21 October 2026
- Close of voting (Polling Day): 5pm Wednesday 11 November 2026
- Scrutiny and count: From 9am Saturday 14 November 2026

<u>**Legislation**</u>

The Elections Review Act commenced of 1 January 2026, with some of the amendments having immediate effect and some of the amendments phased in.

The Act will impact candidates, voters, councils and elected members leading into and following the November 2026 elections.

Significant changes include:

- a person must be a state elector to be on the council supplementary role
- number and names of nominees must be publicly accessible in nomination period
- ballot draw will be conducted on the day following close of nominations
- prohibition of local electoral posters on road related areas and removal provisions
- council holding a public meeting for all candidates to participate in
- prohibition of voting advocacy inconsistent with Act
- voting at periodic elections will close on Wednesday before polling day in November
- new provisions and penalties for disorderly conduct at scrutiny and other places
- simplified gift return disclosure/suspension provisions inc. for joint gifts/expenditure
- pay as you go provisions for withholding amounts from member allowances
- expense reimbursement for members producing prescribed printed material.

In addition, there have been some changes to regulations under the Local Government and Local Government (Elections) Acts.

Administration are awaiting advice from the Local Government Association and the Electoral Commission of South Australia who are currently in the process of preparing resources to support councils implementing relevant provisions.

Council also approved some delegation updates at the 10 February meeting in response to minor amendments to the:

- Local Government Act
- Graffitti Control Act
- Expiation of Offences Act
- Dog and Cat Management Act
- Disability Inclusion Act

There have also been minor legislation changes to the Planning Development and Infrastructure Act and related Regulations, Planning & Design Code and Practice Directions. These amendments are scheduled to be bought to Council in March.

Other Items
Audit and Risk Committee Self-Assessment 2025 Recommendations
At the November 2025 Audit and Risk Committee meeting it was requested to provide the Committee with responses to the recommendations and comments provided in the self-assessment. These responses have been provided in ***Appendix 1***.

LGA Risk Scheme Highlights
In November 2025 Administration met with LGA Authorised Officer to review the performance of the Scheme in the past Financial Year and what that meant for Council including special distribution monies.
The two (2) documents provided in the meeting have been provided in **Appendix 2** and **Appendix 3**, noting that the Scheme Highlights brochure (**Appendix 2**) does not contain some of the customised data for Adelaide Hills Council, as per the hard copy document which was at the meeting.

3. OPTIONS

The Committee is limited to receiving and noting this paper.

4. APPENDICES

1. 2025 Audit and Risk Committee Self-Assessment Responses
2. 2025 Mutual Risk Scheme Highlights Brochure
3. 2025 Risk Scheme Training and Prevention Programs

Appendix 1

2025 Audit and Risk Committee Self-Assessment Responses

Section	#	Recommendation/Suggestion	Administration Comment	Responsible Person
Audit and Risk Committee Terms of Reference	1	It is still somewhat of a puzzle how the Audit and Risk Committee missed and/or was unable to force improvements to recent financial issues that have been identified e.g. over-capitalisation of project labour, under depreciation of assets, etc. Are there changes to the Terms of Reference or Committee functions that could reduce the likelihood of this happening in the future?	Yes, the Audit and Risk Committee's Terms of Reference were changed in March 2025. They have introduced an independent Presiding member, which is the recommended approach by the LGA and the Auditor-General. The TOR reflect the LGA's recommended approach and align with the legislative requirements. At any time, ARC can raise concerns with administration or make comment for Council's consideration in relation to any matter, including capitalisation and depreciation treatments.	Gary Lewis
Meeting Administration and Effectiveness	2	One committee member selected 'Not Effective' to the statement 'Agendas and Minutes are effectively prepared, distributed and followed up.'	Agenda papers are legislated to be circulated 3 days prior to the meeting. Administration will endeavour to circulate the papers earlier i.e. Wednesday afternoon or Thursday morning, noting that due to some reports or meeting schedules this may not be practical.	Zoe Gill

	3	Sometimes the discussion can be too sequential and would benefit from more free flowing ability for members to contribute to discussed issues.	Comment has been passed on to the Presiding Member.	Zoe Gill
	4	It would be great if the papers could be circulated earlier to allow members more time to prepare for the meetings.	See comment in #2	Zoe Gill
	5	I rated question 6 as only effective as some recommendations remain outstanding or are only partially addressed by the original deadline due to competing priorities. [Question 6 is 'The reports for each meeting are comprehensive and yet understandable enough for members to make informed decisions.']	This is in relation to internal audits. See comment in #7	Zoe Gill
Staff and Committee Member Performance	6	Staff members can be a little defensive but this is to be expected when work you are invested in, is challenged. I think that this is always done in a respectful and constructive way.	Apologies if administration have been perceived as defensive. Administration encourages questions, comments, and ideas for improvements.	Zoe Gill
Organisation's Risk Management and Audit Functions	7	Two committee members selected 'Disagree' to the statement 'Internal audit findings and recommendations are responded to in a timely and appropriate manner.'	The internal audit program has only been reinstated at the start of FY25/26. Progress is being made to: • Archive the old audit actions, where practical • Ensure proposed actions in response to audits are approved by ELT and CEO and budget/resource implications are identified. • Have practical timeframes allocated to the recommendations	Zoe Gill

			• Maintain quarterly review of the internal audit actions, along with automatic reminders set up These steps will ensure audit actions are maintained more efficiently and in an appropriate timely manner.	
	8	Some actions arising from internal audits are not completed in a timely basis when compared to the original due date.	See comment in #7	Zoe Gill
	9	I would like to see more visibility of some of the risk of external subsidiaries as these are also partly risks of Council.	Council has organised for the GRFMA to attend the February committee meeting and is looking into the best approach for other subsidiaries.	Zoe Gill
	10	Staffing challenges have resulted in internal audits and actioning of outcomes falling behind.	See comment in #7	Zoe Gill
	11	I rated Question 19 as only Agree as it only has been recently that a robust Internal Audit program has been developed by Adelaide Hills Council.	See comment in #7	Zoe Gill
	12	Update/ briefing from council's regional subsidiaries are insightful, informative and provide opportunities to ask questions. A update briefing by Centennial Park regarding their insights and strategies to address declining revenue generating activities would be informative for the committee and council, noting the loss in FY2025.	Note Centennial Park is not a subsidiary of Council. In relation to subsidiaries generally - See comment in #9	Zoe Gill
Other Suggestions	13	Perhaps an improved system for following up and completing outstanding actions Item 8. 1 - 20 October meeting has items from the 2022 Bentley report still appearing on the list, including the preparation of	See comment in #7 Note also, with new Director Environment and Infrastructure, her	Zoe Gill

		Management Plans - Buildings, Stormwater and Playgrounds - marked still in progress. Develop a framework with a bit more teeth to ensure these Plans actually come to fruition	focus is on developing updated management plans for Council's assets.	

Appendix 2
2025 Mutual Risk Scheme Highlights Brochure

Mutual Risk Schemes highlights 2025

2024/25 highlights

At Local Government Risk Services (LGRS), our work involves managing the Mutual Schemes that enables Councils and Local Government entities to pool their risks in a sector-owned Mutual model that has stood the test of time.

This approach aims to provide broader protection and more predictable costs compared to traditional insurance options.

With over 40 years of experience, we have a deep understanding of the sector and to this day maintain a genuine commitment and passion for it. We know the ins and outs of Local Government and we've built a reputation as a trusted advisor in this space.

We proudly present the 2024/25 Mutual Risk Schemes highlights.

$11.4b
In Local Government assets protected by the LGAAMF.

$338m
In workers compensation savings from being a self-insured employer since inception of the LGAWCS.

$1m
LGAWCS Risk Incentive Funding allocated in 2024/25.

$31.6m
Estimated value of the combined Risk Schemes Training and Prevention Programs.

$1m
LGAAMF 2024/25 Performance Bonus deducted from invoices in 2025/26.

$88m
In claims paid to Local Government employees through the Income Protection Fund to date.

100%

SA Councils are Members committed to maintaining membership.

$10.5m

Risk Incentive Funds allocated to the sector since commencement.

3,180

Claims managed by LGRS for SA Local Government every year.

$1m

LGAWCS Special Distribution to Members in 2024/25.

$46.3m

Special Distributions returned to the sector to date.

$110m

Estimated savings of LGAMLS claims defended under statutory immunities in last decade.

Workers Compensation Scheme

11% ↓

411 new claims received, 11% less than last year and a record low.

91%

Injured employees made a full return to work in 2024/25.

$18k

Average claim cost.

2.41%

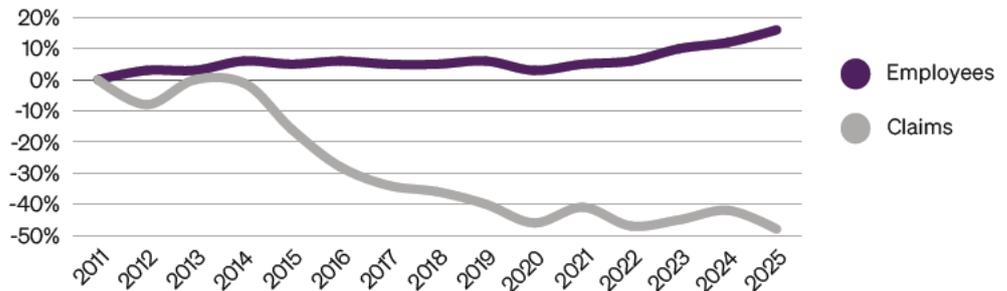A reduction on last years 2.48% average contribution rate.

Continued delivery of WHS, health and wellbeing core programs and services:

Members enjoy a low net average contribution rate, along with a range of complimentary services which include Risk and Safety Advisors, Claims and Injury Management and other programs:
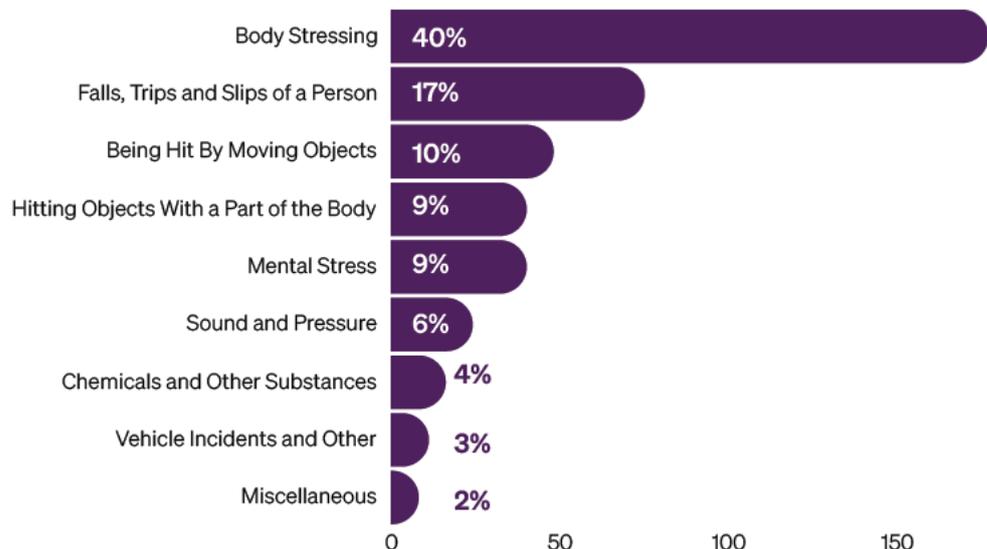
- Psychosocial Support Program expansion, addressing the increased requirements under the recently introduced psychosocial regulations.
- Healthy Lifestyle Program conducting over 5,268 fully-funded Employee Health Checks and Skin Cancer Screenings and 63 Mental Health First Aiders and 354 Bowel Cancer Screenings.
- Fully-funded and vital long-standing risk programs such as Skytrust, ChemAlert, OHS Alert, ELMO E-learning, and Safety Leadership.
- Ageing and Work Health Program with a focus on Noise Induced Hearing Loss.
- Continued funding for Subsidised Pre-employment Medicals and Job Dictionaries in 2025/26.
- Delivery of the new LG Safe WHS framework which aims to enhance Member experience.

Claims shapshot

Claim numbers have stabilised at record low levels, despite increasing sector employee costs.

Legend: ● Employees ● Claims

Types of injuries by claim numbers (2024/25):

Injury type	%
Body Stressing	40%
Falls, Trips and Slips of a Person	17%
Being Hit By Moving Objects	10%
Hitting Objects With a Part of the Body	9%
Mental Stress	9%
Sound and Pressure	6%
Chemicals and Other Substances	4%
Vehicle Incidents and Other	3%
Miscellaneous	2%

Mutual Liability Scheme

83%
Of all claims are defended under the Local Government Statutory Immunities.

$110m
Estimated annual value of the Statutory Immunities.

48%
Liability claims have increased in volume by 48% since 2022.

+300
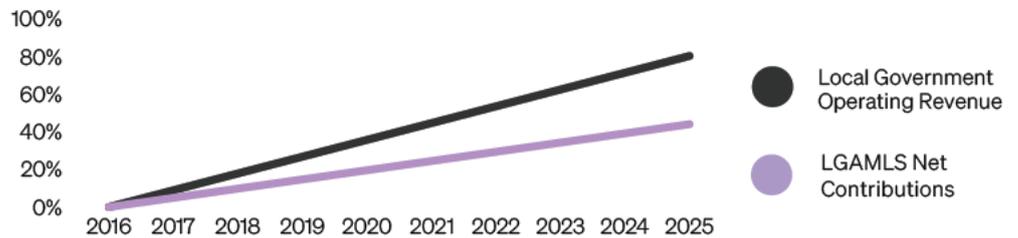Risk enquiries received in the last 12 months. 44% contract related.

Continued delivery of value-added risk services

Extending broad civil liability protection to Members, tailored for Local Government, the Scheme continues to provide value added services which include:
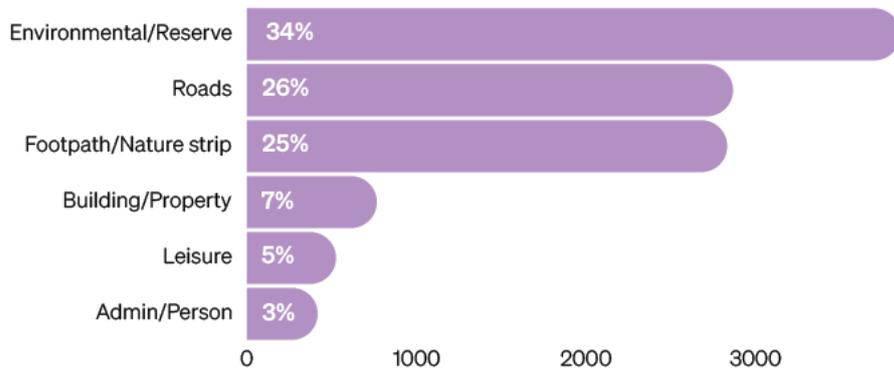
- Member access to complimentary services from regional Risk and Safety Advisors, Strategic Risk Consultants and Liability Risk Advisors, including access to the Scheme legal panel.
- Best Practice Guides for the sector, spanning topics such as but not limited to: Child Safe Environment Guidelines, Event Management, Elimination of Liability Guidelines, and Playground Management.
- Guidance notes on emerging risks, Site contamination from legacy landfill sites, Audit and Risk committee, Amusement devices and surveillance.
- Managing Third Party Arrangement Templates for contracts and agreements as well as most used permits.
- Aerodrome Risk Management Program that ensures compliance with CASA regulations, mitigates risks and improves aviation operations while reducing liability.
- The Behavioural Standards Risk Management Service (BSRMS) is a framework that supports the implementation of the Elected Member Behaviour Standards.
- Waste Management Risk Profiling Program and Safe Swimming Pool Operation Pilot.
- Support for regulatory compliance, claims management, risk management, and statutory compliance.
- Local management of claims by a specialist team with extensive knowledge of Local Government.
- Risk profiling that includes risk management systems, playgrounds, roads and footpaths and tree management.

Contributions

South Australian Councils collective operating revenues have increased by almost 80% over the last 15 years, demonstrating the diversification of service delivery and revenue streams. LGAMLS Membership contributions have grown at a rate nearly 50%< less than Member operating revenues have grown over the same period.
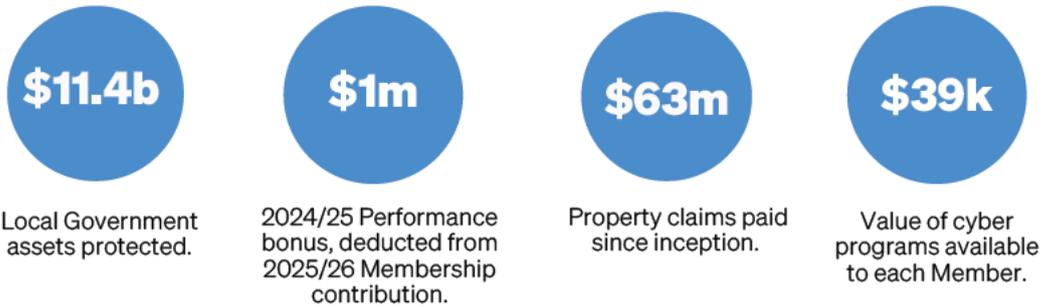

Legend:
- Local Government Operating Revenue
- LGAMLS Net Contributions

Claim numbers by causation last 10 years:

Causation	%
Environmental/Reserve	34%
Roads	26%
Footpath/Nature strip	25%
Building/Property	7%
Leisure	5%
Admin/Person	3%

Asset Mutual Fund

Highlights

$11.4b
Local Government assets protected.

$1m
2024/25 Performance bonus, deducted from 2025/26 Membership contribution.

$63m
Property claims paid since inception.

$39k
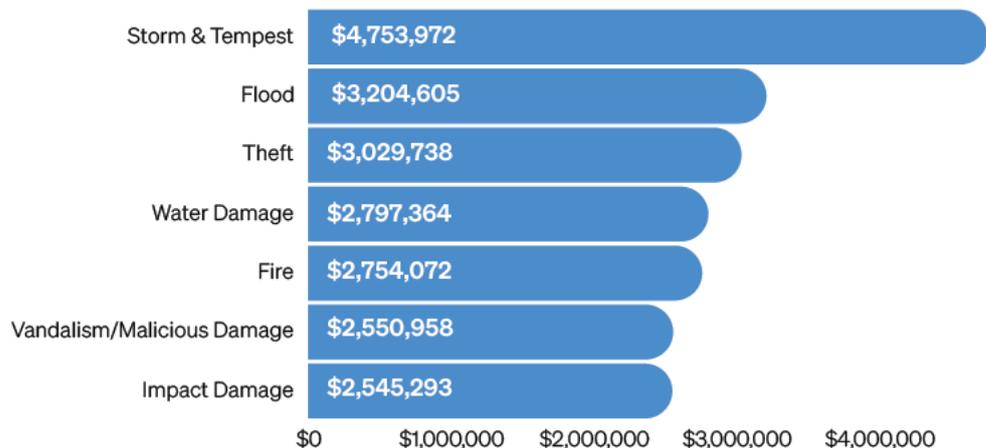Value of cyber programs available to each Member.

Continued delivery of value added risk services and programs

- **Cyber:** Members receive support through the funded Cyber Uplift program by CyberCX and a new Generative AI Risk Management Program. Cyber training and Phriendly Phishing platform funded by LGAAMF benefits 7,000 users.
- **Assets:** Funding available for asset valuations, asset surveys, thermographic imaging scans and risk mitigation programs.
- **Waste Management Risk Profiling Program:** Effectively risk profiles the fire and environmental risks associated with these assets.
- **Motor Fleet Risk Management Program:** Undertakes risk profile of Member fleets including claims review and safety performance.

Contributions

70%
Assets protected by the LGAAMF have increased in value by over 70% since 2016.

LGAAMF contributions have stayed stable despite the general insurance market rising over 100% amid major volatility in the past decade.

Claim cost by causation last 5 years:

Causation	Cost
Storm & Tempest	$4,753,972
Flood	$3,204,605
Theft	$3,029,738
Water Damage	$2,797,364
Fire	$2,754,072
Vandalism/Malicious Damage	$2,550,958
Impact Damage	$2,545,293

Income Protection Fund

Highlights

$88m

Claims paid since inception.

79%

Claims are accepted and settled.

3684

Families provided with financial security

7307

Employees protected under the LGIPF.

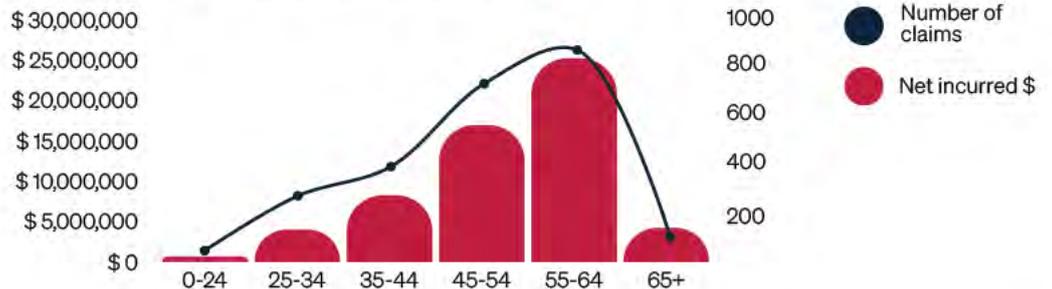**We're continuing to provide financial protection for peace of mind to Local Government employees**

- For over 20 years, the LG Income Protection Fund has been providing financial protection to Local Government employees in case of Injury or Illness outside of working hours.
- Contributions and benefits remained stable for the 2024/25 period, providing broad protection to Local Government employees whilst maintaining costs in the current inflationary environment.
- Cover available to Member employees regardless of age.
- Minimum 10 working day waiting period for all Injury or Illness, except for Psychological Illness and Non-Professional Football claims 20 working days.
- Death and Capital Benefit $15,000.

Claims snapshot

Top claims by cause last 5 years:

$18,185,802

Illness.

$4,059,010

Unspecified mechanisms of injury.

$2,590,028

Falls on the same level.

$2,129,461

Falls from height.

$1,835,767

Psychological.

Age, injury and cost of claims summary since 2016:

Legend:
- Number of claims
- Net incurred $

Y-axis (left): $0, $5,000,000, $10,000,000, $15,000,000, $20,000,000, $25,000,000, $30,000,000

Y-axis (right): 200, 400, 600, 800, 1000

X-axis: 0-24, 25-34, 35-44, 45-54, 55-64, 65+

+100% reimbursement of employee wages.

+104 week maximum benefit period.

Delivering peace of mind and financial security for Local Government

By working together, the mutual model aims to empower South Australian Members to thrive and excel, creating a safer and more secure future for all.

The Mutual Risk Schemes continue to prove their resilience in a continually evolving Local Government Risk environment.

While the traditional insurance markets experience volatility and reduced appetite for risks, Members have enjoyed tailored risk protection, funded programs and stable contributions.

Why the mutual model?

Surplus funds returned to Members

The mutual model allows for substantial investment in risk management and risk transfer, with the aim of lowering Member exposure and claim costs. When the Schemes perform well, bonuses, rebates, Special Distributions, and Risk Incentive Program funding are returned to Members.

Financial sustainability and predictability

The unique structure of the discretionary mutual funds has ensured stable financial performance year after year, providing Members peace of mind.

Trusted advisor to Local Government

Through strong engagement with Local Government, LGRS gains insights into emerging sector risks and responds with strategies that aim to provide real value to Members and their communities.

Funded programs

We offer Scheme funded programs, including risk and safety system development, risk management software, a Healthy Lifestyle Program, first aid training, asset surveys and valuations, thermographic imaging scans and more.

Integrated team of risk specialist resources

We offer a full range of risk services for the Local Government sector, including advice on liability claims, strategic risk, Work Health and Safety (WHS), claims management, and return-to-work (RTW) support. Our dedicated professionals provide these services locally and regionally, ensuring a strong commitment to Local Government.

Interactive knowledge hub

The LGRS Member Centre serves as an interactive knowledge hub for Members' risk management needs. It provides exclusive access to claims and injury management performance, history and lodgement, cover details, and various risk management tools and resources.

Contact and further information:

Tony Gray
General Manager, LGRS
tony.gray@jlta.com.au

Matt Barton
IM Manager / LGA Authorised Officer, LGAWCS
matthew.barton@jlta.com.au

Anthony Genovese
Divisional Manager, LGRS
anthony.genovese@jlta.com.au

Stevie Sanders
WHS & Risk Manager, LGRS
stevie.sanders@jlta.com.au

Kirsty Gold
Scheme Manager, LGAMLS
kirsty.gold@jlta.com.au

Level 3, 148 Frome Street,
Adelaide SA 5000

lgrsadmin@jlta.com.au

lgrs.com.au

Appendix 3

2025 Risk Scheme Training and Prevention Programs

lgrs.com.au

Risk Scheme training and prevention programs

Over time, the programs offered through LGRS have evolved to meet the changing needs and risk maturity of our Members. The principles guiding this philosophy have however, remained constant.

Contents

Our Risk Scheme training and prevention programs are geared towards assisting Members to implement tailored risk management solutions to make their communities and workplaces safer, promote best practice in risk management, and are aimed at reducing the incidence of claims.

Mutual value and core services

LGA Mutual is the governing body of the LGAWCS and LGAMLS. Members of the Schemes benefit from protection, customised for the specific risks of Local Government, including enhanced risk and legal services, local-claims and injury management support and a range of complimentary core risk services.

Collaboration

The LGRS team is excited to work with Local Government to explore opportunities to advance the sectors risk maturity and leverage the scale of the sector to introduce risk programs that benefit all Members. Mutuality is at the core of the Schemes long-term success with Members working together as a sector and in conjunction with the Scheme to proactively mitigate current risks and with an eye to the future. Where a risk based initiative is identified that has broader implications for the sector LGA Mutual will invest in risk mitigation initiatives to benefit the entire sector. Initiatives include:

Advocate for the sector through engagement with the LGA and other stakeholders such as regulators, legislators and state government.

Effective management of workers compensation claims and civil liability claims, to deliver the best outcomes for the Membership.

Sector risk profiling to deliver tailored risk services and programs to support the needs of all Members.

Creating risk mitigation guidelines to reduce exposure to WHS and civil liability risk. Delivering Member forums and communication materials.

Access to RSA, Strategic, Operational and Liability Risk services to assist Members in navigating the dynamic legislative and regulatory environment.

A risk based approach

This ability to focus on and invest in the risk profile of Local Government has resulted in an embedded and maturing risk management culture across the sector. The LGA Mutual Board recognises and supports the value of investing in risk identification, profiling, mitigation and management to reduce claim exposure and support better outcomes.

Liability Risk Advisors

The LGAMLS provides its Members with Liability Risk Advisors, whose primary role is to assess and manage potential risks that could lead to civil liability claims.

On a daily basis, these advisors analyse Members' operations and policies to identify vulnerabilities, develop tailored risk management strategies, and ensure compliance with relevant legislation and regulations.

They conduct training sessions to educate clients on best practices, review contractual agreements to ensure equitable allocation of indemnities and risk, and collaborate with the LGA to leverage advocacy efforts related to legislative amendments, ensuring that these do not disproportionately increase the risk exposure for Members.

Strategic Risk Consultants

The LGAMLS provides its Members with Strategic Risk Consultants. These consultants provide a range of services to support Members in developing, implementing, and reviewing Risk Management Systems. The team work with Members to evolve their risk maturity and enhance their understanding of risk exposure to the delivery of strategic plans.

Amendments to the *Local Government Act 1999,* enacted by the *Statutes Amendment (Local Government Review) Act 2021*, began in September 2021 with a phased implementation.

South Australian Councils are now required to manage risk and report to the Audit and Risk Committee, which will evaluate the effectiveness of risk management policies, systems, and procedures. The CEO is responsible for ensuring that these policies, systems, and procedures are established and maintained.

Risk and Safety Advisors

Risk and Safety Advisors (RSA) are the primary point of contact for Work Health and Safety (WHS) and civil liability for regional Members. While in metropolitan Adelaide, they focus solely on WHS, with civil liability managed by the Liability and Risk Advisors. The Advisors partner with Members to ensure there are positive WHS and risk management system outcomes.

The Advisors support our Members' WHS and Risk management system implementation, promote regional and metropolitan practitioner collaborations through Work Health and Safety and risk practitioner forums, disseminate relevant WHS and risk information and respond to Member inquiries. The RSA team support Members in incident investigations and preparing for procedure validations, risk evaluations and any RTWSA partnership activities. The collective team's experience and broad range of skills mean that there is a wide range of expertise and resources available to support all Members through our team delivery approach.

Funded programs and services

lga. South Australia Mutual | Mutual Liability Scheme

About

The LGA Mutual Liability Scheme (LGAMLS) continues to provide Local Government Members with protection from civil liabilities and a fully integrated risk, claims and legal service subject to the Scheme Rules.
The LGAMLS is a Local Government Indemnity Scheme established under the *Local Government Act 1999*.

Program Pillars

Regulatory risk support

Risk management initiatives

Risk guidance

Evolving resources

Behaviour Standards Risk Management Service (BSRMS)

The Local Government Schemes provide support to Councils with issues related to Elected Member behaviour that may pose risks of Civil Liability or workers' compensation. The objective of the BSRMS is to support Elected Members, Council CEOs and Responsible Persons under the *Local Government Act 1999*.

LG Legislative Framework

The LGAMLS collaborates with the LGA to leverage advocacy efforts related to legislative amendments, ensuring that these do not disproportionately increase the risk exposure for Members.

Waste Management Risk Profiling

Waste Management is a critical service delivered by Council subsidiaries. Waste Management risk profiling assists our Members in identifying both property and liability risks with recommendations for improvement to reduce exposure. This is a highly supported program by the LGA Mutual Board.

Volunteer Management Portal

Volunteers provide a major contribution to the Local Government Sector. The Volunteer Management Portal outlines responsibilities for managing volunteers in Volunteer Programs under the Members care and control, as well as cover and protection that is afforded the Members along with risk management tools.

Emergency Management, i-Responda Risk Management and Protections

Local Government has a fundamental enabling role in emergency management. This is due to their strong relationships with local community networks and knowledge of locally available resources.

During emergencies, State agencies may request the assistance from Local Government. The i-Responda Risk Management and Protections Guide will provide Council with an understanding of the application of risk management and protections.

Aerodrome Risk Management Program

The Aerodrome Risk Management Program assists Members as owners to meet their regulatory requirements pursuant to CASA (Civil Aviation Safety Authority) along with identifying risk and providing recommendations for mitigation. The enhancement of the aviation program, minimises liability risk exposures by demonstrating compliance with CASA and best practice standards for certified aerodromes and aeroplane landing areas in emergency scenarios.

Best Practice Guides

The Scheme continually updates Best Practice Guides for the sector and provides education and tools to ensure all Members are informed about legislative changes and new resources for managing emerging trends.

These guides are regularly reviewed to align with regulatory changes.

Contracts and Agreements

- Conditions of Contract
- Contract Specifications
- Contract Conditions of Tender
- Special Provisions of Contract
- Contract Forms
- Consultant Agreement
- Minor Works Contract
- Small Works Order Conditions
- Works Contract General Conditions
- Recreational Sporting Facilities Agreement

Best Practice Guides:

- Aerodrome Guidance and Risk Management
- Child Safe Environment Guidelines
- Coastal Management
- Event Management
- Inspection and Review Checklists
- Limitation of Liability Guidelines
- Playground Management
- Railway Interface
- Tree Management
- Unsealed Roads
- Volunteer Management

Permits:

- Occasional Facility Hire Permit
- Ongoing Facility Hire Permit
- Section 221 Authorisation
- Section 222 Permit
- Special Event Permit
- Stall Holder or Exhibitor Permit

Guidance Notes:

- Site Contamination from Legacy landfill sites
- Audit and Risk Committee
- Amusement Devices
- Surveillance and Council
- Labour Hire

Funded programs and services

lga. South Australia Mutual | Workers Compensation Scheme

About

Protecting Local Government employees through proactive Work, Health and Safety practices.

Program Pillars:

Employee health and wellbeing

Auditing tools and resources

Training and courses

Subscriptions and platforms

Certified First Aid Training

This initiative helps Members meet their First Aid obligations for a safer workplace. Funding is available for onsite First Aid Training delivered by St John to all Councils and Local Government entities.

Interactive Legal Simulations

Developed with SafeWork SA and Sparke Helmore Lawyers, these simulations provide insights into managing critical incidents and handling the aftermath of serious work-related events.

RTW Training Courses

These competency-assessed injury management courses are designed for Managers, Supervisors, RTW/Claims Coordinators, and Payroll Specialists. All courses are fully funded by the Scheme and available via the ELMO e-learning platform or online.

Safety and Risk Leadership Program

This program aims to increase the level of WHS knowledge in Member organisations by providing subsidised access to a Certificate IV in WHS, thereby enhancing the safety leadership at the operational level.

Ageing and Work Health

Proactively addresses the challenges of an ageing workforce in the Local Government sector. Recently, the program has focused on the prevalence of Noise Induced Hearing Loss claims and is implementing long-term preventative measures for Members.

Crisis Recovery Counselling Service

Complimentary Counselling Service provides support to Local Government employees and Elected Members across the state who may be affected by a significant event.

Job Dictionary

A user-friendly resource tool that helps efficiently match injured workers to appropriate jobs and tasks.

Each Job Dictionary provides details about the job role, its duties, and the associated functional capacity requirements.

Healthy Lifestyle Program

Aims to enhance health awareness and outcomes for Local Government employees, reduce injury incidence, and improve injury recovery.

Members can access complimentary onsite employee Health and Skin Checks, bowel tests, and a variety of Health and Wellbeing initatives.

Psychosocial Support Program

Supports Members by providing facilitated risk assessments, employee surveys, gap analyses, and training to promote a mentally healthy workplace.

It also assists Members in managing their obligations under the WHS Psychosocial Risk Regulations.

Procedure Validations

The Procedure Validation team provide a centralised service, conducting WHS Procedure Validations which can contribute to Members meeting legislative obligations.

The team also support the development of Members WHS audit systems through endorsement and mentoring.

WHS Plan and Program Review (PPR) Facilitation Support Program

The WHS PPR facilitation process offers onsite support for Members during system reviews and executive/management sessions as they develop their Work Health and Safety Management System (WHSMS) planning.

LG Safe

LG Safe is a program aimed at updating the 'One System' WHS framework for Local Government. Delivered through the LGRS Member Centre, and Skytrust.

OHS Alert

OHS Alert is a valuable resource for Risk and WHS practitioners, providing up-to-date, concise news and analysis to support workplace safety.

Skytrust

This cloud-based system provides a comprehensive risk-based approach to Members' Work Health Safety Management Platform needs, allowing for the identification and targeting of trends within their organisation and across the sector.

ELMO E-Learning

The Scheme funds an online e-learning system powered by ELMO, featuring an engaging learning experience with user interactions and competency verification through assessments and quizzes.

ChemAlert

The Scheme offers access to ChemAlert, a chemical management database that helps manage hazardous chemicals effectively.

> Our focus is on providing education and tools that keep all Members informed about legislative changes and new resources for managing emerging risks, empowering our Members to stay ahead in a dynamic landscape.

Tony Gray
General Manager
LGRS

Funded
programs
and services

About

Local Government operates in a complex environment, managing diverse services and valuable community assets. Our mission is to deliver meaningful outcomes that meet our Members' evolving risk management needs.

Assets and infrastructure

Cyber risk management

Governance, forensic and operational risk management programs

Business Continuity Plan Exercise Program

A good Business Continuity/crisis management response and recovery relies on staff being familiar with their roles and responsibilities, including the necessary understanding of plans they are expected to use. Exercising is a crucial step in the process of making an organisation more resilient. It provides a safe environment for teams to practice and identify any potential gaps and weaknesses in existing plans that can be addressed before a real event occurs.

Fleet Risk Management Program

The introduction of the innovative Local Government Motor Fleet Risk Management Program addresses the rise in claims and accidents, benchmarks safety performance, and promotes continuous improvement. Notably, over 60% of motor claims are attributed to 'driver fault'.

Waste Management Program

By identifying and addressing the heightened fire and environmental risks associated with Waste Management Assets, the Waste Management Risk Profiling Program ensures sustainable protection for these asset types, promoting long-term security.

National Local Government Vulnerability Program

The National Local Government Vulnerability Program (NLGVP) acknowledges the crucial role that Local Government plays in enhancing community resilience for the future through preparedness, post-disaster recovery, and investment in mitigation efforts.

Asset Valuations

Asset Valuations are one component of a holistic risk management approach around Council assets. In obtaining a better understanding the cost of replacement and the overall accuracy of asset sum insured values are important to minimise out-of-pocket expenses.

Thermographic Scans

LGAAMF provides thermographic inspections on electrical switchboards of Member assets of significant value for community use and/or historical significance as part of its continuing risk minimisation program.

Asset Surveys

Asset Surveys are also a component of a holistic risk management approach and an effective way of proactively assessing building conditions of significant property assets to ensure they continue to be an acceptable risk indemnified via the LGAAMF.

Cyber Security Uplift Program

In response to the ongoing cyber threats to organisations, the LGAAMF funds the Cyber Security Uplift Program to address this continually evolving risk. CyberCX delivers this program to progress the work previously completed in the Cyber Vulnerability & Risk Profiling.

Phriendly Phishing

Helps prevent phishing attacks by running simulations and audits, making complex techniques easier to understand. It also provides friendly training to encourage better habits and improve both individual and organisational security.

Generative AI Risk Management - Consultancy Support

As part of Phase Two of the Generative AI Risk Management Project, each LGRS Member is eligible for up to 10 hours of tailored consultancy support. This support is designed to assist councils in understanding, assessing, and managing risks associated with the use of Generative AI. Members can use their allocated hours flexibly, based on their specific needs and maturity level.

Fraud and Cyber Awareness Training

Fraud & Cyber Awareness Training is available to Members as a risk management initiative, by educating staff on fraud concepts and cyber risks this can prevent instances of fraud or misconduct and cyber-attacks.

Cyber Incident Response Exercise (CIRE)

These Cyber Incident Response Exercises are a critical component of any organisations cyber protection and resilience program and highlights areas where an organisation can provide an uplift to its ongoing security practices and prepares teams to handle cyber incidents.

Contact and further information:

Tony Gray
LGRS General Manager
0429 067 430
tony.gray@jlta.com.au

Kirsty Gold
LGAMLS Scheme Manager
0419 667 817
kirsty.gold@jlta.com.au

Stevie Sanders
WHS & Risk Manager - LGRS
0429 904 262
stevie.sanders@jlta.com.au

Anthony Genovese
LGAAMF Divisional Manager
0421 610 282
anthony.genovese@jlta.com.au

Matthew Barton
LGAWCS IM Manager / LGA Authorised Officer
0447 914 700
matthew.barton@jlta.com.au

For program enquiries please direct to:
LGRS Admin
lgrsadmin@jlta.com.au

Our team has extensive industry knowledge and a strong understanding of Local Government. We are committed to collaborating with you to provide a wide range of customised risk solutions. With a client-first approach, we use our expertise to address your evolving needs effectively.

Level 3, 148 Frome Street,
Adelaide SA 5000

lgrs.com.au

ADELAIDE HILLS COUNCIL
AUDIT AND RISK COMMITTEE MEETING
Monday 16 February 2026
AGENDA BUSINESS ITEM

Item:	**8.2**
Responsible Officer:	**Zoë Gill** **Executive Governance Officer** **Office of the Chief Executive**
Subject:	**Risk Management Report**
For:	**Decision**

SUMMARY

This report provides the Audit and Risk Committee with an update on Risk Management activities, including the current status of the Strategic Risk Register and relevant framework documents.

In relation to the Strategic Risk assessments, there has been no major changes since the August 2025 report. Administration are reporting on eleven (11) strategic risks which have been included in *Appendix 1* and four (4) project risks which have been provided via email correspondence.

A summary of the risk control amendments, as requested by the Committee, has been provided in **Appendix 2**.

RECOMMENDATION

The Audit and Risk Committee resolves:

1. **To receive and note the Risk Management Report (item 8.2, 16 February 2026, Audit and Risk committee meeting).**
2. **After discussion, to endorse the Risk Management Report (item 8.2, 16 February 2026, Audit and Risk committee meeting).**
3. **To note the Strategic Risk Register Report in Appendix 1 (item 8.2, 16 February 2026, Audit and Risk committee meeting).**
4. **To note the Risk Control Amendments in Appendix 2 (item 8.2, 16 February 2026, Audit and Risk committee meeting).**

1. **BACKGROUND**

Council's Strategic Risk monitoring and reporting process has been in place since 2014. Reports on the Strategic Risk Profile have been provided to the Audit and Risk Committee on a quarterly basis since February 2016, along with the Risk Management Policy being endorsed by Audit Committee in 2019 and being adopted by Council the same year.

The Audit and Risk Committee Terms of Reference outlines the responsibilities of the Committee members are in relation to risk management.

3.3 INTERNAL CONTROLS & RISK MANAGEMENT POLICIES

3.3.1 Review and evaluate the effectiveness of policies, systems and procedures established and maintained for:

     i. the identification, assessment, monitoring, management, and review of strategic, financial, operational and corporate governance risks on a regular basis; and

     ii. internal financial controls in accordance with the Better Practice Model – Internal Financial Controls.

3.3.2 Review and monitor the responsiveness of Council to Committee recommendations for improvements in internal controls and risk management, based on previous audits and risk assessments, including those raised by Council's auditor.

A copy of the Strategic Risks has been provided (**Appendix 1)** for the Committee to provide comment on. Project risks have been sent separately in an email due to the confidentiality of some projects.

At the 17 November 2025 Committee meeting it was requested for the strategic/project risk controls to be reviewed to ensure only finalised controls are in place, with the Asset and Infrastructure strategic risk being the main one to assess. A summary of the review has been provided in **Appendix 2**.

2.   **ANALYSIS**

Strategic Plan 2024 – Your Place, Your Space

Goal 4	Organisation
Objective O2	Operate with integrity using best practice governance processes.
Priority O2.1	Demonstrate accountable and transparent decision making.
Priority O2.2	Support decision making through the use of timely data-driven analysis and reporting.
Priority O2.3	Enhance governance structures and systems to be agile and support our legislative obligations.

➢   **Legal Implications**

A number of sections of the *Local Government Act 1999* require councils to identify and manage the risks associated with its functions and activities. Further, s125 requires council to have appropriate internal controls.

Similarly, the *Work Health & Safety Act 2012* is structured around the protection of workers and others against harm to their health, safety and welfare through the elimination or minimisation of risk arising from work or specified substances or plant.

➢   **Risk Management Implications**

Improvements in the implementation of the risk management framework will assist in mitigating the risk of:

A lack of effective risk management occurs which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Low (3E)	Low (3E)

➢ **Financial and Resource Implications**

There are no direct financial or resource implications from this report. Council's risk management processes can impact its insurance premiums.

➢ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council has appropriate corporate governance processes in place, including an effective corporate risk management system.

➢ **Sustainability Implications**

There are no direct sustainability implications arising from this report.

➢ **Engagement/Consultation with Committee, Regional Subsidiary, Advisory Group and Community**

Council Committees: **Not Applicable**
Council Workshops: **Not Applicable**
Advisory Groups: **Not Applicable**
External Agencies: **Not Applicable**
Community: **Not Applicable**

➢ **Additional Analysis**

<u>Strategic and Project Risks</u>

The current eleven (11) strategic risks were composed in 2025 with the view that the strategic risks would likely not significantly change for Council for an extended period. The strategic risks were developed using relevant information from:
- AHC's strategic plan
- JLT Public Sector Risk Report
- Council's goals and projects

Strategic Risks are regularly reviewed and updated by the risk owners (Executive), in line with the Audit and Risk Committee workplan, including:
- Any updates in risk events, controls or consequences
  Note: These updates can come as part of the regular reporting review or as triggered by legislation, environment or operational changes
- Any additions, changes or removal to the controls or mitigation actions in place for that particular risk
- The inherent, residual and target risk ratings

Review of Risk Management Framework

Administration is currently reviewing the Council's Risk Management Framework and processes. A draft document is currently being reviewed at the Executive Level and will be brought to the Audit and Risk Committee in dues course. Administration is also currently reviewing Council's operational risks, with work being undertaken with each functional area. The Governance and People & Culture Teams are working closely on this task as some identified risks may relate to both operational risks and WHS risks, which will ensure WHS can build their own WHS and psychosocial risk register.

3.   OPTIONS

The Audit and Risk Committee has the following options:

I.   The Committee has reviewed and discussed the quarterly risk report, and resolves that the report be received, accepted and noted.
II.   To determine not to note the quarterly risk report and/or identify additional actions to be undertaken.

4.   APPENDIX

(1)   Strategic Risk Register – February 2026
(2)   Risk Control Amendments

Appendix 1
Strategic Risk Register – February 2026

Strategic Risk – Financial Sustainability

Risk Description	Council is unable to manage its finances in a sustainable manner
Responsible Person	Gary Lewis
Risk Category	Financial
Last Review Date	03/02/2026

Initial Risk Data

Initial Risk Rating

21 (Extreme (4B)) - 84.00%
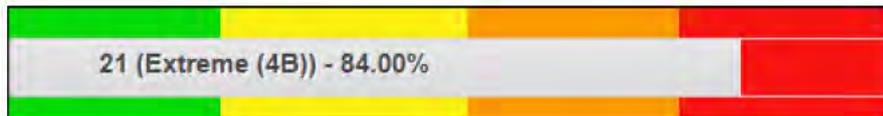
Possible Risk Events

- Insufficient rate revenue
- Inadequate grants/funding
- Inflationary pressure
- Evolving community needs
- Economic uncertainty
- Inadequate insurance protections
- Loss of revenue due to business disruptions, catastrophic events, natural disaster
- Disaster recovery funding arrangements
- Cost and risk shifting from other tiers of government
- Lack of proper strategic, business, asset management planning
- Inappropriate strategic direction
- Poor internal control environment

Possible Consequences

- Unable to deliver services
- Inability to attract and retain staff
- Reputational impact due to not meeting community expectations for service delivery
- Inability to be funded by LGFA
- Potential inability to pay creditors and staff
- Poor supplier relationships
- Unexpected increase in rates

Residual Risk Data

Residual Risk Rating

18 (High (4C)) - 72.00%

Note: Work on the Long Term Financial Plan is ongoing. Challenges continue with confirming asset renewal and depreciation costs. Risk score to be reviewed prior to end of financial year.

Controls

- Strategic Plan in place
- Annual Business Plan developed and aligned each year to the Long Term Financial Plan
- Internal audit and annual review of internal controls
- Internal controls framework
- Community expectation management
- Insurance reviewed annually and all areas of insurance are reviewed and recalculated for following year

Actions

Action	Person Responsible	Due Date	Progress %
Long Term Financial Plan to be finalised	Gary Lewis	June 2026	80%

Strategic Risk – Cyber Security

Risk Description	Council does not have the appropriate security, systems or processes in place for cyber security
Responsible Person	Gary Lewis
Risk Category	Information Technology
Last Review Date	03/02/2026

Initial Risk Data

Initial Risk Rating

23 (Extreme (4A)) - 92.00%

Possible Risk Events

- Inability of IT to proactively manage cyber security
- Inability to minimise or respond to a cyber attack
- Failure of the reliability and integrity of critical IT systems and infrastructure
- Key supplier failure/third party contracts
- External theft or exposure of information
- Non-compliance with data protection and Privacy legislation
- Business protection systems not in place
- Internal data fraud/security breach
- Business Continuity Plan does not incorporate cyber threats
- Disaster recovery plans not tested or regularly reviewed
- No or poor policy/processes to mitigate human error
- Lack of physical access controls

Possible Consequences

- Breaches of privacy
- Penalties/fines/legal costs
- Reputational impact - community loses faith due to their information being shared
- Financial impact to build new systems/fix problems
- Service delivery delays
- Data integrity and loss
- Increased workload
- Safety ramifications due to private information shared
- Unauthorised entry into council facilities
- Environmental impacts from wastewater management systems

Residual Risk Data

Residual Risk Rating

Note: With current status of ERP, the likelihood is still possible, but the consequence rating would be major keeping risk at a major level.

Controls

- Cyber Security Audit through JLT and independent auditors
- Cyber security action group
- Implementation of LGITSA and Essential 8 cyber security frameworks
- EDR, MFA, AV management systems
- Automated device system patching
- Regular encrypted backup schedules
- Alerting and reporting management systems
- Internal suite of policies, procedures, frameworks, plans
- PCI control systems
- RBAC for admin accounts
- Microsoft Entra/AD security policy enforcement
- Subscription to relevant industry communications/ASD - ACSC, CHIPS
- Regular engagement with vendors
- Cyber security assessment of vendors
- ITIL management practices

Actions

Action	Person Responsible	Due Date	Progress %
Cyber security awareness training for staff	Gary Lewis	30/12/2026	40%
Data categorisation framework	Gary Lewis	30/06/2027	65%
Network security management and control	Gary Lewis	30/06/2026	25%
IT Disaster response and recovery plans	Gary Lewis	31/12/2026	50%
Cyber security incorporated into contracts/ agreements	Gary Lewis	20/09/2026	50%

Strategic Risk – Information Services

Risk Description	IT systems cause potential losses or negative impacts that affect Councils business and operations
Responsible Person	Gary Lewis
Risk Category	Information Technology
Last Review Date	03/02/2026

Initial Risk Data

Initial Risk Rating

23 (Extreme (4A)) - 92.00%

Possible Risk Events

- Business systems do not effectively support organisational needs
- Poor information management practices (capture, use, storage, retrieval, quality)
- System fails or becomes unsupported
- Incompatibility with newer platforms
- Lack of alignment between Strategic Plan and IT business plan
- Failure to adapt IT systems to meet changing legal or regulatory requirements

Possible Consequences

- High financial impact to replace system when it fails.
- Staff unable to complete their BAU due to insufficient or non-accessible systems.
- Poor performance, poor reporting due to limited, old systems.
- Inability to meet legislative requirements.
- Complete or partial system failure
- Risk of Cyber Security attack
- Negative impact on council brand and reputation
- Inability to attract and retain skilled staff
- Poor decision making impacted by poor data
- Systems cannot be upgraded
- Failure to capture corporate knowledge effectively
- Community being misinformed or mislead
- Legal costs or penalties

Residual Risk Data

Residual Risk Rating

12 (Medium (3C)) - 48.00%
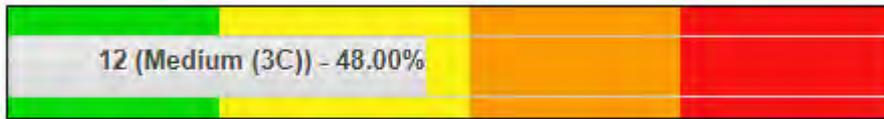
Controls

- Suite of internal IT policies, frameworks, plans
- Infrastructure and maintenance plans
- IT Business continuity plan
- Digital Transformation plan
- External audits of systems
- Regular vendor engagement
- Maintaining industry awareness and legislative requirements
- Regular staff engagement/feedback

Actions

Nil Actions required

Strategic Risk – People and Culture

Risk Description	Inability to foster an inclusive, innovative and collaborative workplace and culture
Responsible Person	Gary Lewis
Risk Category	People and Culture
Last Review Date	03/02/2026

Initial Risk Data

Initial Risk Rating

23 (Extreme (4A)) - 92.00%

Possible Risk Events

- Inadequate employee numbers and organisational knowledge
- Non-compliance with employee health, safety and wellbeing regulation
- Challenges of managing a remote workforce with increased expectation of WFH arrangements
- Lack of workforce planning, policies and development
- Failure to ensure appropriate WHS for employees and volunteers
- Poor cross-functional communication and collaboration
- Inadequate training, practices or support for inclusive leadership
- Lack of representation and inclusion in decision-making processes
- Resistance to cultural change or diversity initiatives
- Lack of change management
- Lack of diversity, equity, and inclusion initiatives
- Misalignment between values and behaviours
- Inadequate employee development, engagement and support
- Failure to foster a positive and collaborative work environment

Possible Consequences

- Increased financial impact
- Service delivery disruptions
- Heightened number of internal complaints, PIDs or litigation
- Decline in employee morale and engagement
- Difficulty attracting and retaining professional staff
- Negative reputational impact
- Reduced productivity, creativity and innovation
- Increased employee turnover and absenteeism
- Poor communication and collaboration

- Lack of trust in leadership
- Impacted community trust in Council's operations

Residual Risk Data

Residual Risk Rating

18 (High (4C)) - 72.00%

Controls

- Diversity, equity, and inclusion strategies
- Wellbeing and support initiatives
- Suite of internal policies and procedures
- Values program
- Internal communication initiatives

Actions

Action	Person Responsible	Due Date	Progress %
Great place to work initiative	Gary Lewis	30/06/2026	50%
Reward and Recognition program	Gary Lewis	30/06/2026	25%
Implement exit interviews	Gary Lewis	30/06/2026	0%

Strategic Risk – Business Continuity/Service Delivery

Risk Description	Council is significantly affected by business interruptions causing disruptions to its operations
Responsible Person	Zoe Gill
Risk Category	Service Delivery
Last Review Date	03/02/2026

Initial Risk Data

Initial Risk Rating

22 (Extreme (5C)) - 88.00%

Possible Risk Events

- Destruction of council assets/infrastructure due to natural or other disasters
- Loss or inadequate numbers of key team people
- Lack of processes to respond to unplanned outages of IT/social media/telecommunications
- Inability to maintain sound working relationship/culture between elected members and the administration
- Immature processes to ensure clear, consistent communication with affected community
- No or minimal community resilience plans and processes to mitigate impact of lost or reduced council services and functions
- Outdated systems
- Cyber attacks
- Disruption of emergency services
- Changes in laws or compliance requirements

Possible Consequences

- Reputational damage - loss of community trust, customer dissatisfaction
- Temporary or permanent disruption to key services delivered by Council
- Revenue disruption due to halted operations
- Increased costs for recovery, legal fees, and crisis management
- Non-compliance penalties if continuity plans fail to meet legal standards
- Exposure to cyberattacks or data breaches
- Delay in project timelines
- Loss of staff members
- Adverse impact on staff health and wellbeing

Residual Risk Data

Residual Risk Rating

22 (Extreme (5C)) - 88.00%
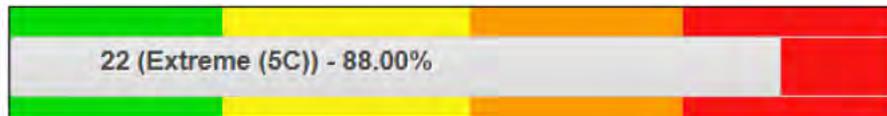
Controls

- Suite of internal policies and procedures
- Alternative work arrangements for internal staff
- Cybersecurity protocols in place
- Insurance coverage
- Identified CIMT officers and a suite of relevant CIMT documents

Actions

Action	Person Responsible	Due Date	Progress %
Create Business Continuity Plan	Zoe Gill	June 2027	0%

Strategic Risk – Ineffective Governance

Risk Description	Council is not transparent and accountable
Responsible Person	Zoe Gill
Risk Category	Governance, Legal & Compliance
Last Review Date	03/02/2026

Initial Risk Data

Initial Risk Rating

20 (Extreme (3A)) - 80.00%

Possible Risk Events

- Inadequate financial controls/improper financial management
- Challenges from managing elected member code of conduct/behavioural issues
- Inadequate strategic and budget planning and monitoring processes
- Challenges with managing meeting protocols
- Ineffective complaints handling process, procedures etc
- Fraud
- Corruption, misconduct and maladministration
- Council is not transparent to staff or community
- Ineffective performance management and reporting processes
- Unclear decision-making processes
- Ineffective oversight structures and processes
- Inadequate policies

Possible Consequences

- Attracting and retaining skilled governance staff
- Loss of trust in council staff and elected members
- Poor elected Member conduct
- Performance and accountability issues
- Non-compliance with statutory and regulatory requirements
- Theft
- Increase in complaints to council, ombudsman, SafeWorks, etc
- Elected Members resign
- Decisions are poorly or incorrectly informed, leading to a high-risk profile, errors, loss, waste, omissions, breaches of legislation.
- Poor working relationship between Council and Administration

Residual Risk Data

Residual Risk Rating

9 (Medium (3D)) - 36.00%
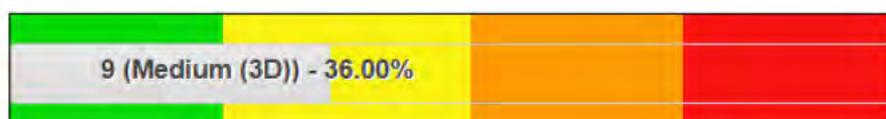
Controls

- Councillor, Committee member and employee induction programs and ongoing training
- Strategic plan, LTFP, business plan, quarterly business plane reviews, corporate indicator report
- Staff member responsible for corporate reporting
- Code of Practice for Meeting Procedures
- Delegations register
- Suite of registers for Council business and elected member conduct
- Suite of governance policies
- Behavioural standards for elected members
- Behavioural management policy for elected members
- Organisational policy framework
- Review and monitor governance updates from LGA
- Key staff responsible for governance related matters
- Compliance with legislation
- Relevant committees established and terms of reference adopted

Actions

Action	Person Responsible	Due Date	Progress %
Working Together Initiative	Zoe Gill	30/06/2026	20%
Reviewing and revising the risk management framework	Zoe Gill	30/06/2026	75%
Reviewing and revising organisational policy framework	Zoe Gill	30/06/2026	30%

Strategic Risk – Statutory/Regulatory/Compliance/Legal/Insurance

Risk Description	Council is unable to manage its Statutory/Regulatory/Compliance/Legal/Insurance requirements
Responsible Person	Zoe Gill
Risk Category	Governance, Legal & Compliance
Last Review Date	03/02/2026

Initial Risk Data

Initial Risk Rating

21 (Extreme (4B)) - 84.00%

Possible Risk Events

- Lack of awareness of legislative/contractual/lease/policy requirements
- Poor procurement and contract management practices
- Ineffective compliance management systems
- Lack of staff knowledge around processes, systems, etc
- Lack of qualified staff
- Inefficient systems
- Lack of insurance renewal or claim processes
- Lack of local government specific resources
- Changes in legislative requirements
- Ineffective risk management framework

Possible Consequences

- Breaches of legislation
- Contractual penalties and liabilities
- Scrutiny and sanctions by integrity agencies
- Unaware of legislation changes
- Council is incorrectly insured, assets are not covered, council is liable for multiple claims due to its insurance cover or lack of claim process
- financial impact of paying penalties, fines, claims, etc
- Reputational impact
- Pollution or improper waste management due to non-compliance
- Unsafe working conditions
- Higher risk ratings

Residual Risk Data

Residual Risk Rating

8 (Medium (2C)) - 32.00%
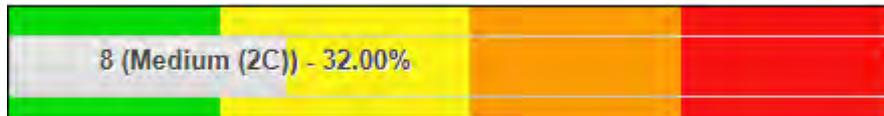
Controls

- Legal considerations considered in agenda report templates,
- Multiple staff receive updates from LGA, legal providers and professional associations
- Role specific training & development
- Policy registers, policies on web, WHS audits, Mutual Liability Scheme (Risk Management) audits
- Contract registers, lease registers
- Procurement Framework Internal audit framework
- Risk framework and risk system

Actions

Nil Actions required

Strategic Risk – Community Expectation and Engagement

Risk Description	Council does not understand community needs and is unable to manage community expectations around providing services
Responsible Person	Jess Charlton
Risk Category	Service Delivery
Last Review Date	03/02/2026

Initial Risk Data

Initial Risk Rating

16 (High (2A)) - 64.00%

Possible Risk Events

- Community's expectations of Council is not reasonable
- Limited resourcing, staff, funding, capacity
- Lack of reporting and data analysis
- Lack of understanding of community and customer communication
- Lack of what Council is able to do
- Ineffective public consultation and community engagement practices
- Limited opportunities for public input and feedback into Council's services and plans
- Poor processes for managing and responding to customer enquiries and requests
- Increased expectations as a result of digital transformation in other sectors and shifts in technology and corporate sector processes outpacing Council's adaptation (and ability to adapt)
- Resource constraints to deliver services at a level the community expects (e.g. Trees)
- Lack of funding for appropriate technology solutions

Possible Consequences

- Loss of community trust in Council staff and elected members
- Inability to attract and retain staff
- Poor community engagement - poor general sentiment of Council
- Inability to deliver services or deliver to a high standard
- Low customer satisfaction
- Higher number of complaints, internal reviews, investigations
- Misalignment with community needs which leads to funding going to projects, inefficient resource allocation and/or underutilisation of services
- High operational costs due to reactive manual processes

Residual Risk Data

Residual Risk Rating

14 (High (2B)) – 56.00%

Controls

- Contemporary CRM system
- Community Engagement Framework
- Policies and procedures for engaging with residents on key issues
- Community Engagement Policy
- Customer Service Standards
- Customer Experience survey mechanism – to seek feedback from customers in a structured and methodical way
- Communication Strategies – to communicate Council services, promote offerings and manage expectations
- Direct engagement through Libraries, community centres, and volunteering programs
- Biennial community perception survey to understand community priorities and what they think about Council
- Corporate Performance Indicators / Quarterly Reporting / Annual Report
- Resourced customer team and Customer experience role
- Service reviews

Actions

Action	Person Responsible	Due Date	Progress %
Review of customer service standards / levels and updated performance reporting	Jess Charlton	31/12/2026	0%
Explore enhanced ways of engaging with the community on budgets and priorities, before draft budgets are set to reach broader demographics	Jess Charlton	31/12/2026	0%

Strategic Risk – Assets and Infrastructure

Risk Description	Council does not have the capacity to manage its assets and infrastructure
Responsible Person	Jade Ballantine
Risk Category	Assets and Infrastructure
Last Review Date	03/02/2026

Note: Risk based on strategic period (4years)

Initial Risk Data

Initial Risk Rating

25 (Extreme (5A)) - 100.00%

Possible Risk Events

- Lack of capacity to finance asset and infrastructure management
- Inflation or supply chain impact on costs to maintain/upgrade/replace assets and infrastructure
- Increased cost of upgrading/improving assets
- Lack of ability to adequately and appropriately insure assets/infrastructure
- Natural disaster/catastrophe damage to critical infrastructure
- Responsibility to maintain State Government cost shifted assets
- Resourcing limitations re staffing, financial, knowledge, skills, external resources, supply chain, inflation, materials
- Resource implications due to service level changes (community, legislative, Elected body) for managing assets

Possible Consequences

- Reduced quality of life and potential negative impact on physical and mental health of residents
- Harm to people, property, local economy and environment
- Organisational staff turnover
- Reputational impact - loss of trust from community to deliver services
- Assets don't function appropriately and become not fit for purpose
- Unable to provide essential services
- Increased whole of life management of asset costs

Initial Risk Comments

The Environment and Infrastructure division is under realignment and resourcing to ensure assets and infrastructure are planned, maintained, renewed and divested when appropriate according to an effective peer reviewed methodology that reflects financial sustainability.

Residual Risk Data

Residual Risk Rating

19 (High (5D)) - 76.00%

Controls

- Current Asset Management Plans for:
    - Asset Management Plan 2021 — Road, footpath and kerb
    - Bridge Asset Management Plan 2022 — Span and Culvert Bridges
    - Asset Management Plan 2023 - Community Wastewater Management System
- Long Term Financial Plan that captures the Strategic Plan and Asset Management Plans
- Endorsed annual budget for maintenance program (all asset categories)
- Annual Business Plan & Budget consultation undertaken
- Asset condition audits undertaken cyclically
- Asset management system which includes green and grey assets
- Lease management and compliance audits for buildings as per legislation
- Appropriate strategies to inform and deliver asset management plan

Actions

Action	Person Responsible	Due Date	Progress %
Development of asset management plans for: • Buildings • Water (Stormwater, Wastewater, Groundwater) Infrastructure • Open Space • Transport	Jade Ballantine	June 2027	0%
Development of relevant policies for asset management	Jade Ballantine	June 2027	0%

Strategic Risk – Emergency Management

Risk Description	Council is not able to respond appropriately or effectively to emergencies and disasters
Responsible Person	Jade Ballantine
Risk Category	Service Delivery
Last Review Date	03/02/2026

Initial Risk Data

Initial Risk Rating

25 (Extreme (5A)) - 100.00%

Possible Risk Events

- Events of bushfire, flood, storm, drought, earthquake, terrorism, extreme heat
- The unpredictability, uncertainty and severity of extreme events
- Inability to act as a community leader to manage disruption, response and recovery processes
- Inadequate funding available for required resources
- Inadequate or poorly implemented internal emergency management response plans
- Inadequate or poorly implemented external emergency management plans
- Preparation and partnering with state and federal government agencies and NGO's
- Community awareness of Council emergency response plans
- Inadequate planning and preparation
- Understanding of risks and vulnerabilities
- No due diligence for building community resilience
- Ineffective asset maintenance and replacement plans and programs
- Noncompliance with legislation
- Insufficient budget

Possible Consequences

- Significant Council asset loss and damage
- Loss of life or injury
- Reputational damage due to inability to effectively meet the community needs in emergencies and disasters
- Exposure to liability and penalty
- Loss of community normality
- Impact to service delivery
- Loss or damage of public and private assets
- Environmental and biodiversity impacts

- Inability to support community during and post emergency/disaster
- High exposure to emergency risk
- Significant economic decline
- Physical and mental health impact to Council staff
- Financial loss

Initial Risk Comments

Since the resignation of the Coordinator of Environment and Landfill, Council has undertaken to triage the highest priority roles and functions to ensure continuity of preparedness. This includes nominating a Council member on the Zone Emergency Management Committee, commission a consultant review of Council's Incident Operations Manual and calling for Council staff to express interest and be trained in the new i-Responda local government framework.

Residual Risk Data

Residual Risk Rating

19 (High (5D)) - 76.00%

Controls

Internal

- Emergency Management Plans created and regularly reviewed
- Dedicated staff members to coordinate
- Site specific emergency response plans
- Suite of internal policies and frameworks for internal implementation
- Education to staff

External

- Asset Management Plan
- Participation in regional EM arrangements
- Provision of assistance to control agency, NGOs and government agencies and the community
- Provide, support and participate in community education programs
- Ongoing fuel reduction programs
- Compliance with relevant legislation and regulations
- Tree Management Programs
- Suite of internal policies and frameworks for external implementation
- Community Resilience Program
- Dedicated staff members to coordinate with external bodies

Actions

Nil Actions required

Strategic Risk – Environmental and Climate

Risk Description	Current and future climate and environmental changes/risks impact on Council's business and functions
Responsible Person	Jade Ballantine
Risk Category	Environment
Last Review Date	03/02/2026

Initial Risk Data

Initial Risk Rating

23 (Extreme (4A)) - 92.00%

Possible Risk Events

- Insufficient disaster recovery funding arrangements to adequately build back better infrastructure and assets that are capable of withstanding future climate scenarios
- Not satisfying the climate change needs and expectations of the local community
- Not developing strategic plans and policies and operational programs to mitigate climate change impact to community and council
- Not contributing to a net zero economy
- Not being aware or adhering to legislative changes in relation to climate or environmental changes

Possible Consequences

- Financial impact due to mitigating risk and building better infrastructure and assets
- Reputational impact due to not meeting community expectations, community dissatisfaction
- Damage to local environment
- Impact to health and wellbeing for community and staff
- Economic impacts due to climate change
- Insurance implications

Initial Risk Comments

The Environment and Infrastructure division is under realignment and resourcing to ensure environment, assets and infrastructure are adapted, planned, maintained, renewed and divested when appropriate according to an effective peer reviewed methodology that reflects financial sustainability.

Residual Risk Data

Residual Risk Rating

23 (Extreme (4A)) - 92.00%

Controls

- Organisational strategic plans, policies, procedures, management plans, etc. referring to climate and environment
- Allocated resources within Council
- Partnerships and advocacy with key stakeholders i.e. CFS, Zone Emergency Management, Resilient Hills and Coast.
- Council maintaining information and knowledge and sharing with the community

Actions

Nil Actions required

Appendix 2
Risk Control Amendments

Directorate	Risk	Amendments to Risk Controls
Corporate Services	SR – Financial Sustainability	Moved Long Term Financial Plan from a control to an action
Corporate Services	SR – Cyber Security	Moved the below items from controls to actions: • Cyber security awareness training for staff • Data categorisation framework • Network security management and control • IT Disaster response and recovery plans • Cyber security incorporated into contracts/ agreements
Corporate Services	SR – Information Services	Nil
Corporate Services	SR – People and Culture	Moved the below items from controls to actions: • Exit interviews • Reward & Recognition program Values program from an action to a current control
Office of the CEO	SR – Business Continuity/ Service Delivery	Moved the below items from control to actions: • BCP moved from control to an action Added Identified CIMT officers and handbook as a control
Office of the CEO	SR – Statutory/ Regulatory/ Compliance/ Legal/ Insurance Requirements	Nil
Office of the CEO	SR – Ineffective Governance	Nil
Office of the CEO	PR – Campbelltown City Council Boundary Change Proposal	Actions added: • Continue to implement engagement plan – ongoing – June 2027 • Developing contingency plans for different outcomes – ongoing – June 2027
Office of the CEO	PR – Gawler River Flood Management Authority	Action added: • Continued liaison with minister regarding matter – ongoing - June 2027

Community & Development	SR – Community Expectations and Engagement	Nil

Environment & Infrastructure	SR – Assets & Infrastructure	The Asset Management Plan control amended to specify the current AMPs in place:
		• Asset Management Plan 2021 — Road, footpath and kerb
		• Bridge Asset Management Plan 2022 — Span and Culvert Bridges
		• Asset Management Plan 2023 - Community Wastewater Management System
		
		Actions added:
		• Development of asset management plans for:
		  o Buildings
		  o Water (Stormwater, Wastewater, Groundwater) Infrastructure
		  o Open Space
		  o Transport
		    - June 2027
		• Development of relevant policies for asset management – June 2027

Environment & Infrastructure	SR – Emergency Management	Nil
Environment & Infrastructure	SR – Environmental and Climate	Nil
Environment & Infrastructure	PR – Ashton Landfill	Action added: • Complete landfill capping remediation – June 2027
Environment & Infrastructure	PR – Udder Delights	███████████████████████████

ADELAIDE HILLS COUNCIL
AUDIT AND RISK COMMITTEE MEETING
Monday 16 February 2026
AGENDA BUSINESS ITEM

Item:	**8.3**
Responsible Officer:	**Zoë Gill** **Executive Governance Officer** **Office of the Chief Executive**
Subject:	**Internal Audit Report**
For:	**Decision**

SUMMARY

This report provides the Audit and Risk Committee with an update in relation to the internal audit function within Adelaide Hills Council.

In 2025 Council reinstated its internal audit program. The internal audit program is a three-year running program and has been included in **Appendix 1**. In addition to this internal audit program, individual functional groups initiated their own separate audits. These are:

- Administration, in conjunction with the LGA Asset Mutual Fund (LGAAMF), has completed the LGAAMF Fleet Risk Management Report **(Appendix 2)**.

- Administration, in conjunction with Banton Australia, has completed the EV Charging Audit **(Appendix 4)**.

- Administration, in conjunction with Robert Pitt, has completed the Cemetery Compliance Review **(Appendix 6)**.

Administration has responded to the recommendations in these audits (see **Appendices 3, 5 and 7**).

Appendix 8 provides a progress update on actions arising from internal and external audits.

RECOMMENDATION

The Audit Committee resolves:

1. **To receive, discuss and note the Internal Audit Quarterly Report (item 8.3, 16 February 2026, Audit and Risk Committee meeting).**
2. **To note the 3-Year Internal Audit Plan in Appendix 1 (item 8.3, 16 February 2026, Audit and Risk Committee meeting).**
3. **To receive and note the LGAAMF Fleet Risk Management Audit Report in Appendix 2 and Administrations response to recommendations in Appendix 3 (item 8.3, 16 February 2026, Audit and Risk Committee meeting).**

4. **To receive and note the EV Charging Audit Report in Appendix 4 and Administrations response to recommendations in Appendix 5 (item 8.3, 16 February 2026, Audit and Risk Committee meeting).**
5. **To receive and note the Cemetery Compliance Audit Report in Appendix 6 and Administrations response to recommendations in Appendix 7 (item 8.3, 16 February 2026, Audit and Risk Committee meeting).**
6. **To note the Audit Actions Progress Report – February 2026 in Appendix 8 (item 8.3, 16 February 2026, Audit and Risk Committee meeting).**

1. **BACKGROUND**

As per s125A of the *Local Government Act 1999*, sections 3.5.2 and 3.5.3 of the Audit and Risk Committee's Terms of Reference and section 3.2 of the *Internal Audit Policy*, it is the Executive Governance Officer's responsibility, as the Primary Person Responsible (PPR) for internal audit activities at Council, to provide the Committee with reports on internal audit functions at least on a quarterly basis.

The Audit and Risk Committee last received an internal audit report at its October 2025 meeting.

At the 17 November 2025 Committee Meeting it was reported in the Action Report and Work Plan Update that the audit actions progress report would be moved from its bi-annual reporting and will now be included in each Internal Audit Quarterly Report as an appendix for noting. The audit actions have been included in **Appendix 8.**

2. **ANALYSIS**

   ➢ **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

   Strategic Plan 2024 – Your Place, Your Space
   Goal 4   Organisation
   Objective O2   Operate with integrity using best practice governance processes.
   Priority O2.1   Demonstrate accountable and transparent decision making.
   Priority O2.2   Support decision making through the use of timely data-driven analysis and reporting.
   Priority O2.3   Enhance governance structures and systems to be agile and support our legislative obligations.

   ➢ **Legal Implications**

   Section 125 of the *Local Government Act 1999* (the Act) requires councils to ensure that appropriate policies, practices and procedures of internal controls are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard Council's assets, and to secure (as far as possible) the accuracy and reliability of Council records.

   Section 125A of the Act requires the person primarily responsible for the internal audit function to ensure that any reports they prepare relating to the internal audit function are

provided directly to the audit and risk committee. They may also report any matters relating to the internal audit function directly to the audit and risk committee.

Under section 3.2 Council's *Internal Audit Policy,* the Executive Governance Officer is responsible for the management of internal audit functions within Council.

The Internal Audit program is an important tool to provide an objective appraisal of the adequacy on internal controls in managing our risk and supporting the achievement of council objectives.

➢ **Risk Management Implications**

The implementation of the internal audit program will assist in mitigating the risk of:

> *Internal control failures occur which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.*

Inherent Risk	Residual Risk	Target Risk
High (4C)	Low (2E)	Low (2E)

➢ **Financial and Resource Implications**

An indicative cost for an internal audit is in the range of $12,000-$20,000, depending on the complexity of the audit.

The proposed Internal Audit budget for the 2025-26 financial year is sufficient for the implementation of the new internal audits that will be conducted during that financial year.

➢ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council has appropriate corporate governance processes in place, including an effective internal control environment.

➢ **Sustainability Implications**

Not applicable

➢ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

Council Committees:	**Not Applicable**
Council Workshops:	**Not Applicable**
Advisory Groups:	**Not Applicable**
External Agencies:	**Not Applicable**
Community:	**Not Applicable**

➢ **Additional Analysis**

Audits Undertaken

LGAAMF Fleet Risk Management Audit

The LGAAMF provided Adelaide Hills Council with the opportunity to participate in the Fleet Risk Management Program, which is a fully funded program provided to members of the LGAAMF. This audit was conducted in June 2025 with the final report being received by Council in September 2025.

The Fleet Management report reviewed the following:

Organisational commitment
• Fleet strategy
• Fleet management policies and procedures
• Monitoring and reporting

Operations – Driver management
• On boarding procedures
• Driver management

Operations – Vehicle management
• Maintenance
• Storage
• Cargo management
• Fuel/fuel card management

Eighteen (18) recommendations were provided in the audit report with thirteen (13) of them being accepted and endorsed by Administration. Some recommendations have been amalgamated for more concise action progression. These have been reviewed and endorsed by ELT and the CEO has provided his approval for the final audit report and endorsed recommendations. In addition, the accepted recommendations have been incorporated into the Audit Action Register for implementation and tracking and will be reported to the Audit and Risk Committee via the quarterly internal audit report)**Appendix 8**).

EV Charging Audit

The EV Charging Audit was a follow-on audit after the completion of the LGAAMF Fleet Risk Management Audit due to concerns being raised during the audit process regarding the compliance of AHC chargers from both an insurance perspective and from a regulatory obligation.

In June/July 2025 Banton Australia conducted the EV Charging Audit with the final report being received by Council in July 2025.

The purpose of this report was to review and assess the current operational and safety status of electric vehicle (EV) chargers across multiple Adelaide Hills Council sites. The audit focused on Council's compliance requirements under AS/NZS 3000:2018 (the Wiring Rules), AS/NZS 3008.1.1:2017 (Cable Selection and Installation) and any applicable State Service & Installation Rules.

The report addresses elements of the scope as follows:
• Safety Improvements
• Signage & User Guidance
• Security & Surveillance
• Infrastructure Protection
• Operational Enhancements
• Maintenance & Compliance

Fourteen (14) recommendations were provided in the audit report with ten (10) of them being accepted and endorsed by Administration. Five (5) recommendations have been completed. These have been reviewed and endorsed by ELT and the CEO has provided his approval for the final audit report and endorsed recommendations. In addition, the accepted recommendations have been incorporated into the Audit Action Register for implementation and tracking and will be reported to the Audit and Risk Committee via the quarterly internal audit report (**Appendix 8**).

AHC Cemetery Compliance Review
In August 2025 Robert Pitt conducted the Cemeteries Compliance Review with the final report being received by Council in September 2025.

Council owns or has under its care and control 16 cemeteries. With the oldest cemetery dating back to the 1850s, many of these cemeteries have come under Council's ownership or care and control over time, having previously been church or community owned cemeteries.

The purpose of the report was to review and assess Council's administration and management of its cemeteries with regards to the level of compliance with South Australian cemetery legislation. The review focuses on Council's compliance with the *Burial and Cremation Act 2013 (the Act)* and the *Burial and Cremation Regulations 2014 (the Regulations).*

The report addresses elements of the scope as follows:
• Cemetery Legislation Compliance Checklist
• Cemeteries Operating Policy
• Memorials within Council Cemeteries Policy
• Other Cemetery Related Forms and Documents

Fourteen (14) recommendations were provided in the audit report with eleven (11) of them being accepted and endorsed by Administration. Two (2) recommendations have already been completed, and some recommendations have been amalgamated for more concise action progression. These have been reviewed and endorsed by ELT and the CEO has provided his approval for the final audit report and endorsed recommendations. In addition, the accepted recommendations have been incorporated into the Audit Action Register for implementation and tracking and will be reported to the Audit and Risk Committee via the quarterly internal audit report.

Audit Action Progress Report
There are forty-nine (49) items in total on the audit action register, with some actions being brought across from the old audit action list from previous audits and nineteen (19) actions being added from the three new audit reports, as provided with this report. One (1) action has been marked as complete since the last Internal Audit Report.
Seven (7) old previous audit actions have been archived as they have been amalgamated into other actions.

An update on all audit actions from Internal and External Audits is provided in *Appendix 8*.

3.   **OPTIONS**

The Committee has the following options:

I.   To receive and note this report.

II.   To note the Audit Actions Progress Report

II.   To identify an alternative course of action

4.   APPENDIX

(1)   3-Year Internal Audit Plan
(2)   LGAAMF Fleet Risk Management Audit Report
(3)   Fleet Risk Management Audit Recommendations
(4)   EV Charging Audit Report
(5)   EV Charging Audit Recommendations
(6)   Cemetery Compliance Audit Report
(7)   Cemetery Compliance Audit Recommendations
(8)   Audit Actions Progress Report – February 2026

Appendix 1

3-Year Internal Audit Plan

Summary: proposed three-year strategic internal audit plan (FY 2025/26 – FY 2027/28)

This three-year internal audit plan outlines a structured approach to assessing and strengthening the Council's key operational, financial, and governance areas. The plan has focused on areas with known weaknesses, strategic importance, or regulatory obligations. Across the three years, 11 targeted audits have been proposed. These audits will provide assurance, identify opportunities for improvement, and support long-term organisational resilience.

- **Year 1 (2025/26)** focuses on core foundational areas, including asset management, HR and workforce planning, financial sustainability, and governance and risk management. These audits address critical infrastructure, internal control effectiveness, and policy oversight.
- **Year 2 (2026/27)** shifts attention to high-risk operational domains, including IT systems and cybersecurity, property and lease management, contract management, and fraud and corruption prevention. The aim is to assess systems resilience, compliance, and financial exposure.
- **Year 3 (2027/28)** targets long-term strategic risks and operational efficiency through audits of long-term financial and asset planning, major capital projects, and fleet and equipment management. These audits aim to support informed decision-making and sustainable service delivery.

Summary of the three-year internal audit plan

Status Key

Completed	In Progress	Not Started

Year 1 – FY 2025/26

Audit	Focus	Scope Highlights	Timing	Hours	Status
Environmental Health & Food Safety	The audit assessed the effectiveness of these practices in ensuring compliance, transparency, and alignment with legislative requirements		Q1	85–96	(yellow)
Human Resource (Excludes WHS)	Assess the effectiveness, efficiency, and compliance of HR policies, recruitment practices, and performance management.	HR policies, recruitment practices and performance appraisals.	Q2	80–90	(yellow)
Financial Internal Controls	Review financial internal controls.	Segregation of duties, transaction approvals, and reconciliation processes.	Q3	85–90	(red)
Governance	Assess governance structures and ERM.	Policy and procedure compliance, risk management.	Q4	75–90	(red)

Year 2 – FY 2026/27

Audit	Focus	Scope Highlights	Timing	Hours	Status
IT Systems	Evaluate IT governance	IT governance framework, strategic planning, and risk management practices.	Q1	85–95	(red)
Property & Lease Management	Review lease processes and asset use	Lease tracking, maintenance planning, and financial transparency	Q2	86–97	(red)
Contract Management (Excl Procurement)	Assess contract lifecycle, risk, and performance	SLA monitoring, risk assessment, documentation, and variation controls	Q3	80–95	(red)
Fraud & Corruption Prevention Controls	Review fraud prevention and whistleblower protections	Risk assessment, training, controls, detection tools, reporting	Q4	90–105	(red)

Year 3 – FY 2027/28

Audit	Focus	Scope Highlights	Timing	Hours	Status
Long-Term Financial Planning & Asset Sustainability	Review financial planning and asset integration	Forecasting, funding strategies, deferred maintenance impact	Q1	85–100	(red)
Major Projects & Capital Works	Assess project governance and financial control	Budgeting, procurement, contractor oversight, post-project review	Q2	95–115	(red)
Fleet & Equipment Management	Review fleet lifecycle and cost efficiency	Maintenance, utilisation, compliance, and asset tracking systems	Q3	80–90	(red)

Bentleys
THINKING AHEAD

Appendix 1 – Proposed three-year strategic internal audit plan

Year 1 – FY 2025/26 (Four Audits)

Audit Project	Background and High-Level Scope	Proposed Timing	Est. Hours
Environmental Health & Food Safety	TBA	Quarter 1	85 - 96 hours
Human Resource (Excluding WHS Compliance)	**Background** The Council's HR function is responsible for recruitment, training, performance management, and workforce planning. However, inefficiencies exist, including outdated policies, manual processes, weak succession planning, and inconsistent employee evaluations. These issues impact employee retention, compliance, and workforce stability. **Audit Objective** To assess the effectiveness, efficiency, and compliance of HR policies, recruitment practices and performance management. **Audit Scope** • HR Policies: Review core HR policies for relevance and compliance. • Recruitment & Onboarding: Assess job selection, background checks, and onboarding for legal compliance. • Performance Management & Retention: Evaluate appraisal methods and pay progression for fairness, consistency, and alignment with objectives. •	Quarter 2	80 - 90 hours
Financial Internal Controls	**Background** The Council's financial sustainability relies on effective budget management, internal controls, and financial oversight. Identified weaknesses include reliance on manual financial processes and gaps in the segregation of duties. **Audit Objective** To evaluate the adequacy and effectiveness of financial controls. **Audit Scope** • Internal Financial Controls: Focused assessment of key internal controls, including segregation of duties, transaction approvals, and reconciliation processes.	Quarter 3	85 - 90 hours
Governance	**Background** The Council's governance and risk management framework faces several challenges, including outdated policies and procedures, as well as incomplete implementation of the Enterprise Risk Management (ERM) Framework. **Audit Objective** To assess governance and risk management effectiveness, ensuring policy compliance, accountability, and risk mitigation. **Audit Scope**	Quarter 4	75 - 90 hours

Bentleys
THINKING AHEAD

Year 1 – FY 2025/26 (Four Audits)

Audit Project	Background and High-Level Scope	Proposed Timing	Est. Hours
	• Governance Framework and Policy Compliance: Review key governance policies and structures to ensure alignment with legislative and organisational requirements. • Risk Management Review: A high-level review of how key risks are identified, documented, and considered within AHC.		

Year 2 – FY 2026/27 (Four Audits)

Audit Project	Background and High-Level Scope	Proposed Timing	Est. Hours
IT Systems	**Background** The Council's IT infrastructure is aging, exposing it to cybersecurity vulnerabilities, data protection risks, and operational inefficiencies. Key concerns include a lack of automated threat detection, inadequate disaster recovery planning, outdated IT policies, and poor department integration. Cyber threats, including ransomware and data breaches, pose a significant risk to service continuity and public trust. **Audit Objective** To assess the effectiveness of the Council's IT governance framework, strategic planning, and risk management practices. **Audit Scope** • IT Governance & Strategy: Assess the Council's IT governance structure, strategic planning, and risk management practices. • IT Policies: Review the adequacy, relevance, and coverage of key IT policies and procedures. • IT Contract & Vendor Management:	Quarter 1	85 - 95 hours

Property & Lease Management	**Background**
	The Council manages a portfolio of properties and leased assets, including community facilities, public buildings, and commercial properties. However, inefficiencies in lease tracking, financial reporting, and maintenance planning pose financial and legal risks. Issues include inconsistent lease agreements, poor property maintenance planning, inadequate financial transparency, and a lack of centralised property management systems.
	
	Audit Objective
	To assess the effectiveness of the Council's property management processes, ensuring compliance, financial oversight, and optimal asset utilisation.
	
	Audit Scope
	Lease & Property Management Framework:
	  o Review lease agreements, documentation, compliance, and contract enforcement.
	  o Evaluate lease renewal tracking and financial impact assessments.
	
	Financial Reporting & Asset Valuation:
	  o Assess the accuracy of rental income collection, financial reconciliation, and transparency.
	  o Review property valuation methods and depreciation tracking.
	
	Maintenance Planning & Risk Management:
	  o Evaluate preventive maintenance strategies, funding allocation, and regulatory compliance.
	  o Review risk management approaches for property-related liabilities.
		Quarter 2	86 - 97 hours

Contract Management Audit (Excluding Procurement)	**Background** The Council engages in numerous service contracts, lease agreements, and long-term contractual arrangements. However, there is a lack of centralised contract oversight, inconsistent performance monitoring, and insufficient risk assessment processes. Weak contract variation approvals, inadequate documentation, and poor dispute resolution mechanisms increase financial, legal, and reputational risks. **Audit Objective** To assess the effectiveness and efficiency of the Council's contract management framework, ensuring compliance with contractual obligations, financial oversight, and risk mitigation strategies.	Quarter 3	80 - 95 hours

Audit Project	Background and High-Level Scope	Proposed Timing	Est. Hours

	Audit Scope
	Contract Lifecycle Management:
	   o Review contract initiation, approval processes, standard contract templates, and legal protection clauses.
	   o Assess contract storage, retrieval mechanisms, and centralised tracking systems.
	Performance Monitoring & Compliance:
	   o Evaluate contract deliverables, service-level agreements (SLAs), and key performance indicators (KPIs).
	   o Review compliance monitoring processes and contract enforcement mechanisms.
	Risk Assessment & Financial Oversight:
	   o Assess financial liabilities, contract-related expenses, and cost escalation risks.
	   o Evaluate contract variation controls, approvals, and legal risk mitigation strategies.
	Documentation & Record-Keeping:
	   o Review contract file management, amendments, approvals, and compliance with audit documentation standards.		

Fraud & Corruption Prevention Controls	**Background**
	Fraud and corruption pose a serious risk to financial integrity and public trust. The Council has established internal controls, but weaknesses remain, including gaps in segregation of duties, high reliance on manual financial processes, inconsistent whistleblower protections, and limited fraud detection mechanisms. Without a strong fraud prevention framework, the Council remains vulnerable to financial misconduct, conflicts of interest, and reputational damage.
	
	Audit Objective
	To evaluate the Council's fraud risk management framework, ensuring robust internal controls, regular assessment of fraud risks, and adequate whistleblower protections.
	
	Audit Scope
	Fraud Risk Assessment & Prevention Framework:
	   o Review fraud risk assessment methodologies and high-risk areas in financial transactions.
	   o Evaluate the effectiveness of anti-fraud training programs and staff awareness initiatives.
	
	Internal Controls & Segregation of Duties:
	   o Assess financial approval processes, procurement controls, payroll security, and asset management procedures.
	   o Identify potential collusion risks and gaps in financial oversight.
	
	Whistleblower Protection & Reporting Mechanisms:
	   o Review whistleblower reporting processes, anonymity protections, and case-handling protocols.
	   o Assess investigation procedures for fraud complaints and the adequacy of disciplinary measures.
	
	Data Analytics & Fraud Detection:
	   o Evaluate the use of data analytics in fraud detection, anomaly tracking, and suspicious transaction monitoring.
	   o Review fraud alert systems, red-flag indicators, and real-time monitoring tools.
		Quarter 4	90 - 105 hours

Bentleys
THINKING AHEAD

Year 3 – FY 2027/28 (Three Audits)

Audit Project	Background and High-Level Scope	Proposed Timing	Est. Hours

Long-Term Financial Planning & Asset Sustainability Audit	**Background**
	The Council's financial sustainability depends on effective long-term financial planning, strategic asset renewal, and debt risk management. Challenges include limited integration between financial planning and asset management, inaccurate forecasting models, aging infrastructure, and increased deferred maintenance costs. Without clear long-term strategies, the council may face funding shortfalls and financial instability.
	
	Audit Objective
	To assess the effectiveness of the Council's long-term financial planning framework and asset sustainability strategies, ensuring financial stability and appropriate asset investment.
	
	Audit Scope
	Integration of Asset Management & Financial Planning:
	  o Review how asset renewal priorities align with long-term financial plans.
	  o Assess funding strategies for infrastructure projects and capital works.
	Financial Forecasting & Budgeting:
	  o Evaluate revenue projections, expenditure planning, and sensitivity analysis of economic scenarios.
	  o Assess debt management strategies and risk assessment of future liabilities.
	Capital Investment & Infrastructure Planning:
	  o Review capital expenditure frameworks, investment prioritisation, and infrastructure project risk management.
	Deferred Maintenance & Sustainability Risk:
	  o Assess the impact of deferred maintenance on financial sustainability and service delivery.
		Quarter 1	85 - 100 hours

Major Projects & Capital Works Audit	**Background**
	The Council undertakes major infrastructure projects and capital works to improve community services and economic development. However, past assessments indicate several risks, including cost overruns, project delays, ineffective project risk assessments, poor contractor oversight, and lack of post-project evaluations.
	
	Audit Objective
	To assess the governance, financial oversight, and risk management of major projects and capital works, ensuring they are delivered efficiently, within budget, and aligned with strategic objectives.
	
	Audit Scope
	Project Governance & Approval Processes:
	  o Review project selection criteria, approval mechanisms, and alignment with strategic priorities.
	  o Assess project risk management frameworks, including risk identification and mitigation strategies.
	
	Financial Oversight & Budgeting:
	  o Analyse project cost tracking, budget variations, financial reporting accuracy, and cost-benefit analysis.
	  o Review contract compliance, procurement processes, and financial oversight mechanisms.
	
	Performance Monitoring & Reporting:
	  o Evaluate milestone tracking, project status reporting, and quality assurance frameworks.
		Quarter 2	95 - 115 hours

Bentleys
THINKING AHEAD

Audit Project	Background and High-Level Scope	Proposed Timing	Est. Hours

	o Review the effectiveness of post-project evaluations and lessons learned processes.
	
	Stakeholder & Contractor Management:
	    o Assess contract oversight, vendor performance monitoring, and service delivery agreements.
	    o Review dispute resolution mechanisms and contingency planning.		

Fleet & Equipment Management Audit	**Background**
	The Council operates a fleet of vehicles and equipment essential for service delivery, including maintenance vehicles, heavy equipment, and utility vehicles. Inefficiencies in fleet tracking, maintenance scheduling, and asset disposal planning pose operational and financial risks. Poor utilisation tracking and non-compliance with safety regulations can lead to increased costs and legal liabilities.
	
	Audit Objective
	To assess the efficiency, cost-effectiveness, and regulatory compliance of the Council's fleet and equipment management, ensuring optimal asset utilisation and financial accountability.
	
	Audit Scope
	Fleet Maintenance & Lifecycle Planning:
	    o Review preventive maintenance schedules, servicing standards, and maintenance cost management.
	    o Assess asset disposal policies, replacement planning, and fleet renewal strategies.
	
	Utilisation & Cost Control:
	    o Evaluate fleet utilisation reports, vehicle tracking systems, and cost allocation methodologies.
	    o Conduct a cost-benefit analysis of vehicle leasing vs. ownership.
	
	Regulatory Compliance & Risk Management:
	    o Assess vehicle safety standards, emissions regulations, and compliance with licensing requirements.
	    o Review risk mitigation strategies, including accident reporting and insurance policies.
	
	Technology & Data Integration:
	    o Evaluate fleet management software, GPS tracking systems, and automation opportunities for asset monitoring.
		Quarter 3	80 - 90 hours

Appendix 2

LGAAMF Fleet Risk Management Audit Report

A business of Marsh McLennan

LGAAMF Fleet Risk Management Report

Adelaide Hills Council
02 September 2025

Contents

Introduction

Adelaide Hills Council participated in the LGA Asset Mutual Fund (**LGAAMF**) Motor Fleet Risk Program in May 2025.

The main objectives of the Program are:

1. **Assessing Fleet Management**
   to collate and consider how each Member manages their fleet. By doing so, it seeks to identify areas for improvement in fleet management practices that can be implemented across Local Government to enhance the effective management of fleet risks.

2. **Reducing Potential Losses**
   to assist the sector in minimising financial and productivity losses. By implementing or enhancing appropriate fleet risk management strategies, Members can prevent equipment damage and downtime, reduce employee injuries, and safeguard their reputation.

3. **Benchmarking fleet Safety Performance**

   to enable LGAAMF to identify areas for improvement.

The costs associated with operating motor vehicle fleets are rising, particularly in areas such as physical damage, property damage, workers' compensation, and general liability. To address these costs, it is crucial for Members to implement effective fleet risk management strategies that prevent equipment damage and third-party claims, reduce employee injuries and protect their reputations.

For the Local Government Association Asset Mutual Fund (LGAAMF), the growing number and complexity of vehicles in local government make fleet safety more critical than ever. With over 8,000 vehicles covered under the LGAAMF, it is prudent to review current fleet safety practices across the sector. This review aims to identify key risk exposures and propose long-term mitigation strategies to protect both Members and the LGAAMF. Whilst we have some insights into how Members manage fleet risks—primarily through procurement and safety practices—further exploration will allow LGAAMF to develop a valued fleet risk management program that effectively reduces costs in alignment with the broader risk management framework. This program will involve our consultants working with LGAAMF Members to better understand their fleet risk management practices, from which we can benchmark current risk controls and enhance Members' fleet management programs, ultimately supporting the sector in managing the total cost of risk.

The fleet mix in Local Government typically includes a broader range of vehicles than similar-sized commercial fleets, such as ride-on mowers, trucks, load-shifting equipment, street sweepers, waste collection trucks, sedans, community buses, and utility vehicles. Across the sector, claims are primarily due to driver-at-fault incidents involving stationary objects like fences, bollards, and parked vehicles.

Operating motor vehicle fleets presents increasing costs and challenges, including direct and indirect expenses related to physical damage, fleet maintenance, the transition to electric vehicles and charging infrastructure, a shortage of skilled labour in the repair network, and frequent disruptions in the supply of replacement vehicles and parts.

Recent statistics from the National Road Safety Partnership Program indicate a concerning trend: crashes attributed to human factors have surged by 42% since 2022, with incidents of inattention or distraction being the most prevalent. Other contributing factors include inappropriate speed, inadequate following distances, vehicle conditions, traffic density, and adverse weather conditions. Each of these factors carries significant human and financial implications.

The financial repercussions of fleet incidents extend beyond immediate repair costs. Fleet resale values, damage to the Member's reputation, emotional distress from injuries, diversion of resources and budget, as well as legal fees and defence costs, can inflate the actual cost of these accidents by as much as 300% (Source: QBE Risk Management Report). Particularly for minor accidents, these ancillary costs can easily surpass the material damage amounts.

Effective fleet risk management is essential for ensuring the safety and security of drivers, operators, vehicles, and heavy machinery within the organization.

Scope

The LGAAMF Fleet Risk Management program is aligned with AS ISO 31000 Guidelines for managing risk. Since the ultimate objective of the Fleet Risk Management program is to minimise injuries, claims and costs across the local government sector, we have taken the approach of identifying what controls are commonly used by local government fleet managers to manage risk and evaluating their effectiveness in terms of reducing claims. Controls may be classified as follows:

Preventative	• Commitment to good driving and fleet management practices, made known through a formal policy/procedures and monitored through oversight of operations • Drivers and operators starting each day aware of what is expected of them • Compliance with Work, Health and Safety responsibilities • Training and verification of competencies
Detective	• Licence and certification checks • Fitness for work tests • Audits and stocktakes
Corrective	• Airbags • First aid kits, fire extinguishers and spill kits • Falling objects and rollover protection

Fleet risk management controls should be documented, up to date and understood by users, delivered consistently within statutory or service delivery standards, subject to ongoing monitoring, and reviewed and tested regularly. These characteristics ensure that the controls are not only in place but also functioning effectively to mitigate risks.

The scope for this project involved an assessment of the following areas and key controls:

Focus Area	Scope
Fleet Strategy	• Fleet strategy (light and heavy fleet) • Policy and/or procedures relating to allowable use of fleet vehicles • Policy and/or procedures relating to procurement, ownership and disposal of fleet • Monitoring, management and reporting of incidents and fleet performance
Drivers & operators	• Driver selection and onboarding • Policy and/or procedures defining driver safety practices, (e.g. mobile phone use, prohibited substances, fatigue management and incident management) • Induction, training and competence of drivers – initial and ongoing • Monitoring driver behaviour and fitness for work
Fleet Storage & Usage	• On and off-site storage • Grey fleet (private vehicles) • Cargo management • Safety features and pre-start checks • Electric Vehicle (EV) charging stations • Fuel and key management • Fleet monitoring
Maintenance	• Record keeping • Maintenance requirements and activities
Incidents & emergencies	• Incident reporting and investigation • Prevention, detection and response

Approach

Our approach for this engagement involved the following:

- Reviewing Council's Claims Profile

- Conducting a high-level assessment with key personnel to obtain an understanding of relevant processes and controls associated with the in-scope areas.

- Reviewing relevant supporting documentation associated with in-scope areas as displayed or provided.

- Compilation of Fleet Risk Management Program Report (this document) highlighting the approach to the assessment, observations, and recommended areas for improvement for further consideration by Council.

The observations in this report are based on prevailing conditions at the time of the assessment and information provided by Council's key personnel. These have not necessarily been validated (as would occur in a formal audit) and no assumptions should be made by virtue of these observations. The site assessment was undertaken at 32 Scott Creek Rd, Scott Creek SA 5153.

We appreciate the cooperation and support of Adelaide Hills Council's officers during the site visit, particularly Damian Brennan (Manager Open Space), Lauren Jak (Risk Audit and Insurance Officer) and Scott Pittaway (Coordinator Fleet and Operational Services)

Claims overview

Over the past five years (2020-2025), the total cost incurred for fleet claims submitted by Adelaide Hills Council amounted to $521,014, stemming from 89 claims.

From the perspective of incurred costs, the top three claims' categories are as follows:

- **Flood/Storm/Hail**: $162,142 (31% of claims cost)

- **Lost control**: $138,410 (27% of claims cost)

- **Struck stationery object**: $102,128 (20% of claims cost)

These top three categories account for a total of $402,680, representing 78% of all claims.
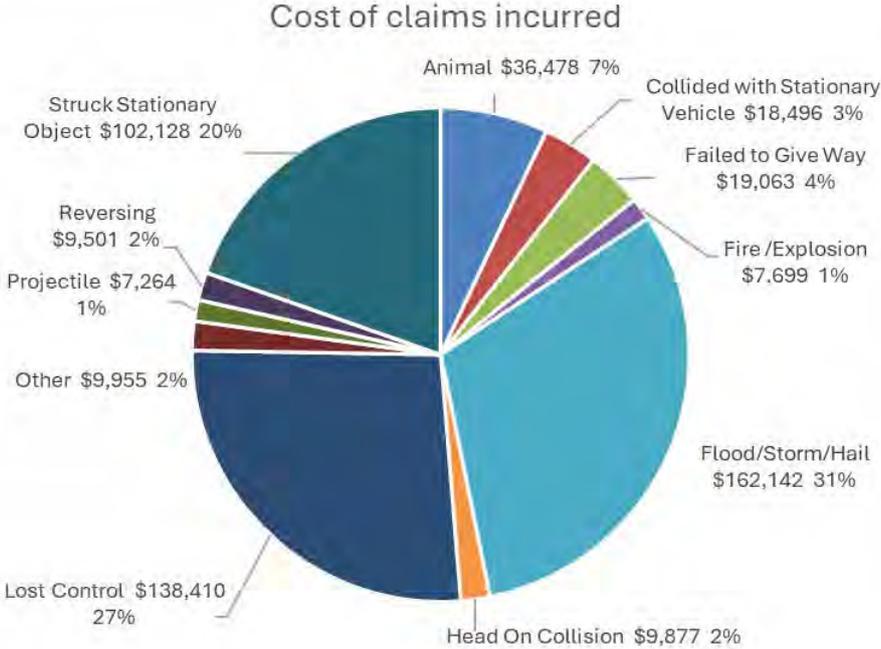
Figure 1: Cost of claims by cause

However, when looking at the number of claims per cause, while striking stationary objects and flood/ storm/ hail damage makes up nearly half of all claims, 13% of claims relate to animal strikes.
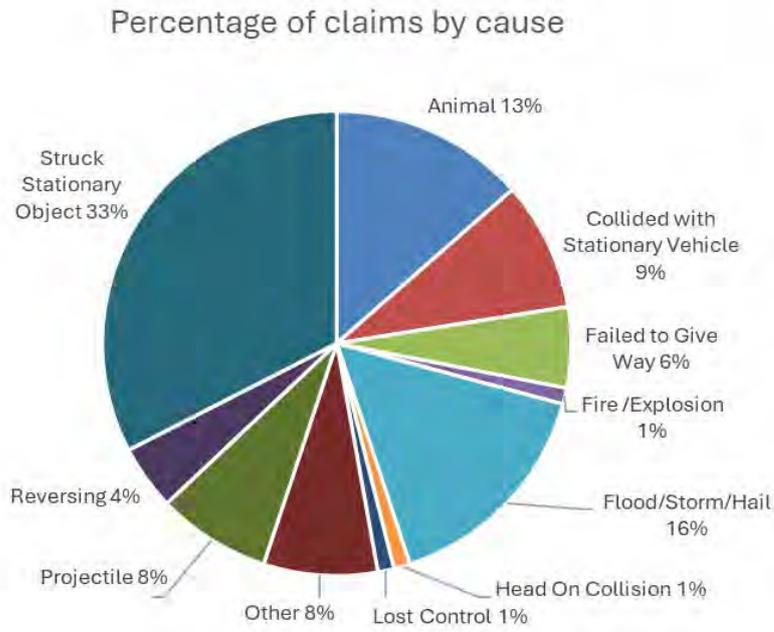
Figure 2: Percentage of claims by cause

The following graph depicting at-fault claims reveals that, over time, the number and cost of at-fault claims consistently exceed all others.
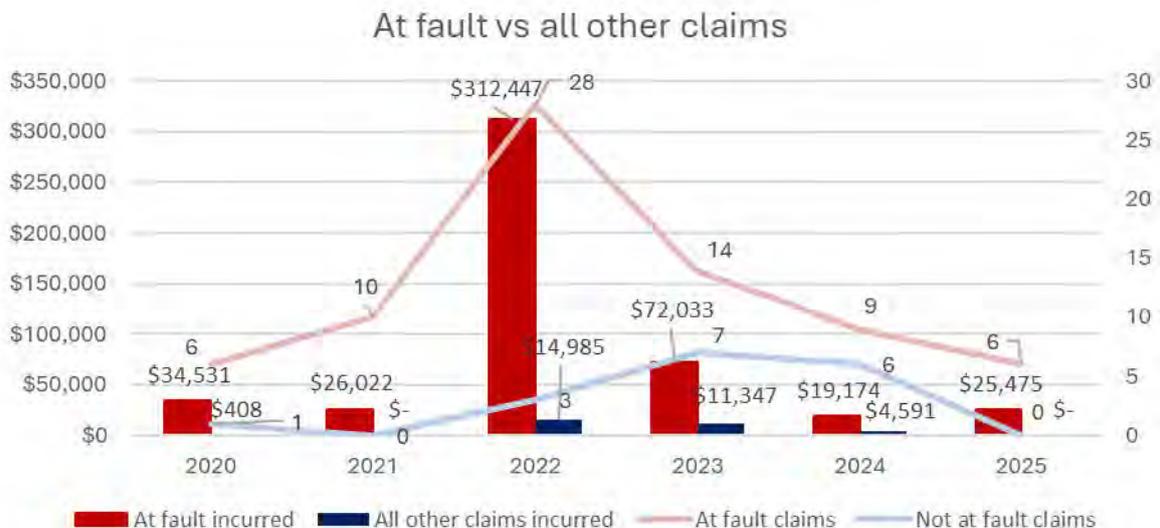
Figure 3: At fault vs all other claims

In terms of average cost by cause, the greatest average cost per claim relates to incidents relating to loss of control, which exceeds both regional and local government sector averages. Whilst striking stationary objects makes up a 33% of claims, average costs are consistent with regional and local government sector averages.
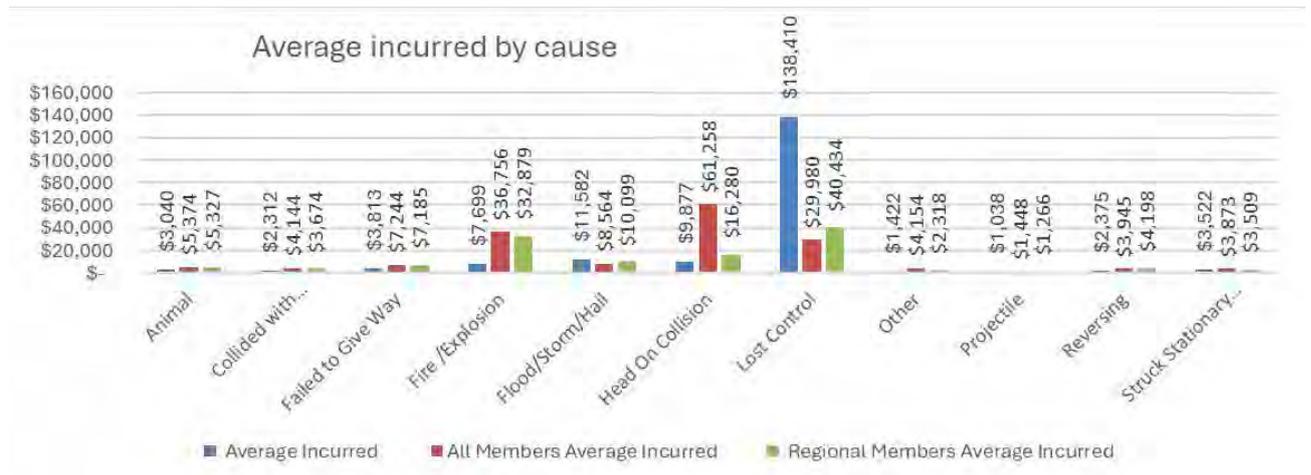
Figure 4: Average cost by cause

The graph below shows that Council's number of claims for striking stationary objects and flood/storm/ hail damage is greater than both regional and local government sector claims. Animal strikes and collisions with stationary vehicles are reasonably consistent with other regional Councils.
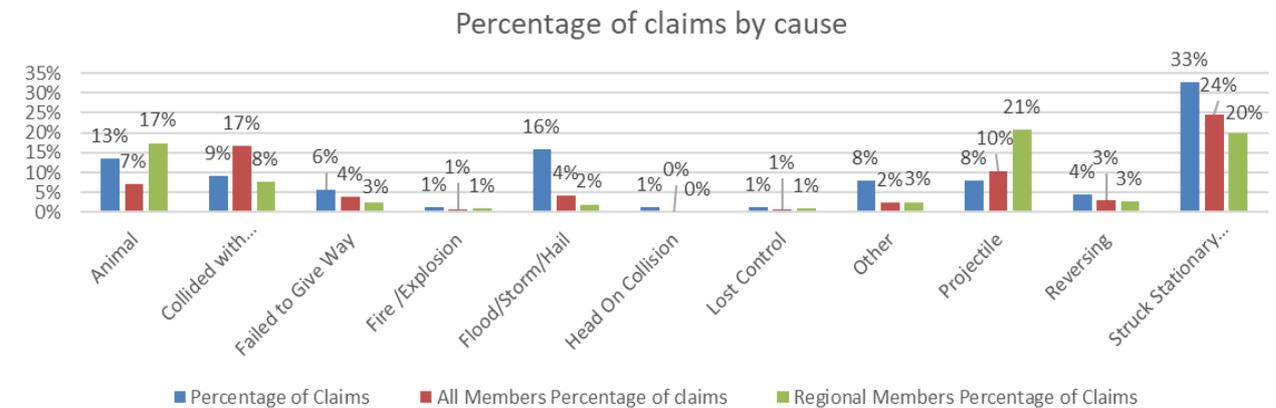
Figure 5: Percentage of claims by cause

In addition to the direct costs associated with these claims—including the loss of fleet use until repairs or replacements are made, claims excess, and personal injuries—there are also hidden or indirect expenses. These include lost administrative time spent on completing claim forms and investigating incidents, management and employee distractions, disruptions to community services and operations, and overall reduced efficiency

Considering these findings, this assessment has identified several opportunities for improvement that Council may consider enhancing its fleet management practices and mitigate the associated claims and costs. Detailed recommendations can be found in the Observations and Recommendations section of this report.

Assessment outcomes

Overview of assessment outcomes

The following outlines the five focus areas and their respective sub-areas, identifying opportunities for improvement, with key areas emphasised in the accompanying table. Additional commentary on each criterion is provided thereafter.

Furthermore, Appendix B contains a comprehensive summary of all recommendations, which have been prioritised based on their criticality.

Scope

For this project involved an assessment of the following Controls:

Focus Area	Sub- areas	Outcome
Fleet Strategy	• Policy /Light Fleet	🟧
	• Policy/ Heavy Fleet	🟦
	• Oversight of Fleet and Activity	🟧
	• Procurement	🟦
Operations- Driver Management	• On-Boarding	🟧
	• On- going Management of Conduct and Capabilities	🟧
	• Driver and Operator Training	🟧
	• Leadership	🟧
Storage and Usage	• At the Depot	🟧
	• Away from the Depot	🟧
	• Grey Fleet	🟩
	• Heavy Machinery Plant and Cargo Management	🟦
	• Fuel	🟧
	• EV Charging Stations	🟩
	• Keys	🟧
	• Use of Technology	🟦
	• Cargo Management	🟧
Maintenance Activities	• Record-Keeping (excluding maintenance)	🟧
	• Maintenance Procedures	🟥
	• Maintenance Activities	🟩
	• Reporting and Recording of Incidents	🟦

Incident & Emergencies	• Incident Management	
	• Vehicle and Plant Emergency Management	
	• On-site Emergencies	

Attention required	Opportunity for improvement	Advisory	No action required

Observations and Recommendations

The following Observations are based on prevailing conditions at the time of the assessment and information provided by Council personnel. These have not necessarily been validated (as would occur in a formal audit) and no assumptions should be made by virtue of these observations.

The Works Depot at 32 Scott Creek Rd, Scott Creek was visually inspected for completion of this report.

Section 1: Fleet Strategy

Policy / Light Fleet
Good practice
Fleet location, driver behaviour, breakdowns and incidents are monitored using Confirm.
Opportunity for improvement

Currently, Council lacks a formal Light Fleet Policy that explicitly defines vehicle usage, driver responsibilities, and operational protocols.
 	
To optimise safety, efficiency, accountability, cost management and environmental sustainability, it is strongly recommended that Council establishes a comprehensive vehicle policy and/or guidelines, which will serve as a clear framework guiding the use and management of council-owned vehicles.
 	
The policy or guidelines should include:
1. Vehicle Selection
    • **Fit for Purpose:** Vehicles must be appropriate for their specific tasks and operational requirements.
    • **Safety Standards:** All vehicles should comply with established safety benchmarks, such as ANCAP ratings, and may include additional safety features where necessary.
    • **Whole of Life Costs:** Consideration should be given to the total cost of ownership, including purchase price, ongoing operating expenses, and resale value.
    • **Environmental Impact:** Evaluate the environmental footprint of vehicles, focusing on emissions and fuel efficiency to support sustainability goals.
2. Vehicle Use
    • **Authorised Drivers:** Clearly define who is permitted to operate council vehicles, including any licensing or qualification requirements.
    • **Permitted Use:** Specify acceptable use cases, such as work-related travel or on-call duties, and clarify restrictions on private use.
    • **Code of Conduct:** Establish behavioural guidelines for drivers, emphasising compliance with speed limits, parking regulations, and traffic laws.

- **Reporting Procedures:** Outline the process for reporting incidents, vehicle damage, or maintenance needs promptly.

3. Maintenance and Repair

- **Regular Servicing:** Define schedules for routine maintenance and assign responsibility for scheduling and oversight.
- **Maintenance Records:** Maintain detailed logs of all servicing and repairs to ensure transparency and accountability.
- **Authorised Repairers:** Identify approved service providers to guarantee quality and consistency in repairs.

4. Financial Management

- **Budget Allocation:** Detail how vehicle-related expenses will be budgeted, tracked, and reviewed.
- **Fringe Benefits Tax:** Clarify procedures for managing tax implications arising from private use of council vehicles.
- **Asset schedule:** Ensure all vehicles are included on the asset schedule and details are provided to the LGAAMF.

5. Disposal

- **Asset Management:** Establish protocols for the disposal of vehicles once they reach the end of their operational life.
- **Disposal Methods:** Define acceptable disposal options, such as trade-in or sale, in accordance with relevant policies.
- **Compliance:** Ensure all disposal activities adhere to applicable regulations and council policies.

Implementing a structured vehicle policy or guideline will strengthen safety, promote responsible use, and optimise resource management within Council, addressing current gaps identified during the site visit.

Policy / Heavy Fleet
Good practice
Council maintains a formal, documented strategy that delineates its approach to the heavy fleet asset renewal and disposal cycle. This strategy specifies the timing for vehicle disposals and renewals within the fleet, supported by management through the Confirm system, the Long-Term Financial Plan, or a combination of both.
Opportunity for improvement
No action required

Oversight of Fleet and Activity
Good practice
Incident logged at Council on Skytrust and investigated thoroughly through a formal process. Proper documentation is maintained for each investigation, and the Workplace Health and Safety (WHS) team is actively involved in the process.
Opportunity for improvement
Current Oversight and Challenges: • The Council maintains multiple systems (Confirm Asset Register, Skytrust, fleet management, and reporting mechanisms) to oversee fleet operations.

- Despite these controls, a high volume of driver at-fault claims indicates potential gaps in effectiveness, particularly in control design and operational execution.
- There is concern about whether risk mitigation measures are appropriately risk-assessed and whether staff are sufficiently trained and supported to enforce these controls, especially when measures may be unpopular.

Recommendations and Strategic Initiatives:

1. **Establish a Fleet Risk Management Working Group:**
   - Form a dedicated staff task force to identify root causes of fleet incidents.
   - Encourage innovation through trialling new approaches and communication methods.
   - Consider evolving this into a regular Fleet Risk Management Task Group to sustain ongoing engagement and continuous improvement.

2. **Review and Update Fleet Strategy Documents:**
   - Ensure fleet policies reflect current best practices and risk management insights.
   - Clarify the Council's stance on fleet safety, incident prevention, and risk controls.

3. **Define and Document Approach to Grey Fleet Use:**
   - Establish safety standards for private vehicles used for work (e.g., ANCAP ratings, safety equipment).
   - Confirm that all relevant policies and procedures apply to grey fleet use.
   - Develop clear protocols for prior approval, documentation, and oversight of private vehicle use for work purposes.

4. **Leverage Skytrust for Defect Reporting:**
   - Promote real-time defect reporting via Skytrust on any device.
   - Utilise the platform's ability to upload supporting documentation (photos, videos).
   - Link defect reports to specific assets for effective tracking and resolution.
   - Use notifications to ensure timely responses to reported defects.

Next Steps:

- **Form the Fleet Risk Management Task Group** and define its scope, objectives, and membership.
- **Conduct a review of existing fleet policies** and update them to incorporate new safety standards and procedures for grey fleet.
- **Develop a risk assessment framework** for control measures, ensuring they are both well-designed and effectively operationalised.
- **Implement or enhance Skytrust usage** for defect reporting, including staff training and communication to maximise adoption.

Procurement
Good practice
The procurement evaluation process is based on a 5-star rating system, encompassing a range of minimum safety features specified within the procurement guidelines. Additionally, the requirement for safety equipment to be inspected or maintained every six months is explicitly documented in the procurement policy established by Council.
Opportunity for improvement
No action required.

Section 2: Operations – Driver Management

On-Boarding
Good practice
Council has established a current and up-to-date recruitment policy and procedure that is well-defined in scope and serves as a good practice framework for Council. This policy details the position descriptions and responsibilities. By adhering to these guidelines, Council ensures a consistent and fair recruitment process, promoting transparency and accountability in hiring practices.
Opportunity for improvement
It is recommended that Council implement a systematic approach to assess and document the competency of all drivers and operators during the recruitment process. These assessments should be recorded in Skytrust, or a similar asset management system to: **Enhance Accessibility:**   Recording driving competency in Skytrust will provide management and compliance teams with easier access to critical information. This ensures that all relevant data is readily available when needed, facilitating timely decision-making.   **Improve Asset Management:**   By linking driver competency assessments directly to the asset register, it can effectively track the qualifications of drivers in relation to specific vehicles and equipment. This integration will enhance our ability to manage safety and compliance efficiently.   **Streamline Compliance:**   Centralising driver licensing and competency information will bolster our compliance efforts by ensuring that all necessary documentation is maintained in a single, easily auditable location. This approach reduces the risk of oversight or mismanagement, thereby strengthening the Council's compliance framework.   **Information Decision-Making:**   Comprehensive records of driver and operator assessments will enable more informed decision-making regarding driver assignments, training needs, and overall fleet management. This data-driven approach will enhance operational effectiveness.   Adopting this recommendation will not only improve Council's operational efficiency but also reinforce council's commitment to safety and compliance
Ongoing Management of Conduct and Capabilities
Good practice
A structured and formal procedure is established for managing positive results from alcohol and drug testing. This process encompasses a confirmatory second test, a thorough investigation, counselling support, and appropriate disciplinary actions tailored to the specifics of each incident. Furthermore, an Employee Assistance Program (EAP) is accessible to provide support and guidance to employees in instances of policy breaches.
Opportunity for improvement
Currently, there is no formal process in place to regularly assess employees' capability and functional capacity to perform work activities, nor are there periodic medical assessments beyond those conducted during the initial employment stage. Although an assessment is included as part of the onboarding process, it is recommended to establish an ongoing system for evaluating employees' capability and functional capacity. This would ensure continuous monitoring and support, promoting a safer and more effective work environment.
Driver and Operator Training
Good practice

A formal handover and familiarisation process is conducted whenever a driver is assigned custody of a different vehicle. The Safety Standard Operating Procedure (SOP) applicable to this process specifically covers heavy fleet operations

Opportunity for improvement

Although a Safety Standard Operating Procedure (SOP) is currently established for the heavy fleet, there are no such procedures in place for the light fleet. Furthermore, there are no specific legal requirements governing the operations of either fleet. While safety operator procedures are not always mandated for light and heavy vehicles, it is highly recommended that the Council develop and implement safety protocols for the light fleet. This proactive approach is essential to minimise risks, prevent accidents, and demonstrate the Council's commitment to its primary duty of care.

It is also advised that the Council consider adopting Skytrust to enhance Plant and Equipment Management. Skytrust offers several valuable features, including:

- Comprehensive registers for plant and equipment, enabling the Council to track assets, schedule maintenance, and assess associated risks.
- Management of records related to certifications and training, ensuring that only authorised and competent personnel operate machinery.
- Scheduling of inspections and maintenance activities, with automated reminders to prevent overdue tasks and mitigate potential hazards.

In addition, Skytrust can significantly support Risk Assessment and Management by providing:

- A risk assessment module that allows the Council to identify, evaluate, and manage risks linked to plant and equipment.
- A risk matrix tool to assess the severity and likelihood of hazards, aiding in prioritising risk mitigation efforts.
- The ability for users to implement control measures, monitor their effectiveness, and access historical risk data to analyse trends and identify recurring issues.

Implementing Skytrust will help streamline asset management, enhance safety protocols, and strengthen the Council's overall risk management framework.

Leadership

Good practice

A culture of safe driving is actively promoted by management and executives.

Drivers and operators start each day well aware of what is expected of them in their (pre-starts, daily briefings, Work Health and Safety briefings, toolboxes, etc).

Employees are included in the development and implementation of new procedures.

Opportunity for improvement

There is no Drug and Alcohol Policy in place; this policy must be developed in consultation with employees (and their representatives) and endorsed by Council. Doing so will provide clear guidelines and set clear expectations across all areas.

Due to there not being a policy in place, drug and alcohol testing is not systematically carried out during the recruitment process or on a random, ongoing basis to assess driver fitness. Therefore, it is advised to establish randomised drug and alcohol testing as a routine procedure.

Section 3: Storage & usage

At the depot
Good practice
The depot is protected from unauthorised entry, theft and vandalism and is monitored by CCTV. Suitable external lighting and security lighting are in place and operational Parking bay tyre barriers and safety bollards are in use to protect people and infrastructure
Opportunity for improvement
There is currently a lack of line marking to establish clear pathways for pedestrians and vehicles, separate traffic streams, highlight potential hazards and designate storage and parking bays in sealed area. Implementing appropriate line markings enhances safety, improves organisation, increases efficiency and reduces the risk of accidents and injuries.
Away from the Depot
Good practice
Council has established comprehensive driver-vehicle protocols, encompassing traffic management strategies, security measures for keys, assets, and cargo—including tools, equipment, herbicides, fuel, and heavy goods—and procedures designed to enhance driver awareness of potential hazards and obstructions that could impede safe egress, as mandated by council procedures.
Opportunity for improvement
No action required
Grey Fleet
Good practice
None noted
Opportunity for improvement
Council has acknowledged that quantifying the use of Grey Fleet vehicles presents challenges and that such usage is not documented within the WHSMS repository. Although specific information regarding the Grey Fleet was not available on-site, it has been confirmed that these vehicles are currently in operation at the Adelaide Hills Council. It is crucial to understand that a vehicle is legally considered a 'workplace' when an individual performs work tasks in their own vehicle. Therefore, Council must ensure that these vehicles meet the necessary safety standards applicable to workplaces prior to their use.
To establish minimum maintenance and safety standards for private vehicles used for work purposes, it is recommended to implement criteria such as a minimum ANCAP rating, a maximum age limit for vehicles, and restrictions on vehicle types, including a ban on motorcycles for work-related use. Best practice would also involve verifying that the vehicle is fit for its intended purpose, particularly concerning the types of roads and travel conditions encountered during regional travel.
If the ongoing use of private vehicles for work purposes is deemed necessary, it is advisable to develop and adopt a formal Grey Fleet Policy. This policy should clearly define the acceptable use of personal vehicles for work-related activities and outline the responsibilities of employees (and potentially volunteers) regarding insurance, safety standards, and maintenance. Each affected employee should sign this policy to confirm their understanding.
The NRSPP Guide on Grey Fleet Safety Management serves as an excellent starting point for development of a policy, covering several important aspects, including:

- Safety Management Guide,
- Legal Implications for Businesses,
- Engaging Stakeholders,
- What, Why, and Who? and
- Pre-Start Checklists.

For further information, it is advised to check the following link: NRSPP Australia - NRSPP Guide: Grey Fleet Safety Management.

Heavy Machinery Plant and Cargo Management

Good practice

Measures are implemented to ensure that the load does not exceed the Gross Vehicle Mass (GVM) or the Gross Combination Mass (GCM) on scales for loaders used in hauling rubble during road construction.

Opportunity for improvement

No action required

Fuel

Good practice

There is a system in place that records every transaction related to fuel at Council.

Fuel card utilisation is overseen via monthly reconciliation of logbook fleet records alongside fuel card statements, which detail vehicle registration numbers, odometer readings, and associated information. The SP – council conducts monthly monitoring of fuel card activity using statements obtained from Ampol. All relevant data is systematically recorded for Bass statements.

The fuel storage is strategically situated away from external hazards such as bushfires, neighbouring property fires, vandalism, theft, or arson, particularly given that Council area is situated within a designated bushfire zone.

The diesel fuel tank is equipped with a bund and appropriately signage in accordance with the relevant standards.

Opportunity for improvement

The integrity of above-ground fuel storage tank should be subject to regular, formal verification to ensure its continued safety and functionality. Periodic inspections are essential for detecting potential issues such as contamination or leaks. Currently, Council relies on visual inspections carried out by depot staff, with contractors called in if any concern arises. However, it is recommended that Council adopts a more proactive approach rather than a reactive one, to better prevent and address issues before they escalate.

The frequency of tank integrity assessments and leak or contamination checks varies depending on several factors. For tanks equipped with corrosion protection, interior inspections are generally performed every five years. Conversely, tanks lacking such protection should be inspected every three years. External inspections are typically conducted quarterly, as per 'Archview Services' guidelines. Nonetheless, more frequent inspections may be warranted based on the tank's age, operating conditions, and previous inspection outcomes.

The Bowser located near the diesel fuel tank is currently not adequately protected. It is advisable that this area be inspected to assess the situation, and consideration should be given to installing bollards for enhanced safety. Please refer to Photograph 1.4 for visual reference.

EV Charging Stations

Good practice
Chargers have been installed by an approved EVCS installer and have a dedicated electrical circuit separated from the general main and fitted with circuit breakers and surge protection.

On detection of a damaged or malfunctioning charger, the charger is shut off and locked until it has been repaired and recertified by an authorised company.

Council has confirmed that there are currently 14 electric vehicle (EV) chargers installed throughout the district. All chargers were tested in July to ensure proper functionality.

EV charges are protected with bollards, please refer to photograph 2.2

Opportunity for improvement

While Council manages EV charging stations effectively, it is advisable to establish clear guidelines centred on safety and property conservation, that may include:

Design considerations: Based on Standards Australia SA TS 5397:2024 Electric vehicle (EV) chargers for commercial applications, consideration should be given to:

- Accessibility for all users
- Shade and/or shelter to protect from adverse weather
- Security of the area, including cameras and lighting
- Preventing charging cables from impeding access to footpaths, bike paths, roads, car parks or recreation areas
- Physical protection for the charging station to prevent vehicle collision, improve user safety and mitigate electrical damage
- Signage

Outdoor Installations: Locate stations at least 10 metres from buildings and utilities (if applicable)

Staff Training: Provide training on proper use, fault detection, and emergency response.

Maintenance: Develop a maintenance management plan that includes ongoing responsibilities and required actions to ensure successful operation, that takes into consideration usage patterns and seasonal challenges.

Installation Standards: Engage approved installers, use dedicated circuits with surge protection (RCD) and isolator switch to secure damaged chargers until repairs are completed.

Safety & Property Conservation: Seek advice from the relevant fire authority on fire hazard management and emergency response

Keys

Good practice
There is a dedicated storage area for keys in a fire-resistant enclosure

Spare keys are located at an alternate site in a fire-resistant enclosure

Access to key storage and spare key storage areas are restricted to authorised users only

Opportunity for improvement

It is recommended that Council considers implementing a digital check-in/check-out system for keys, as this is essential for enhancing security, improving operational efficiency, and ensuring accountability across various settings. Automating the key tracking process can significantly reduce the risk of lost or misplaced keys, lessen administrative workload, and provide a comprehensive audit trail of all key transactions.

Alternatively, a more cost-effective option could be to utilise Outlook to monitor which drivers or operators currently have keys while they are performing their tasks. Although this method may not be

as robust as a dedicated digital system, it could serve as a practical interim solution to assist with key management and tracking. Refer to photograph 2.1

Use of Technology
Good practices
Fleet is monitored using GPS tracking (route planning and location) or telematics (real-time data on vehicle location, speed, and driver behaviour) There is a formal fleet replacement strategy to dispose of vehicles with outdated technology
Opportunity for improvement
No action required
Cargo Management
Good practices
The Council has implemented a comprehensive strategy for Route and Path Planning to optimise cargo management operations. The selection of appropriate routes and paths is crucial, particularly as vehicles typically carry tools, equipment, small quantities of fuel, and garden waste. To ensure efficient and timely deliveries, it is essential to consider multiple factors such as time, cost, safety, and availability. Additionally, the fleet is closely monitored through GPS tracking, which supports route planning and real-time location management, further enhancing operational efficiency.
Opportunity for improvement
The Council demonstrates commendable practices in cargo storage, including physical security measures, the use of secure containers and locks, and dedicated storage tracking technologies such as GPS. However, these critical protocols are not formally documented. While the Council already utilises GPS tracking for all cargo, it is recommended that this be formally incorporated into the safe operating procedures through proper documentation. Doing so will strengthen efforts to prevent theft, damage, and spills. Officially including GPS tracking in the documented procedures will ensure consistent and effective management of cargo operations

Section 4: Maintenance activities

Record-Keeping (excluding maintenance)
Good practice
There is clear evidence of good practice by Council, as they have conducted risk assessments for their plant and equipment. The system is updated to reflect additions, modifications, disposals, or transfers of fleet. All fleet values are reflective of market.
Opportunity for improvement

Adelaide Hills Council, while maintaining comprehensive documentation and record-keeping, currently manages information across multiple disparate locations. To enhance operational efficiency, it would be advantageous to consider consolidating all data into a single, centralised platform.

The Council utilises a robust system called "Confirm," which effectively manages assets and resources by overseeing physical infrastructure, equipment, and IT assets. This system supports preventive maintenance, minimises downtime, and extends the lifespan of assets.

A strategic next step involves engaging with LGRS to explore the possibility of synchronising Confirm with Skytrust, tailoring the integration to meet the specific requirements of the Council. Such an approach would provide leadership, coordinators, and decision-makers with unified access to all relevant information, streamlining workflows and improving decision-making processes.

Furthermore, it is worth noting that Confirm offers extensive integration capabilities, enabling seamless connectivity with other systems used by councils, including financial management platforms and geographic information systems (GIS). This interoperability can significantly optimise operational efficiency and data management across the organisation.

Maintenance Procedures

Good practice

Based on the documentation provided, it has been confirmed that Adelaide Hills Council utilises a specific Pre-Start Form for Plant and Equipment, particularly related to trailers. This form is used for the inspection and approval of plant and equipment employed within the Council's operations.

Opportunity for improvement

In relation to the establishment of a formal arrangement with external providers for the servicing and repair of heavy fleet and plant equipment, it is imperative to also consider the current status of the Lockout/Tagout (LOTO) procedure within Council. Although Council has an isolation LOTO procedure in place, it is crucial to highlight that this document has not been updated since its last review in 2020.

The updating of the Lockout/Tagout procedure is important as it functions as a vital safety measure designed to prevent accidents and injuries during the maintenance and repair of machinery and equipment. Regular revisions are essential to raise or maintain awareness, ensure that the procedure aligns with current best practices, addresses emerging hazards, and incorporates insights gained from previous incidents. This proactive strategy will not only protect the well-being of Council workers but also safeguard valuable equipment.

Once the procedure has been revised and adopted, it is suggested that it be documented in Skytrust so that staff members have access to the procedure.

In conclusion, both the establishment of formal arrangements for servicing and repairs, alongside the timely update of the Lockout/Tagout procedure, are essential steps towards enhancing operational efficiency, safety, and compliance within the Adelaide Hills Council

Maintenance Activities

Good practices

Council services manage the maintenance of the entire light fleet themselves.

Opportunity for improvement

There is currently no formal arrangement in place with external providers for the servicing and repairs of heavy fleet and plant equipment, including 'yellow' fleet and bushfire vehicles. It is highly recommended that Adelaide Hills Council establish such an arrangement, which would help mitigate potential warranty issues, reduce downtime, and provide access to specialised expertise, which is

particularly beneficial for complex equipment. Below are several key improvements that can be achieved through this initiative:

Warranty Compliance:
Many manufacturers stipulate specific servicing procedures and parts to uphold warranty validity. A formal agreement with authorised service providers guarantees that these requirements are met, thereby preventing warranty claims from being denied due to improper maintenance.

Access to Specialised Expertise:
Heavy plant and specialised equipment, such as that used in bushfire management, often necessitate specific knowledge and tools for maintenance and repairs. A formal arrangement ensures access to qualified technicians equipped with the necessary expertise and resources.

Reduced Downtime:
Timely and efficient repairs are crucial for minimising downtime, especially for critical equipment like bushfire trucks. A formal agreement can streamline the repair process, ensuring prompt access to services and parts.

Cost Management:
A well-defined agreement can assist in managing costs by establishing clear service level agreements (SLAs), ensuring pricing transparency, and potentially leveraging bulk purchasing power for parts and services.

Fleet Optimisation:
By effectively managing maintenance schedules and repairs, a formal arrangement can contribute to optimising the overall fleet, extending the lifespan of assets, and enhancing operational efficiency.

Risk Mitigation:
Formal agreements can incorporate provisions for risk management, ensuring that proper safety procedures are adhered to during servicing and repairs, thereby reducing the risk of accidents or injuries.

Specific Considerations for Yellow Fleet and Bushfire Fleet:

Equipment Complexity:
Heavy plant and specialised equipment often require specific technical expertise that may not be readily available in-house. Formal agreements can bridge this gap by connecting councils with qualified providers.

Regulatory Compliance:
Certain types of equipment, particularly those utilised in emergency response, may have specific regulatory requirements that must be adhered to. Formal agreements can help ensure compliance with these regulations.

Operational Readiness:
The reliability of yellow fleet and bushfire equipment is critical for operational readiness. A formal arrangement can ensure that these assets are well-maintained and prepared for deployment when needed.

In conclusion and regarding to the above, establishing a formal arrangement with external providers for servicing and repairs is not only prudent but essential for the effective management of heavy fleet and plant equipment.

Additionally, two further recommendations are noteworthy:

Firstly, it is essential to maintain an accurate and comprehensive log of all fleet maintenance requirements within a centralised system. This log should be recorded in a register that includes both light and heavy fleet vehicles, as well as plant equipment. To optimise data management and minimise duplication, it is advisable to utilise Skytrust for this purpose

Secondly, during the assessment, it was observed that the distribution boards had not been tested. It is strongly recommended that this matter be addressed promptly. Council should undertake thermographic scanning of all distribution boards within the facility, provided this has not already been completed. The Asset Mutual Fund (AMF) offers this service at no cost to Council.

For further inquiries, please contact Michelle Cameron at Michelle.cameron@jlta.com.au. Refer to Photograph 2.0 for additional context.

Section 5: Incidents & emergencies

Reporting and Recording of Incidents
Good practice
The overall culture supports staff reporting incidents and near-misses.
All incidents and accidents (with or without injuries) are reviewed by management / executive to identify areas for improvement and with a timetable for implementing corrective actions.
The Adelaide Hills Council demonstrates good practice in incident management by integrating technology into its reporting and recording processes. This approach enhances the accuracy and efficiency of incident reporting, which is essential for identifying trends, assessing risks, and implementing effective controls
Opportunity for improvement
No action required
Incident Management
Good practice
There is a structured communication channel between drivers and the depot or their administration
Opportunity for improvement
Considering recent observations regarding driver safety and incident management within the Adelaide Hills Council, it is recommended that Council implement a structured approach to enhance driver awareness and response in the event of a breakdown or accident. This initiative aims to improve safety for both drivers and the community while protecting Council's reputation.
Recommendations:
1. **Development of a Breakdown or Accident Instruction Card:**

- Create a simple, easy-to-understand instruction card to be kept in the glove box of all Council vehicles. This card should outline the essential steps to follow in the event of a breakdown or accident, including:
  - Ensuring personal and passenger safety.
  - Contacting emergency services and roadside assistance.
  - Documenting the incident and exchanging information with other parties.
  - Notifying supervisors and completing claim forms.

2. **Formal Procedures for Managing Multiple At-Fault Incidents:**
   - Establish a clear protocol for addressing staff members who are responsible for multiple at-fault incidents. This protocol should include:
     - An initial review of incidents to understand the context and frequency.
     - Issuing a 'Driver Reminder Letter' from HR to reinforce the importance of safe driving practices.
     - Offering advanced driver training through reputable organisations, such as the RAA, to enhance driving skills.
     - Conducting one-on-one meetings to discuss incidents and set safety goals.
     - Monitoring progress and providing ongoing support to encourage safe driving behaviour.
     - Implementing disciplinary procedures only if incidents persist despite support and training.

3. **Training and Awareness Programs:**

   Organise regular training sessions and workshops focused on safe driving practices, accident prevention, and emergency response. This will help reinforce the importance of safety and ensure that all staff members are aware of their responsibilities.

4. **Monitoring and Evaluation:**

   Establish a system for monitoring the effectiveness of these initiatives, including tracking incident rates and gathering feedback from staff. Regular evaluations will help identify areas for improvement and ensure that the procedures remain relevant and effective.

By implementing these recommendations, Adelaide Hills Council can foster a culture of safety and accountability among its drivers. The introduction of a breakdown or accident instruction card, coupled with formal procedures for managing multiple at-fault incidents, will not only enhance the safety of Council staff but also protect the interests of the community and Council itself.

Vehicle and Plant Emergency Management

Good practices

Periodic training is conducted on emergency procedures and on equipment handling.

The safety equipment is regularly reviewed and replenished.

Annual training sessions are held to review emergency procedures and equipment handling protocols. Council conducts these sessions each year to ensure all personnel are prepared and informed about the Emergency Response Procedures.

Opportunity for improvement

Addressing Fire Risks in Heavy Vehicles:
- **Lack of Fire Detection and Suppression Systems:**
  - Heavy vehicles currently lack in-vehicle fire detection and suppression systems.

- There is no formal procedure for responding to fires that may ignite within the heavy fleet.
- **Broader Risk of Ignition:**
  - The risk of ignition is not confined to waste trucks carrying flammable materials but extends to any heavy vehicle transporting flammable substances.
  - Heavy-duty equipment operating near roadsides is also at risk, particularly in windy conditions where dry mulch can ignite from hot exhausts.

Formal Procedures and Training:
- **Develop and Implement Procedures:**
  - Protocols should specifically address scenarios involving very windy conditions or proximity to other vehicles, people, and infrastructure.

Incorporation of Fire Suppression Systems:
- **Procurement of New Fleet and Equipment:**
  - Council should include automated fire suppression systems as standard features in new fleet vehicles and heavy equipment during the procurement stage.
  - These systems are increasingly available from suppliers and can significantly enhance safety.

Safety Equipment for Light Fleet Vehicles:
- **Equipping Light Fleet Vehicles:**
  - Not all light fleet vehicles are equipped with essential safety equipment necessary for an immediate response to emergencies.
  - Council should ensure that all vehicles, including light fleet, are equipped with appropriate safety equipment such as fire extinguishers and first aid kits.

By implementing these recommendations, Council can significantly improve fire safety measures for both heavy and light fleet vehicles, thereby reducing the risk of fire incidents and enhancing the safety of its operations. Regular reviews and updates to these procedures and equipment will ensure ongoing compliance and safety.

On-Site Emergencies

Good practice

In recent years, Council has made significant strides in fostering a positive culture around the reporting of incidents and near-misses among support staff. This improvement reflects a commitment to safety and accountability, and it has been achieved through several key initiatives.

Opportunity for improvement

No action required

Marsh

Appendix A: Summary of recommendations

Focus	Priority	Recommendations
Fleet Strategy		Develop a comprehensive light fleet policy or guidelines to clearly outline the use and management of council-owned vehicles that includes: - Vehicle selection - Vehicle use - Maintenance and repair - Financial management - Disposal
		Utilise Skytrust for defect reporting and contemplate establishing a dedicated team of staff members to conduct comprehensive analyses of fleet incidents.
Drivers and Operators		It is recommended that competency assessments be documented within Skytrust or an equivalent asset management system.
		Implement a continuous assessment system for employees' skills and functional abilities
		Establish a Standard Operating Procedure (SOP) or similar for Light Fleet and considering the adoption of Skytrust to optimise and streamline your Plant and Equipment Management processes.
		Develop a Drug and Alcohol Policy in consultation with staff and their representatives, Implement randomised drug and alcohol testing across all operations to enhance safety and compliance.
Storage and Usage		Implement line marking for parking bay allocation and pedestrian & vehicle navigation in sealed areas and rear zones for heavy fleet and plant.
		Implement a Grey Fleet Policy that outlines acceptable utilisation of personal vehicles for work related activities.
		Council should shift towards more proactive monitoring of fuel storage tanks and bowers to be checked, refer to photograph 1.4
		Establish clear staff guidelines relating to installation and maintenance of EV charging stations.
		Consider implementing a digital key check-in/check-out system to enhance security, operational efficiency, and accountability. Alternatively, using Outlook to monitor

		key possession offers a cost-effective interim solution, supporting key management despite being less robust than dedicated systems.
		Ensure that correct cargo management practices are documented in the Plant procedure and/or in Safe Operating Procedures.
Maintenance Activities		Adelaide Hills Council, while maintaining thorough documentation and record-keeping practices, currently manages information across multiple disparate locations. To improve efficiency and accessibility, it would be advisable to consider consolidating all data into a single, centralised platform. The next logical step would be to engage with LGRS to explore synchronising Confirm with Skytrust, enabling system integration and customisation tailored to Council's specific operational needs. Additionally, reaching out to them for further assistance in simplifying systems and streamlining data consolidation could prove beneficial
		Establish formal arrangements with external providers for servicing heavy fleet and plant equipment and update the Lockout/Tagout (LOTO) procedure.
		Establish formal arrangements with external service providers for the servicing and repairs of heavy fleet and plant equipment, including 'yellow' fleet and bushfire vehicles.
		Arrange thermographic testing of distribution boards in the depot.
Incidents and Emergencies		Implement a systematic incident management framework, with particular attention to the following key points: • Development of a breakdown or accident instruction cards. • Formal procedures for managing multiple at-fault incidents • Training and awareness programs • Monitoring and evaluation
		Consider addressing fire risks in vehicles by: - Installation of fire detection & suppression systems - Implementing fleet fire incident response procedures and training - Incorporating automated fire detection and suppression systems in procurement of fleet - Equipping light vehicles with fire extinguishers & first aid kits.

Key

Risk Criteria	Rating	Description
Attention required		These recommendations are offered to manage immediate risk to operations, whereby controls can be implemented now, and is considered an essential risk management system by the Scheme for this type of operation.
Opportunity for improvement		These recommendations are offered to better manage a risk that already has some controls, or which is not considered critical to operations. Action/progress is recommended within 12 months.
Advisory		These recommendations are offered as best advice based on our experience and knowledge of insurance industry expectations. Action will demonstrate best practice management of the asset.

Marsh

Appendix B: Site observations

High level overview of site operations and history – 32 Scott Creek Rd, Scott Creek
Changes in the previous 12 months? Planned for upcoming 24 months?
Property construction: Combustibles in construction (EPS expanded polystyrene and ACP aluminium composite present?) None
Housekeeping: • Plant and equipment -Adequate • Maintenance workshops -Adequate • Bulk storage areas Not sighted • Mobile equipment – N/A • IT servers – N/A
Utilities supply: • Main switch board- Thermographic scans not conducted. Refer to recommendations • Water, gas and other utility connections - Adequate • Backup power generation? – Not sighted • Solar system – Not sighted
Fire protection and installation: • Is there a hydrant block plan for the yard/depot and is it up to date? Unknown • Is there clear access to all hydrants or is signage and markings required to prevent parking in front of hydrants? None • Does fire detection extend into higher risk areas located in the yard (e.g. flammable stores)? None • Fire pumps and tanks – Not sighted • Special hazard suppression (gas/foam suppression) - None. • Smoking controls – Adequate. • Permitting systems (hot works, confined spaces, etc) – Adequate.
Hazardous goods storage: • Ignitable liquids and gas storages - Adequate
External exposures: • Security CCTV cameras. • Fire-Likely • Cyclone -Likely • Flood Unlikely • Multiple access or egress roads – Adequate.

Appendix C: Photographs

Photograph 1.1	Photograph 1.2
Fire extinguisher tested	Access into depot complete -electric gates
Photograph 1.3	Photograph 1.4

Photograph 1.5	Photograph 2.0
Diesel fuel tank bunded	The Asset Mutual Fund (AMF) offers this service at no cost to Council. For further inquiries, please contact Michelle Cameron at Michelle.cameron@jlta.com.au.
Photograph 2.1	Photograph 2.2
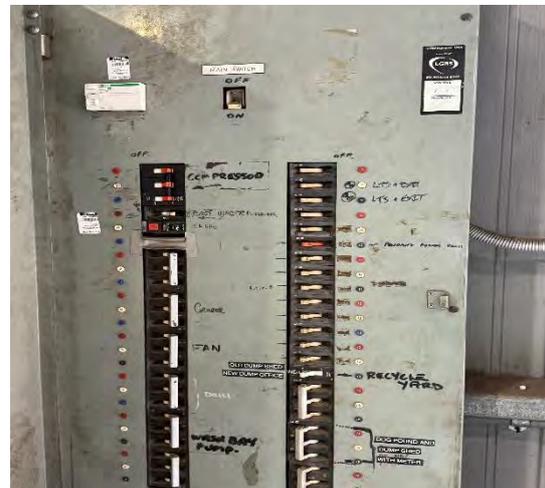
Photograph 2.2	Photograph 2.3
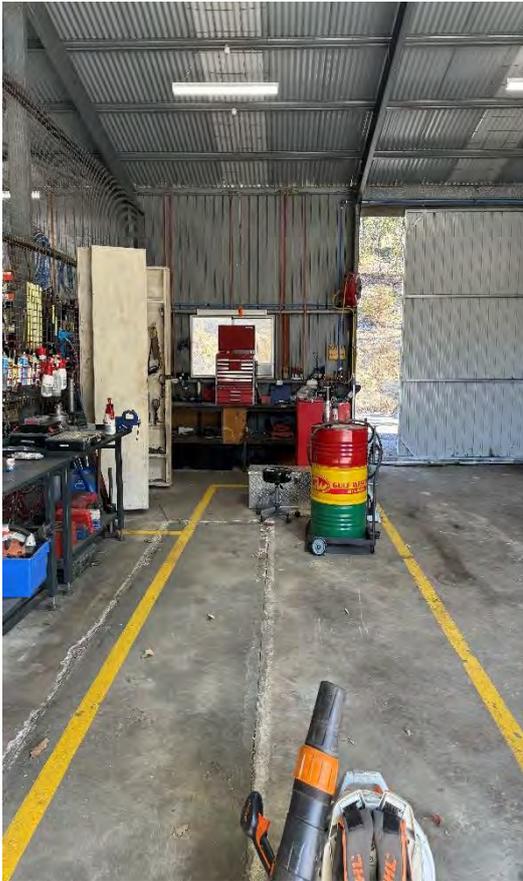
Marsh Pty Ltd
ABN 86 004 651 512
Juan Millan
E: Juan.Millan@jlta.com.au
P: 0437 980 053
Level 3
148 Frome Street
Adelaide SA 5000
GPO Box 2637
ADELAIDE SA 5000
www.marsh.com.au

Appendix 3

Fleet Management Audit Recommendations

Focus	Priority	Recommendations	Proposed Actions and Comments	Status/ Due Date
Fleet Strategy		Develop a comprehensive light fleet policy or guidelines to clearly outline the use and management of council-owned vehicles that includes: • Vehicle selection • Vehicle use • Maintenance and repair • Financial management • Disposal	Fleet Management Policy is drafted and is currently with ELT for consultation.	March 2026
		Utilise Skytrust for defect reporting and contemplate establishing a dedicated team of staff members to conduct comprehensive analyses of fleet incidents.	Partial acceptance Will not use Skytrust due to system restrictions and resource limitations. Propose using existing in-vehicle monitoring systems for scheduled reporting and driver notification of driver compliance	June 2026
Drivers and Operators		It is recommended that competency assessments be documented within Skytrust or an equivalent asset management system.	Action provided to HR to investigate the possibility of achievement. Process already in place during the recruitment phase and documented in Skytrust.	Not accepted
		Implement a continuous assessment system for employees' skills and functional abilities	Action provided to HR to investigate the possibility of achievement. Process already automated through Skytrust.	Not accepted
		Establish a Standard Operating Procedure (SOP) or similar for Light Fleet and considering the adoption of Skytrust to optimise and streamline your Plant and Equipment Management processes.	Staff induction process to be incorporated within draft Fleet Policy. Confirm utilised as plant and fleet asset management platform	March 2026 or when Policy gets endorsed
		Develop a Drug and Alcohol Policy in consultation with staff and their representatives. Implement randomised drug and alcohol testing across all operations to enhance safety and compliance.	Already have a Drugs and Alcohol Policy in place. Randomised testing to start soon.	Not accepted.
Storage and Usage		Implement line marking for parking bay allocation and pedestrian & vehicle navigation in sealed areas and rear zones for heavy fleet and plant.	Traffic management audit undertaken of two operational depot facilities. Recommendations in process of being implemented at Heathfield FY 25/26.	June 2026

		Implement a Grey Fleet Policy that outlines acceptable utilisation of personal vehicles for work related activities.	Incorporated into draft Fleet Policy	March 2026 or when Policy gets endorsed
		Council should shift towards more proactive monitoring of fuel storage tanks and bowers to be checked, refer to photograph 1.4	Council already undertakes regular monitoring/checks of fuel tanks and bowers. New Telematic Software have been deployed and resourcing allocated through BR1 process.	June 2026
		Establish clear staff guidelines relating to installation and maintenance of EV charging stations.	Incorporated into draft Fleet Policy an action item included within EV charger actions.	March 2026 or when Policy gets endorsed
		Consider implementing a digital key check-in/check-out system to enhance security, operational efficiency, and accountability. Alternatively, using Outlook to monitor key possession offers a cost-effective interim solution, supporting key management despite being less robust than dedicated systems.	Included within Draft Fleet Policy, Council working with software providers to introduce fob in and out technology and Microsoft 365 booking integration	March 2026 or when Policy gets endorsed
		Ensure that correct cargo management practices are documented in the Plant procedure and/or in Safe Operating Procedures.	Cargo management practices are already in place.	Not accepted.
Maintenance Activities		Adelaide Hills Council, while maintaining thorough documentation and record-keeping practices, currently manages information across multiple disparate locations. To improve efficiency and accessibility, it would be advisable to consider consolidating all data into a single, centralised platform. The next logical step would be to engage with LGRS to explore synchronising Confirm with Skytrust, enabling system integration and customisation tailored to Council's specific operational needs. Additionally, reaching out to them for further assistance in simplifying systems and streamlining data consolidation could prove beneficial	At this time it is not efficient or the right system to consolidate all data into a centralised platform Confirm.	Not accepted.

	(red)	Establish formal arrangements with external providers for servicing heavy fleet and plant equipment and update the Lockout/Tagout (LOTO) procedure.	Update LOTO procedure. Heavy vehicle servicing contract established September 2025	June 2026
	(green)	Establish formal arrangements with external service providers for the servicing and repairs of heavy fleet and plant equipment, including 'yellow' fleet and bushfire vehicles.	Agreed (as above)	
	(green)	Arrange thermographic testing of distribution boards in the depot.	Contacted LGA in relation to this. They have advised we are eligible for 10 asset reviews. Placed on hold until Asset team is resourced.	Dec 2026
Incidents and Emergencies	(orange)	Implement a systematic incident management framework, with particular attention to the following key points: • Development of a breakdown or accident instruction cards. • Formal procedures for managing multiple at-fault incidents • Training and awareness programs Monitoring and evaluation	Partially accepted. Fleet Coordinator to create and place breakdown or accident instruction cards in vehicles. Not practical due to resourcing and system limitations. Already have regular monitoring and evaluations in place. Regular updates provided by WHS around incident reporting.	March 2026. Draft instruction card sitting with Open Space manager for final sign off.
	(orange)	Consider addressing fire risks in vehicles by: • Installation of fire detection & suppression systems • Implementing fleet fire incident response procedures and training • Incorporating automated fire detection and suppression systems in procurement of fleet • Equipping light vehicles with fire extinguishers & first aid kits.	Partially accepted. Accepted the below dot points: - Incorporating automated fire detection and suppression systems in procurement of fleet - Equipping light vehicles with first aid kits Heavy machinery already contains fire extinguishers. Manage use of machinery on extreme and catashrophic fire days through the Fire Danger Days Procedure Policy	Dec 2026

Key

Risk Criteria	Rating	Description
Attention required		These recommendations are offered to manage immediate risk to operations, whereby controls can be implemented now, and is considered an essential risk management system by the Scheme for this type of operation.
Opportunity for improvement		These recommendations are offered to better manage a risk that already has some controls, or which is not considered critical to operations. Action/progress is recommended within 12 months.
Advisory		These recommendations are offered as best advice based on our experience and knowledge of insurance industry expectations. Action will demonstrate best practice management of the asset.

Appendix 4
EV Charging Audit Report

Banton Australia
AHC EV Charging Audit

Summary

This report presents the current operational and safety status of electric vehicle (EV) chargers across multiple Adelaide Hills Council sites. A detailed audit has revealed recurring issues affecting functionality, user safety, and asset protection.

Summary of Issues

Site	Operational	Key Issues
85 Mount Barker Rd	Yes	No labels on RCBOs, no pips, broken covers, no wheel stops, no signage, no fire extinguisher, no lighting, no CCTV
Norton Summit	No	Marked out of order, no bollards, no line marking, no signage, no RFID control, no catenary support, no CCTV, no lighting,
Heathfield Depot	Yes	No signage, no RCD protection, undersized circuit breaker
Woodside Library	Yes	No bollards, no line marking, no signage, water ingress, no pips, limited lighting, no CCTV
Woodside Office (Nairne Rd)	Yes	No bollards, no line marking, no marked bay, limited signage, water ingress, no pips, limited lighting, no CCTV, not registered as asset
Gumeracha Depot	Yes	No bollards, no designated bay, no line marking, limited signage, water ingress, no pips, limited lighting, no CCTV
Gumeracha Library	No	Marked out of order, water ingress, no pips, limited lighting, no CCTV, screen damage, no RCD
Fabrik	Yes	No bollards, limited signage, water ingress, no pips, no lighting, no CCTV

Detailed Issues by Site

85 Mount Barker Road

Issue	Clause	Immediate	3–6 months
No identification labels on RCBOs	AS/NZS 3000 Cl 2.3.4.4	✓	
No pips in isolator, ruining IP rating	AS/NZS 3000 Cl 1.5.4.4	✓	
Silicone plug cover detached	AS/NZS 3000 Cl 1.5.4.4	✓	
No wheel stops installed	AS/NZS 3000 Cl 2.7.3	✓	
No signage to mark "EV only carpark"	WHS & Accessibility Recommendation		✓
No accessible fire extinguisher	WHS Regs Cl 359-361		
Limited lighting	Security Recommendation		✓
Confined Enclosure of EV Charger	Clause 2.10.2 Working space and access around switchgear	✓	

Site Photos

- **Figure 1:** EV Bay without wheel stops or adequate signage
- **Figure 2:** Distribution board with missing RCBO identification labels
- **Figure 3:** Isolator with no pip, affecting IP rating
- **Figure 4:** Switchboard legend unreadable
- **Figure 5:** Limited lighting and lack of CCTV surveillance.

Norton Summit – The Summit Community Centre

Issue	Clause	Immediate	3–6 months
Charger marked as "OUT OF ORDER"	Operational Issue	✓	
No RFID control; public users overnight	Operational Security		✓
No line marking	WHS & Accessibility Recommendation		✓
No bollards	AS/NZS 3000 Cl 2.7.3	✓	
No catenary/mechanical protection on feed	AS/NZS 3000 Cl 3.9.3.1	✓	
No CCTV	WHS & Security Recommendation		✓
No lighting	WHS & Security Recommendation		✓
No accessible fire extinguisher	WHS Regs Cl 359-361	✓	

Site Photos

- **Figure 1:** Charger marked as "OUT OF ORDER"
- **Figure 2:** No catenary support on charger feed conduit.
- **Figure 3:** No lighting or CCTV surveillance.
- **Figure 3:** No line marking to identify bays.

Heathfield Depot

Issue	Clause	Immediate	3–6 months
No RCD protection	AS/NZS 3000 Cl 2.6.3.2.3	✓	
Circuit breaker undersized	AS/NZS 3000 Cl 2.5.3	✓	
Outdated switchboard legend	AS/NZS 3000 Cl 2.3.3		✓
No accessible fire extinguisher	WHS Regs Cl 359-361	✓	

Site Photos

- **Figure 1:** Lack of RCD protection and undersized circuit breaker
- **Figure 2:** Outdated switchboard legend

Woodside Library/Offices

Issue	Clause	Immediate	3–6 months
No bollards	AS/NZS 3000 Cl 2.7.3	✓	
No line marking	WHS & Accessibility Recommendation		✓
No "EV only park" signage	WHS & Accessibility Recommendation		✓
No pips in isolator; water ingress	AS/NZS 3000 Cl 1.6, 4.1.2	✓	
Limited lighting	WHS & Security Recommendation		✓
No CCTV or passive surveillance	WHS & Security Recommendation		✓
No accessible fire extinguisher	WHS Regs Cl 359-361	✓	
Confined Enclosure of EV Charger	Clause 2.10.2 Working space and access around switchgear	✓	

Site Photos

- **Figure 1:** No bollards, line marking, CCTV and limited lighting.
- **Figure 2:** Water ingress into EV isolator due to no pips and lack of sealant.
- **Figure 3:** No "EV only park" signage

Woodside Office (Nairne Rd)

Issue	Clause	Immediate	3–6 months
No designated bay	WHS & Accessibility		✓
No bollards	AS/NZS 3000 Cl 2.7.3	✓	
No line marking	WHS & Accessibility Recommendation		✓
Limited signage	WHS & Accessibility Recommendation		✓
No pips in isolator; water ingress	AS/NZS 3000 Cl 1.6, 4.1.2	✓	
Limited lighting	WHS & Security Recommendation		✓
No CCTV or passive surveillance	WHS & Security Recommendation		✓
Charger not registered as asset	Operational issue		✓
No accessible fire extinguisher	WHS Regs Cl 359-361	✓	
Inaccessible switchboard		✓	
Outdated switchboard legend	AS/NZS 3000 Cl 2.3.3		✓
Confined Enclosure of EV Charger	Clause 2.10.2 Working space and access around switchgear	✓	

Site Photos

- **Figure 1:** Lack of lighting and CCTV surveillance.
- **Figure 2:** No designated EV charging bay.
- **Figure 3:** Water ingress into EV isolator due to no pips and lack of sealant.
- **Figure 4:** Outdated switchboard legend.
- **Figure 5:** Inaccessible switchboard.

Gumeracha Depot

Issue	Clause	Immediate	3–6 months
No designated bay	WHS & Accessibility		✓
No bollards or wheel stops	AS/NZS 3000 Cl 2.7.3	✓	
No line marking	WHS & Accessibility Recommendation		✓
No signage	WHS & Accessibility Recommendation		✓
Limited lighting	WHS & Security Recommendation		✓
No CCTV or passive surveillance	WHS & Security Recommendation		✓
No accessible fire extinguisher	WHS Regs Cl 359-361	✓	
No switchboard legend	AS/NZS 3000 Cl 2.3.3		✓
Confined Enclosure of EV Charger	Clause 2.10.2 Working space and access around switchgear	✓	
Separation from conductive services	Clause 3.11.5 Separation from conductive services (water Tank & Aircon)	✓	

Site Photos

- **Figure 1:** No signage
- **Figure 1:** House within metal enclosure, within recommended tolerance of multiple items. Water tank & Air conditioner.
- **Figure 2:** Limited lighting and no CCTV surveillance.
- **Figure 3:** No designated charging bay, bollards or wheel stops.

Gumeracha Library

Issue	Clause	Immediate	3–6 months
Charger marked "OUT OF ORDER"	Operational	✓	
No pips in isolator; water ingress	AS/NZS 3000 Cl 1.5.4.4, 4.1.2	✓	
Limited lighting	WHS (Safe Access)		✓
No CCTV or passive surveillance	WHS & Security Recommendation		✓
LCD screen damaged	Operational	✓	
No RCD protection	AS/NZS 3000 Cl 2.6.3.2.3	✓	
No accessible fire extinguisher	WHS Regs Cl 359-361	✓	
Outdated switchboard legend	AS/NZS 3000 Cl 2.3.3	✓	

Site Photos

- **Figure 1:** Charger marked as "OUT OF ORDER"
- **Figure 2:** LCD screen damaged.
- **Figure 3:** No RCD protection.
- **Figure 4:** Outdated switchboard label.
- **Figure 5:** No lighting and no CCTV surveillance.
- **Figure 6:** Water ingress into EV isolator due to no pips and lack of sealant.

Fabrik Arts + Heritage

Issue	Clause	Immediate	3–6 months
Limited signage	WHS & Accessibility Recommendation		✓
No pips in isolator; water ingress	AS/NZS 3000 Cl 1.5.4.4, 4.1.2	✓	
No lighting	WHS (Safe Access)		✓
No CCTV or passive surveillance	WHS & Security Recommendation		✓
No accessible fire extinguisher	WHS Regs Cl 359-361	✓	
Enclosure door no longer earthed	AS/NZS 3000 Cl 5.4.1.2	✓	
Confined Enclosure of EV Charger	Clause 2.10.2 Working space and access around switchgear	✓	

Site Photos

- **Figure 1:** Lack of signage.
- **Figure 2:** No lighting or CCTV surveillance.
- **Figure 3:** No pips in isolator.
- **Figure 4:** Enclosure damaged earth cable.
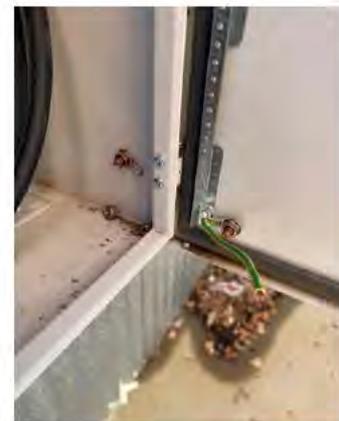
Recommendations

1. **Safety Improvements**
   o Install RCD protection at all sites without it (e.g. Heathfield Depot, Gumeracha Library).
   o Replace or repair damaged isolators and covers; install pips in all isolators and adequately seal to ensure IP ratings are maintained.

2. **Signage & User Guidance**
   o Provide clear, standardised signage at all EV charger locations.
   o Install line marking to clearly define EV-only bays.
   o Register all chargers as official council assets for proper tracking and maintenance.

3. **Security & Surveillance**
   o Install CCTV or enable passive surveillance for vandalism deterrence and user safety.
   o Add appropriate lighting at all sites to improve night-time usability and visibility.

4. **Infrastructure Protection**
   o Install bollards and wheel stops to protect chargers from accidental vehicle damage.
   o Provide additional mechanical protection for all exposed cabling.

5. **Operational Enhancements**
   o Enable RFID or other access controls to prevent unauthorised overnight charging.
   o Upgrade undersized circuit breakers where necessary to allow full charger output.

6. **Maintenance & Compliance**
   o Implement routine inspections and maintenance schedules, including testing of electrical installations and safety features.
   o Label RCBOs and isolators clearly for both emergencies and maintenance purposes.
   o Install fire extinguishers at all sites.

Specific EV Charger Regulations & Recommendations

Introduction

This forms part of the existing Electric Vehicle (EV) Infrastructure Audit conducted by Banton Australia for the Adelaide Hills Council. Its purpose is to summarise key compliance requirements under AS/NZS 3000:2018 (the "Wiring Rules"), highlight clearance and separation criteria, and present common non-compliant installation examples for EV chargers.

Compliance Requirements

All EV charger installations must meet the mandatory requirements of the Wiring Rules, Appendix P guidance, and any applicable State/Territory Service & Installation Rules (SIRs).

Degrees of Protection (IP & IK)

- EV supply equipment (Mode 3/4) must be rated minimum **IP 44** (splash protection) and **IK07** (mechanical impact) in exposed locations.
- If housed within a fixed metal enclosure, the enclosure itself must carry at least the same IP/IK rating, with correctly sealed cable entries.

Earthing & Bonding

- All metal enclosures and charger mounting structures must be effectively bonded to earth as per AS/NZS 3000 Clause 5.7.
- Earth-fault loop impedance must be tested and recorded during commissioning.

RCD & DC-Fault Protection

- Install a Type B RCD upstream of chargers lacking internal DC-fault detection.
- Chargers with built-in DC-fault sensors may be protected by Type A RCDs only if manufacturer stated.

Cable Sizing

- Minimum conductor size for a 32 A single-phase charger is 6 mm^2 copper (AS/NZS 3008.1.1).
- Undersized cables (e.g. 4 mm^2 on 32 A circuits) are non-compliant and risk thermal damage.

Isolation & Switches

- A local disconnecting means (isolator) should be provided adjacent to the charger, within arm's-reach and lockable.
- This practice aligns with isolator requirements for fixed-wire air-conditioning units under AS/NZS 3000 Clause 4.19.

Working Clearances & Accessibility

Per AS/NZS 3000 Clause 2.10, maintain:

- **600 mm** clear front-of-unit space for 230 V equipment.
- **2000 mm** minimum headroom or to ceiling.
- Sufficient side and top clearance for cover removal and maintenance.

Separation from Other Services

- Maintain **≥ 1 m** distance from gas appliance relief outlets (Clause 4.18).
- Provide at least **300 mm** separation from water pipes to prevent splash.
- Avoid obstructing ventilation pathways of adjacent equipment (e.g., air conditioner).

Examples of Non-Compliant Installations

- Charger in an un-rated metal box without IP/IK sealing or bonding.
- Use of Type A RCD on chargers without DC-fault detection.
- No local isolator for safe maintenance.
- Installation in a confined cupboard blocking required clearances or ventilation.

Conclusion

While housing an EV charger in a metal enclosure is not inherently illegal, failure to meet the equivalent IP/IK protection, bonding, clearances, and RCD requirements of AS/NZS 3000 renders the installation non-compliant and thus unlawful under state electrical safety legislation.

References

- AS/NZS 3000:2018, Wiring Rules & Appendix P.
- AS/NZS 3008.1.1:2017, Cable Selection and Installation.
- Service & Installation Rules (State/Territory variations).

Conclusion

The comprehensive audit provided by Banton Australia has revealed gaps in safety provisions, asset identification, user guidance and security controls across all eight Adelaide Hills Council EV charging sites. While most chargers remain operational, the absence of critical features—such as RCD protection, clear signage, adequate lighting, CCTV surveillance, wheel stops and accessible fire-fighting equipment—introduces unacceptable safety risks for users and maintenance personnel, as well as exposure of Council assets to accidental or deliberate damage.

Immediate remediation of high-risk items (for example, installing bollards at sites lacking physical protection and applying IP-rated seals to isolators) will substantially reduce the likelihood of shock hazards and ingress-related failures. Over the next three to six months, targeted infrastructure upgrades—such as standardised EV bay line-marking, asset registration, RFID access controls and circuit-breaker resizing—will enhance operational reliability, streamline maintenance workflows and ensure compliance with AS/NZS 3000 and relevant WHS regulations.

By prioritising these improvements, Adelaide Hills Council will not only extend the service life of its EV charging network but also reinforce its reputation as a leader in sustainable transport infrastructure. Clear asset labelling and routine inspection schedules will facilitate proactive maintenance budgeting and minimise unplanned downtime. Enhanced lighting and surveillance measures will promote safe, 24-hour accessibility for both staff and public users, supporting Council's broader objectives for inclusivity and community engagement.

Next Steps with Banton Australia

Banton Australia, having conducted this audit and appointed as the principal contractor can provide all required electrical labour, including Certificates of Compliance (CoC) and detailed maintenance reports. By following the audit's timeline and recommendations, and leveraging Banton Australia's project management and technical expertise, Council can confidently deliver a safe, resilient and user-friendly charging network. Advancing the region's transition to low-emission transport while safeguarding public and environmental interests.

Appendix 5

EV Charging Audit Recommendations

Focus	Recommendation	Proposed Actions and Comments	Status/ Due Date
Safety Improvements	Install RCD protection at all sites without it (e.g. Heathfield Depot, Gumeracha Library).	Heathfield Depot RCA installed Friday 31st of October. Gumeracha Depot, TVCC and Norton Summit Community Centre chargers to be decommissioned Saturday 8th November.	Completed November 2025
	Replace or repair damaged isolators and covers; install pips in all isolators and adequately seal to ensure IP ratings are maintained.	An electrical compliance audit was undertaken in the month of August. Recommendations currently being implemented with scheduled completion by end of November 2025. Due to the installation methods and condition of various chargers, tag out notices where required prior to the implementation of essential compliance works.	Completed December 2025
Signage & User Guidance	Provide clear, standardised signage at all EV charger locations.	To be priorities once initial modification works undertaken	31 Dec 2026
	Install line marking to clearly define EV-only bays.	To be priorities once initial modification works undertaken	31 Dec 2026
	Register all chargers as official council assets for proper tracking and maintenance.	Process to be undertaken upon completion of essential modification works.	30 June 2026
Security & Surveillance	Install CCTV or enable passive surveillance for vandalism deterrence and user safety.	Not currently a legislated requirement. Works not deemed essential for operational compliance	Not accepted
	Add appropriate lighting at all sites to improve night-time usability and visibility.	Not currently a legislated requirement. Works not deemed essential for operational compliance	Not accepted
Infrastructure Protection	Install bollards and wheel stops to protect chargers from accidental vehicle damage.	To be installed at all sites as identified within electrical compliance audit by end of November 2025	Completed December 2025
	Provide additional mechanical protection for all exposed cabling.	To be installed at all sites as identified within electrical compliance audit by end of November 2025	Completed December 2025
Operational Enhancements	Enable RFID or other access controls to prevent unauthorised overnight charging.	To be implemented upon completion of essential compliance modification works.	28 Feb 2026
	Upgrade undersized circuit breakers where necessary to allow full charger output.	Upgrade of electrical transformers and switchboards to occur in future if additional charging infrastructure required.	Not accepted due to budget restraints
Maintenance & Compliance	Implement routine inspections and maintenance schedules, including testing of electrical installations and safety features.	Servicing agreement will be entered into upon the completion of essential compliance modifications.	28 Feb 2026
	Label RCBOs and isolators clearly for both emergencies and maintenance purposes.	To be installed at all sites as identified within electrical compliance audit by end of November 2025	Complete
	Install fire extinguishers at all sites.	Not currently a legislated requirement. Works not deemed essential for operational compliance	Not accepted

Appendix 6

Cemetery Compliance Audit Report

Cemetery Compliance Review

August 2025

Adelaide Hills
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Table of Contents

Prepared for Adelaide Hills Council

By: Robert Pitt
      P O Box 1178
      Aldinga Beach SA 5173
      rpitt6@internode.on.net

1.   Disclaimer

The Cemeteries Compliance Review and this report has drawn upon documents, electronic files and information provided by Adelaide Hills Council.

The scope of this review and report does not include any evaluation of the maintenance of the grounds and gardens of the cemeteries.

The author has relied on this information to interpret, evaluate, and provide recommendations in accordance with the agreed scope of the review. This information, in particular, Council's cemetery records, has not been independently verified.

As only limited matters have been reviewed, no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by the author in this document.

The author makes no representation or warranty, express or implied as to the accuracy, completeness, reliability, or suitability of any Information; or that any forecast, trend, average, valuation, estimate, or assumption is reasonable, accurate or will be achieved.

The author expressly disclaims any and all liability based in whole or in part on any such information and any errors, omissions, or non-achievement regarding the same.

The author has no financial or commercial interests in the outcome of this report which could be considered to affect the ability to render unbiased recommendations to the Adelaide Hills Council about its cemeteries and cemetery operations.

Acknowledgement

The author acknowledges and thanks Council's Cemeteries Officer Ms Kylie Hopkins for her advice and insights for this report. Ms Hopkins provided copies of Council's cemetery related documents for review for this report. Her cooperation and input are greatly appreciated.

2.   Introduction & Purpose

As of June 2025, the Adelaide Hills Council (Council) owns or has under its care and control 16 cemeteries. These are provided in the list in **Table 1** overleaf. With the oldest cemetery dating back to the 1850s, many of these cemeteries have come under Council's ownership or care and control over time, having previously been church or community owned cemeteries. Of the 16 cemeteries, three are formally closed (Burfords Hill Road, Cromer Road, & Grassy Flat).

This purpose of this report is to review and assess Council's administration and management of its cemeteries with regards to the level of compliance with South Australian cemetery legislation. The review focuses on Council's compliance with the *Burial and Cremation Act 2013 (the Act)* and the *Burial and Cremation Regulations 2014 (the Regulations)*. However, other cemetery related compliance matters not prescribed in *the Act* and *the Regulations* are touched upon. A list of relevant legislation is provided in **Section 3** of this report.

The cemetery compliance review is aligned with the "Performance Targets" for cemeteries in Council's *Community Land Management Plans* which prescribes the following target for cemeteries:

> *"The requirements of the Burial and Cremation Act 2013 and the Burial and Cremation Regulations 2014 are complied with in the management and operation of cemeteries."*[1]

The Cemeteries Compliance Review is also aligned with the "Governance" Guiding Principle of Council's *Strategic Plan 2024* which commits Council to *"hold ourselves to the highest standards of ethics and probity"*[2].

Priority Objective O1.3 in this plan informs the Cemetery Compliance Review. This objective states Council will seek to *"enhance data governance to protect and secure information ensuring compliance with legislation."*[3]

The report addresses elements of the scope as follows:

- Cemetery Legislation Compliance Checklist
- Cemeteries Operating Policy
- Memorials within Council Cemeteries Policy
- Other Cemetery Related Forms and Documents

Appendix 2 provides a list of Council's cemetery related documents that were reviewed. Revised versions and amendments to these documents have been forward to Council's Cemeteries Officer.

While the report excludes any consideration of the maintenance of the cemeteries. It does address some operational work, health, safety matters in relation to grave digging, memorial interments, and plaques, and on-site working requirements of monumental masons.

Non-complying, partially complying and unsure Checklist criteria findings are discussed in Section 5 of the report. Recommendations to address these findings are provided in Section 6.

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[1] *Adelaide Hills Council Community Land Management Plans & Register,* p29, September 2019
[2] *Your Place, Your Space – Strategic Plan 2025*, Adelaide Hills Council, p5, Adopted November 2024.
[3] Ibid. p 24

Appendix 1 of this report provides the full Cemetery Legislation Compliance Checklist tables.

Table 1: List of Cemeteries under the ownership or care & control of Adelaide Hills Council

CEMETERY	ADDRESS	EST.	LAND TITLE
BIRDWOOD	Onkaparinga Valley Road, Birdwood SA 5234	1910	CT5877/380
BURFORDS HILL ROAD (closed)	Burfords Hill Road, Kenton Valley SA 5233	-	CR5753/757 #
CHARLESTON	Newman Road, Charleston SA 5244	1865	CT5066/740*
CROMER ROAD (closed)	Cromer Road, Birdwood SA 5234	-	CR6303/685
CUDLEE CREEK	Gould Place, Cudlee Creek SA 5232	1867	CT 5697/727 CT5849/800*, CT5249/737*
GRASSY FLAT (closed)	Monument Road, Norton Summit SA 5136	1855	CT5559/730
GUMERACHA	Forreston Road, Gumeracha SA 5233	1870	CT5835/361
HOUGHTON	Johns Road, Houghton SA 5131	1858	CT5661/982, CT5513/13
KERSBROOK	Little Para Road, Kersbrook SA 5231	1882	CT256/185, CR5753/749 #
MT LOFTY	Swamp Road, Uraidla SA 5142	1865	CT5445/628
MT TORRENS	Hammerwood Lane, Mt Torrens SA 5244	1870	CR5753/756 #
MONTACUTE	Montacute Road, Montacute SA 5134	1903	CT5827/224
NORTON SUMMIT	Church Road, Norton Summit SA 5136	1882	CT5861/131, CT5261/359*
SCOTT CREEK	Cemetery Road, Scott Creek SA 5153	1894	CR5753/726 #
STIRLING	Strathalbyn Road, Aldgate SA 5152	1896	CT5137/585
SUMMERTOWN	Greenhill Road, Summertown SA 5141	1881	CT5475/229

* Land not owned by AHC
\# Crown Land

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3. Relevant Legislation

The following legislations are the key compliance benchmarks for cemetery operators in South Australia:

- *Burial and Cremation Act 2013 (SA)*
- *Burial & Cremation (Interment Rights) Amendment Act 2023*
- *Burial and Cremation Regulations 2014 (SA)*

The enactment of the South Australian *Burial and Cremation Act 2013 (SA)* on 1 February 2014 saw the first significant changes to cemetery provisions in the state for 80 years. Prior to this, cemeteries were legislated in Part 30 of the *Local Government Act 1934* (not repealed).

Secondary legislation that must be considered by cemetery operators in South Australia include:

- *Aboriginal Heritage Act 1988 (SA)*
- *Births Deaths and Marriages Regulations 2012 (SA)*
- *Crown Land Management Act 2009 (SA)*
- *Development Act 1993 (SA)*
- *Development Regulations 2008 (SA)*
- *Environment Protection Act 1993 (SA)*
- *Environment Protection Regulations 2009 (SA)*
- *Heritage Act 1993 (SA)*
- *Heritage Places Regulations 2005 (SA)*
- *Local Government Act 1999 (SA)*
- *Local Government (General) Regulations 2013 (SA)*
- *Work Health Safety Act 2012 (SA)*
- *Work Health Safety Regulations 2012 (SA)*

Community Land Management Plans

Division 4 of the *Local Government Act 1999 (SA)* has provisions for the requirements Councils to make management plans for their community land.

Fees and Charges

Section 188 of the *Local Government Act 1999 (SA)* prescribes provisions for Councils in the setting of fees and charges.

Three Australian Standards (AS) are directly relevant to cemetery operations.

Standards

- *AS 4204:2019 Headstones and cemetery monuments*
- *AS 4425:2020 Above-ground burial structures*
- *AS 2865 – 1995 Safe working in a confined space*

4.   Executive Summary

The review of the Adelaide Hills Council's cemetery records, maps, policy, forms, and maps found a strong level of compliance. The quality of Council's cemetery records is to be commended. In relation to burials on private land outside a cemetery, Council's policy and application form is acknowledged as a benchmark standard for other Councils as they receive increasing enquiries about burials on private land. The strong compliance is in part to the diligence and commitment of Council's Cemetery Officers, and to the use of OpusXenta's ByondPro Cemetery Management System which requires levels of information that facilitates compliance with cemetery legislation.

In summary, 58 compliance criteria were reviewed in the Compliance Checklist. Each compliance item is verified, with comments and recommendations in the full *Cemetery Legislation Compliance Checklist* tables provide in **Appendix 1.** The review of these 58 criteria is summarised in the Table 1 below.

Table 2: Summary Table of Cemetery Compliance Checklist Assessment

Complying Items	Partial Compliance Items	Unsure Items	Non-Complying Items
49 (84.5%)	5 (8.5%)	2 (3.5%)	2 (3.5%)

The Adelaide Hills Council has a high level of compliance compared to other S.A. Councils [4].

Items of non-compliance, partial compliance or unsure are summarised below. These are provided in more detail in the following section of the report, with recommendations on how to address these items in Section 6 of this report.

Non-Complying Items

The *Cemetery Compliance Checklist* criteria found to be non-complying were:

1.   Failure to notify interment right (formerly 'lease,' 'licence' or 'grant') holders 12 months prior to the expiry of the tenure of their interment right to advise them of their entitlement to extend the interment right.
2.   Not all of Council's cemeteries are "securely fenced. There is missing or damaged cemetery fencing at some sites.

These items of non-compliance are common across Council and community owned cemeteries. The failure to contact interment right holders regarding the impending expiry of their interment rights is not only non-complying with the Act, but also contrary to Clause 5.4.4 of Council's own *Cemeteries Operating Policy* (June 2024)[5].

By not fulfilling this requirement, Council is also missing out on potential revenue raising opportunities, from interment right holders, families and loved ones, who may wish to extend their interment rights when given the opportunity to do so.

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[4] 83% "Compliance" + "Partial Compliance", based upon 8 Council Cemetery Compliance Reviews.
[5] Adelaide Hills Council *Cemeteries Operating Policy,* June 2024, p10.

Partially Complying Items

Checklist criteria found to be partially complying were:

1. Council's 'Register of Monuments and Memorials' is incomplete. Images of monuments and memorials in Council cemeteries dated pre- 2016 have been photographed and recorded, then logged on the ByondPro Cemetery Management System. Monuments and memorials installed post 2016 have not been photographed, but their details are recorded on Council's Application for a Monument or Memorial form.
2. While the overwhelming majority of Council's cemetery related documents included correct terminology as prescribed in the Act and the Regulations, amendments to some documents are recommended.
3. The land title for a portion of the Norton Summit Cemetery plan needs resolving. A small land parcel that forms the cemetery is privately owned and not currently deemed for use as "cemetery land." This is a legacy issue that requires resolving.
4. Some Cemetery Contractors, Gravediggers or Monumental Masons have provided core Insurance, WorkCover and WHS documentation, but some are still to do so.
5. Council has appropriately classified a grave as a 'confined space.' This then require Confined Space entry permits and procedures in accordance with Australian Standards and WHS requirements. While prescribed by Council, there is no evidence of 'confined spaces' requirements being implemented and monitored by grave digging contractors or monumental masons. "Confined spaces" requirements would apply to monumental masons for certain tasks, such as constructing concrete piers for large monuments (in accordance with AS 4204-2019) and installing underground vaults. While uncommon in Council's cemeteries, "confined spaces" would apply.

'Unsure' Complying Items

Items that were found to be unsure were mainly non-operational cemetery related matters. These were:

1. Is Council's accounting treatment for interment rights aligned with interment rights designation as 'leases' under AASB16 in the revised Australian Accountancy Standards (2019).
2. While Council's *Community Land Management Plan (September 2019)* records cemeteries, it doesn't "identify the land to which they apply", as prescribed by the *Local Government Act 1999 (SA).*

Given there is no Regulator or Regulatory Authority for cemeteries in South Australia, the areas of partial or non-compliance present a low regulatory risk for Council.

The major risk for Council f is that of a burial or an ashes interment error. Such errors cause significant distress to families and loved ones. They also present reputational and financial risks for Council. The fact that Council has robust, well-maintained cemetery maps and plans certainly mitigates these risks but does not eliminate them.

5.   The Cemetery Legislation Compliance Review Findings

The full review of Council's compliance with the *Burial and Cremation Act 20213 (SA) and the Burial and Cremation Regulations 2014 (SA)* is provided in the Checklist tables in **Appendix 1**.

The following recommendations are made to address the 10 Checklist Compliance Criteria assessed as being "non-complying", "partially complying" or "unsure". These recommendations are summarised in the following section of this report.

5.1   Non-Complying Items Findings

5.1.1   Notification to Interment Right (IR) Holders of Impending Expiry of IR Tenure

Council does not currently notify IR holders of the impending expiry of an interment right as required through the Act, Section 32(2), Regulation 30, and as prescribed in its own *Cemeteries Operating Policy*.

Section 32 (2) of the Act requires this letter to be approved by 'the Minister'[6]. It states:

> "32(2) Subject to the regulations, a relevant authority must, at least 12 months before an interment right issued by the relevant authority is due to expire, take reasonable steps to give the holder of the interment right a written notice in a form approved by the Minister—
>
> (a) setting out the holder's entitlement to renew the interment right; and
> (b) informing the holder that if the interment right is not renewed and there is a memorial to the deceased in the cemetery or natural burial ground, the memorial may be reclaimed from the relevant authority; and
> (c) informing the holder of prescribed matters."

Regulation 30 also requires cemetery authorities to inform the holder of the interment right about the costs of renewing the interment right.

Clause 5.4.4 of Council's own *Cemeteries Operating Policy* (June 2024)[7] commits Council to informing IR Holders of the impending expiration of their interment right. This states:

> "5.4.4   The Authority must, at least 12 months before an Interment Right is due to expire, take reasonable steps to give the Interment Right Holder written notice which informs the Interment Right holder:
> 5.4.1   of the Interment Right holder's entitlement to renew or extend the Interment Right and the cost of renewing or extending the Interment Right
> 5.4.2   that if the Interment Right is not renewed or extended and there is a Memorial to the deceased at the interment site, the person who held the

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[6] Section 3 of the Act notes the designated Minister as being the Minister for the time being responsible for the administration of the *Health Care Act 2008* (SA).
[7] Adelaide Hills Council *Cemeteries Operating Policy*, June 2024, p10.

> *interment right immediately before its expiry may reclaim the Memorial from the Authority.*
>
> 5.4.3   *That if the Interment Right is not renewed the Authority is entitled to re-use the Interment Site."*

Section 32(1) of the Act prescribes an interment right holder's right to renew (or extend) their interment right. It states:

> *"32—Renewal of interment rights*
> *(1)   A relevant authority must, on application by the holder of an interment right and payment of the renewal fee fixed by the relevant authority, renew the interment right for a period of not less than 5 years."*

By failing to inform IR Holders of the expiry of the interment rights, Council is:

a)   Not complying with the Act
b)   Not complying with its own Cemeteries Operating Policy.
c)   Failing to provide opportunities for IR Holders and families to extend/renew the interment rights of their loved ones resting places and memorial sites.
d)   Missing opportunities to generate additional cemetery revenue as some interment right holders, families and loved ones, will elect to extend their interment rights.

This can be addressed via the establishment of annual Interment Right Renewal campaigns utilising a Standard Letter. While the postal address of the original IR Holder may no longer be valid after 50 or 99 years, the advent of email and mobile telephones has improved the ability of cemeteries to maintain reliable contact details of IR Holders over time. The collection and retention of email and mobile telephone details of IR Holders should be mandatory requirements when issuing new interment rights.

It is recommended that Council:

1.   Implement an initial Interment Right Renewal campaign to seek to contact IR holders and families associated with current expired sites.
2.   Implements annual Interment Right Renewal programs which seek to contact IR Holders of sites in its cemeteries whose interment rights will expire over the forthcoming 12 months.
3.   Includes references to the Interment Right Renewal program in its Cemeteries Management Policy and Memorials.
4.   Creates a Standard IR Renewal Letter for informing interment right holders of the impending expiry of their interment rights, and the options available to them as outlined in the Act. As prescribed in the Act, the letter requires the approval of "the Minister" responsible for the Health Care Act 2008. This is currently the Hon Chris Picton of Health MP, as the Minister for Heath and Well Being in the South Australian Government. Council could seek to contact Adelaide Cemeteries (State Government entity), Centennial Park Cemetery (Local Government) or the Payneham & Dudley Park Cemeteries Trust (Private) to see if they would be willing to share their approved interment right renewal letters.

The issue of expired interment rights is also an issue for Council with respect to the long-term sustainability of its' cemeteries, and the community's appetite and acceptance of grave re-use.

In terms of revenue, Interment Right Renewal campaigns can generate considerable income, especially in the inaugural year. The cost of the campaigns can be fully recovered if not generate solid revenues for cemeteries.

5.1.2 Cemeteries to be "securely fenced."

Regulation 22 states:

> *"The relevant authority for a cemetery or natural burial ground must ensure that the cemetery or natural burial ground is securely fenced at all times."*

Appendix 3 provides a summary table of Council's cemeteries and the status of the fencing at each site.

In summary:

- Cudlee Creek Cemetery has no fencing.
- From aerial images, the three closed cemeteries (Cromer Road, Grassy Flat & Burfords Hill Road are not fenced but are located within larger land parcels that are fenced.
- Only half of the boundary of the Charleston Cemetery is fenced.
- The Stirling General Cemetery lacks fencing along its Oxford Road (northern) boundary and along its front (eastern) boundary.
- Sections of the eastern and southern side fence at the Houghton Cemetery are damaged.
- Gumeracha Cemetery has minor damage to its southern fence.
- Montacute Cemetery is fenced but has been damaged by fallen trees along its southern boundary and north-eastern corner.
- Norton Summit Cemetery has no fence along its western (roadside) boundary and there is no fence along half of the southern boundary.

Photo 1: Cudlee Creek Cemetery Boundary   *Photo 2: Fence Damage, Montacute Cemetery*

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These findings are contrary to the information recorded in Council's *Cemetery Assets List.*

It is recommended that Council assess the fences at the non-complying cemeteries listed in **Appendix 3**, and:

1. Develop a plan for its cemeteries to be securely fenced;
2. Allocate funds in its annual budget to repair or install cemetery fences where required; and
3. Implement the plan.

5.1.3 Grave Digger and Monumental Masons (Contractors) Insurance and WHS Requirements.

While one Contract Gravedigger has provided proof of WHS, Insurance and WorkCover currencies, other contract grave diggers have not. Similarly, some Monumental Masons have provided Council with core insurance, WorkCover and WHS documentation, but not all. This presents some risks for Council as Contract Gravediggers or Monumental Masons are deemed to be "workers" under section 7 of the *Work Health Safety Act 2012* (SA).

All Monumental Masons and contracted Gravedigging contractors active in Council cemeteries must provide Council with copies of their public liability cover, WorkCover currency, equipment licences, and Work Health Safety policies and procedures (JSAs and/or SWMS) before they be permitted to work in Council's cemeteries. Some cemeteries also require monumental masons to also have current White Card accreditation and forward proof of such.

It is recommended that Council contact monumental masons, grave digging contractors who work in its cemeteries, requesting they provide copies of the following documentation to Council and update it on an annual basis.

- Public Liability Cover (preferably $20M)
- WorkCover currency
- Plant & Equipment Operating Licences (inc. Driver's Licence)
- Crane Inspections
- WHS Policies
- Safe Work Procedures.
- White Card (optional)

Copies of these documents must be provided by contract Gravediggers and Monumental Masons to Council on an annual basis and retained on the Council's files. Upon suitable presentation of these documents, some cemeteries issue annual licences to monumental masons permitting them to work in their cemeteries. Council may wish to consider this.

5.2 Partially Complying Items Findings

5.2.1 Register of Monuments and Memorials

Council's '*Register of Monuments and Memorials*' is incomplete. Section 53(1)(b)(ii) of the Act and Regulation 36(2) requires cemetery authorities to keep a *Register of Memorials* in its cemeteries. Council does not have such a register.

Regulation 36(2) states:

> "(2) A register under section 53(1)(b)(ii) of the Act must include the following particulars in relation to each memorial erected in a cemetery:
> (a) the size of the memorial;
> (b) the type of memorial;
> (c) the name or names inscribed on the memorial;
> (d) any epitaphs and other inscriptions on the memorial;
> (e) the location of the memorial in the cemetery."

The review of Council's cemetery records in the ByondPro Cemetery Management System identified that monuments and memorials in Council cemeteries dating circa pre- 2016 have been photographed, recorded, and logged on the system. For unknown reasons, photographs of monuments and memorials installed post 2016 have not been photographed and had their details recorded on the system. Information relating to post 2016 monuments and memorials has been generated and retained via Council's *Application for a Monument or Memorial Form*. This information should be consolidated in the ByondPro Cemetery Management System.

It is recommended that:

1.   Council engages a resource to visit its cemeteries to photograph monuments and memorials that are yet to be photographed, and where possible, record the inscription on the memorial/monument. At least two images of each site would be required:
    - One capturing the entire interment site; and
    - The other(s) capturing the epitaph(s)/inscription(s) on the monument.
2.   These images and associated information regarding monuments and memorials along with information about the memorial/monument be entered into Council's ByondPro Cemetery Management System in alignment with Regulation 36.
3.   Council reviews and revises its Monument Application process to include photographing new monuments and memorials being installed in their cemeteries.

5.2.2 Terminology

While the overwhelming majority of Council's cemetery related documents included correct terminology as prescribed in the Act and the Regulations, some minor amendments to documents were required.

A review of Council's cemetery related policies, forms and documents is being undertaken as part of this Cemeteries Compliance Review. Revised versions of these policies, forms, and documents, along with recommended amendments have been forwarded to Council's Cemeteries Officer for consideration.

5.2.3 Cemetery Land Title/Ownership – Norton Summit Cemetery

A cemetery land title needs resolving. A small portion of the Norton Summit Cemetery is not currently deemed for use as "cemetery land." This is a legacy issue.

Photograph 3 below is an aerial image of the Norton Summit Cemetery. The small parcel of land labelled "*3050 – 0 Lobethal Road*" forms part of the Norton Summit Cemetery and has burials within the site. However, it is currently recorded as being owned by '*the Estate of Late W Norton Deceased*.' The land use for this parcel is '4100 - Vac Land Urban (VG); 8 - Vacant Land (LGC)'. This land parcel, adjacent to the cemetery's southern boundary is also not fenced.
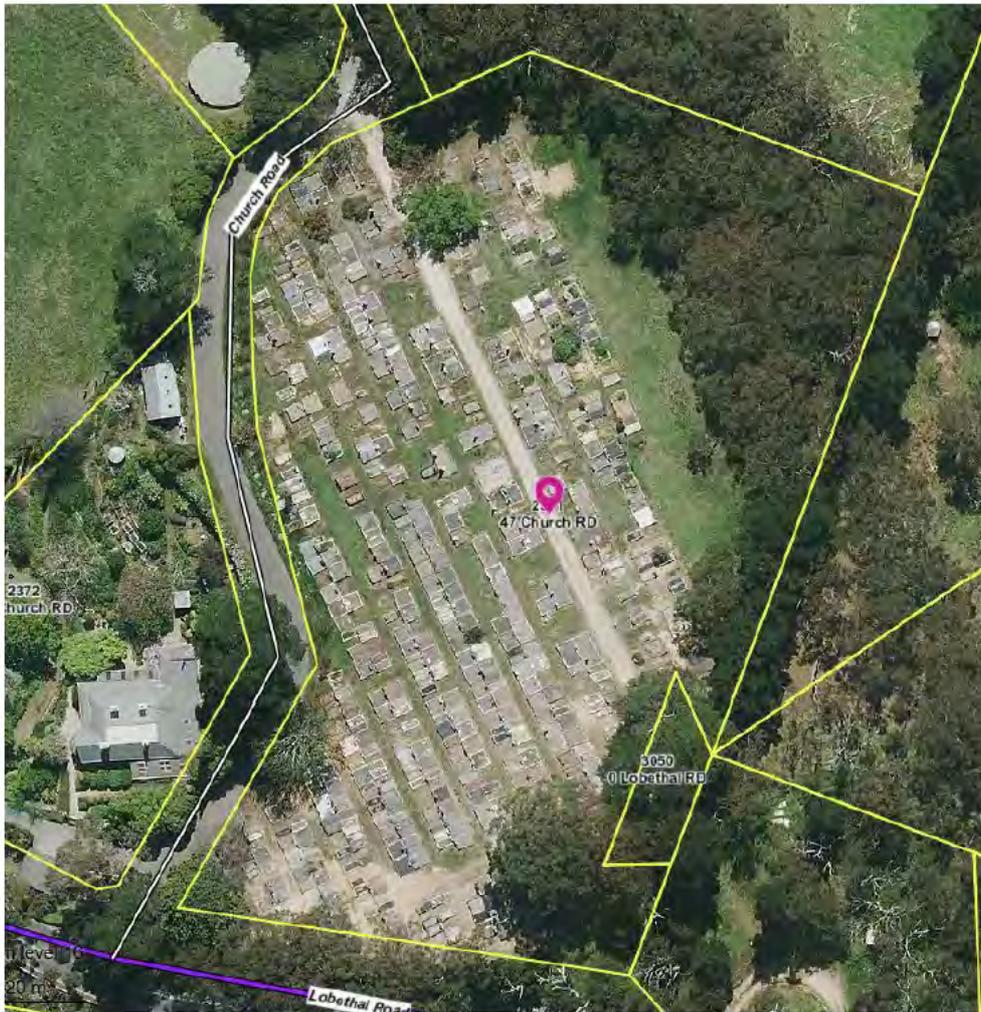
Photo 3: Aerial View, Norton Summit Cemetery

It is recommended that Council seek to resolve the land ownership and land title for the small parcel of land labelled "*3050 – 0 Lobethal Road*" within the Norton Summit Cemetery.

5.2.4 Graves as Confined Spaces

Council has correctly classified a grave as a 'confined space.' In accordance with Australian Standards (AS 2865-1995), this requires:

- Trained/licenced personnel to enter graves.
- A "Confined Spaces" entry permit for each time someone goes into a grave.
- Grave shoring equipment, training, and procedures.
- Gas detection equipment and procedures.
- Certified rescue equipment for the person(s) entering the grave.

While prescribed by Council as a "confined space,' there is no evidence of these requirements being implemented and monitored by grave digging contractors or monumental masons.

It is recommended that Council engage with its contract grave diggers and monumental masons to confirm if they enter graves and, if so, if they have Confined Spaces training/certification, procedures, equipment and use grave shoring.

5.3 'Unsure' Complying Items Findings

Items that were found to be unsure were non-operational cemetery related matters.

5.3.1 Account Treatment of Interment Rights

It is not clear if Council treats interment right revenue in accordance with Australian Accounting Standards. In 2019, when these standards were revised, interment rights were deemed to be 'leases' under accounting standard AASB16.

This classification impacted how cemeteries with fixed term interment rights, usually 50 or 99 year tenure periods, were to allocate interment right revenues in accordance with the revised standards. Specific reference is made to AASB 16 "Leases" and whether or not interment right revenue needs to be accounted for in full in the year it is received or allocated over the term of the interment right.

The interpretation is based upon thinking that a cemetery authority acts as a lessor, in accordance with the requirements of AASB 16 on the basis that the Interment Right holder (lessee) is able to:

- obtain economic benefits from using a defined asset (land or mausoleum asset); and
- direct the assets use in accordance with the requirements of a predetermined protective right (i.e. operating policies)

Large cemetery authorities have resolved this issue by treating interment rights with a term at inception of 50 years or more as finance leases, on the basis that the risks and rewards retained by the lessor (the Authority) through its residual interest in the asset (land or mausoleum asset) are not considered to be significant when measured at inception.

Council may need to review how it treats Interment Right revenues in accordance with rulings from the Australian Accounting Standards Board (AASB). Specific reference is made in AASB 16 to Leases and whether Interment Right revenues need to be accounted for in full in the year they are received or allocated over the term of the interment right.

It is recommended that Council seek clarification on what accounting treatment it should apply to interment right revenues. It must be noted that Interment rights issued in perpetuity are excluded from this accounting treatment because, as they have no "end date," according to the standards, they are not deemed to be "leases."

5.3.2 Community land Management Plan Information

While Council's *Community Land Management Plan* (September 2019) records cemeteries, it doesn't "identify the land to which they apply", as prescribed by the *Local Government Act 1999* (SA). Inconsistent information in Council's *Community Land Management Plan* (September 2019) relating to cemeteries. This plan states: "Council is now responsible for 23 cemeteries spread across its area." (p28)   This is contrary to the 16 cemeteries under Council's ownership, or care and control identified for this review.

The information on cemeteries in Council's Community Land Management Plan could also be enhanced to provide greater alignment with the requirements of s196 of the *Local Government Act 1999 (SA)*. Specifically, s196(3)(a) states that Community Land Management Plans must "identify the land to which it applies". By doing so, Council can qualify the number of cemeteries under Council's ownership, or care and control.

6. Adelaide Hills Council Cemetery Compliance Checklist Recommendations (AHCCCC)

Recommendations from the Cemetery Compliance Checklist in the previous pages are provided in the summarised list below.

AHCCCC Recommendation 1

That Council implements an initial Interment Right Renewal program that seeks to contact the interment right holders of all expired interment sites within Council's cemeteries to inform them of the expiry of their interment right and the options for renewing/extending their interment right.

AHCCCC Recommendation 2

That, Council implements annual Interment Right Renewal programs which seek to contact IR Holders of sites whose interment rights will expire over the forthcoming 12 months.

AHCCCC Recommendation 3

That Council creates a Standard End of Interment Right Advice Letter to inform interment right holders, families and loved ones of the impending expiry of their interment right and develop a procedure for the placement of sensitively worded advice notices on Council's website requesting interment right holders, families and loved ones to contact Council's administration.

AHCCCC Recommendation 4

That Council includes references to the Interment Right Renewal program in its *Cemeteries Management Policy*.

AHCCCC Recommendation 5

That funds be allocated in Council's forward budget to repair or replace damaged sections of the fence at the following cemeteries:

- Cudlee Creek Cemetery (no fencing)
- Charleston Cemetery (half fenced)
- Stirling General Cemetery (no fencing along its Oxford Road (northern) boundary and along its front (eastern) boundary)
- Houghton Cemetery (Sections of the eastern and southern side fences)
- Gumeracha Cemetery (minor damage to its southern fence)
- Montacute Cemetery (damaged by fallen trees along its southern boundary and northeastern corner)
- Norton Summit Cemetery (no fence along its western boundary with Lobethal Road and there is no fence along half of the southern boundary)

AHCCCC Recommendation 6

That Council engages with all Monumental Masons and Grave Digging contractors who work in its cemeteries, requesting they provide copies of the following documentation to Council and update it on an annual basis.

- Public Liability Cover (preferably $20M)
- WorkCover currency
- Plant & Equipment Operating Licences (inc. Driver's Licence)
- Crane Inspections
- WHS Policies
- Safe Work Procedures.

AHCCCC Recommendation 7

That Council's *Cemeteries Management Policy* and *Cemetery Operating Policy* include clauses requiring Council's contract Grave Diggers and Monumental Masons to provide copies of their insurance, WorkCover currency, licences and WHS policies and procedures to Council on an annual basis and these documents be retained on the cemetery's records/files and Council's Contractors Register.

AHCCCC Recommendation 8

That upon suitable presentation of Council's contract Grave Diggers and Monumental Masons insurance, WorkCover currency, licences and WHS policies and procedures, Council considers issuing annual licences to monumental masons permitting them to work in their cemeteries.

AHCCCC Recommendation 9

That Council engages resources to update its *Register of Memorials* in the ByondPro Cemetery Management System in accordance with Section 53(1)(b)(ii) of the Act and Regulation 36(2).

AHCCCC Recommendation 10

That Council amends its *Cemeteries Management Policy, Cemetery Operating Policy, Memorials Management Polic* and all its cemetery related documents to ensure it refers to current legislation and legislated terminology and addresses policy gaps.

AHCCCC Recommendation 11

That Council seeks to resolve the land ownership and land title for the small parcel of land labelled "*3050 – 0 Lobethal Road*" within the Norton Summit Cemetery.

AHCCCC Recommendation 12

It is recommended that Council engage with its contract grave diggers and monumental masons to confirm if they enter graves and, if so, if they have Confined Spaces training/certification, procedures, equipment and use grave shoring, and they follow confined spaces procedures as per the Australian Standard.

AHCCCC Recommendation 13

That Council seeks advice to confirm how it should treat interment right revenue to conform to the prevailing Australian Accounting Standards, with direct reference to AASB16 "Leases".

AHCCCC Recommendation 14

That Council reviews and revises the plans for its' cemeteries in its' *Community Land Management Plan* with reference to Section 196 of the *Local Government Act 1999* (SA).

Appendix 1: Cemetery Legislation Compliance Checklist

Note: Act means the *Burial and Cremation Act 2013 (SA)*. Regulations means the *Burial and Cremation Regulations 2014 (SA)*.

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
1	Reference correct legislation in documentation and policies.	Refer to the *Burial and Cremation Act 2013 (SA)* in cemetery documentation and policies.	The Act	YES
2	Reference the correct Regulations in documents and policies.	Refer to the *Burial and Cremation Act 2013 (SA)* in cemetery documentation and policies. Reviewed and redrafted *Cemeteries Management Policy* document. Draft policy provided to forwarded to Council's Cemeteries Officer via email.	The Regulations	YES
3	Refer to the correct description of remains.	Human remains include: *Bodily Remains (whole or part of the body that has not been cremated);* • *The remains of a still-born child; and* • *Cremated remains (ashes).*	Section 3 The Act	YES
4	No longer 'licence,' 'lease' or 'grant' for a grave.	Replace the terms 'licence,' 'lease' and 'grant' with 'interment right' in all documents and policies. Almost 100% compliant, but recommended amendments to documents forwarded to Council's Cemeteries Officer via email.	Section 3 The Act	PARTIALLY Amended Council's *Cemetery Operating Policy* and documents where required.
5	Only two forms of disposal.	Bodily remains only to be disposed of by burial or cremation.	Section 7(1) The Act	YES
6	Council can set aside part of a cemetery for a particular religion.	This power exists and is not considered to be contrary to anti-discrimination laws. Council has Catholic sections at Stirling and Birdwood.	Section 23 The Act	YES

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
7	Council has some general powers.	• To enlarge the cemetery, natural burial ground, or crematorium. • Improve or embellish the cemetery, natural burial ground, or crematorium. • Restrict interments in any part of the cemetery except where the interment right has already been issued. • Do anything else that Council considers necessary or desirable for the proper management of the cemetery, natural burial ground, or crematorium. Council has a Cemeteries Management Policy which outlines these.	Section 43 The Act	YES
8	Multicultural needs.	When establishing, administering, extending, or improving the cemetery, Council must have due regard to the customs and needs of the various ethnic and religious communities that may resort to the cemetery for the disposal of human remains. The Act states: *This only applies to existing cemeteries to the extent that it is reasonably practicable.* Due to space limitations and limited fallow ground, this may not 'reasonably practical' at some Council cemeteries., i.e., Montacute.	Section 44 The Act	YES
9	Restricting interments in any part of the cemetery.	The Council may restrict interments in any part of the cemetery, but this power does not allow Council to breach the terms of an interment right.	Section 45 The Act	YES
10	Dispose of bodily remains in a cemetery or natural burial ground.	It is an offence to dispose of bodily remains other than in a cemetery or natural burial ground. (Refer to the next Checklist Criteria item below.)	Section 8(1) The Act	YES

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
11	Disposal outside of a cemetery or natural burial ground., i.e. burial on private land.	Can be done with permission in a prescribed area; • With permission of the land holder, and if in a council area with permission of the council, or • in a prescribed area outside of a township or metro Adelaide. Can also be done at sea with the approval of the Attorney-General. A Prescribed area means: • An area outside a township or Metropolitan Adelaide; or • in a prescribed area in land outside a cemetery and must ensure that the remains are: o At a depth of at least 1 metre from the surface of the ground; and At a distance at least 20 metres from any building, structure, or water well on the land.	Sections 8(2)&(4) The Act Section 8 (3) The Act Regulation 4	**YES** Council has a dedicated policy and robust application form for burials outside designated cemeteries within the Council area.
12	Offence to Bury without identification.	Cannot bury unless identifying information is checked and recorded: • The certificate of cause of death or disposal authorisation or a partial certificate of cause of death. • The certificate of identification. • The name plate affixed to the coffin. The cemetery authority is required to check information on the nameplate prior to the burial being completed. That will require a member of Council or their nominated representative (not the Funeral Director) to view the nameplate affixed to the coffin, check the spelling of the name and the date of death.	Section 12 The Act Regulation 7 (1)	**YES** Included in Checklist completed by Council's Cemeteries Officer Then entered into Council's Records Hub SharePoint
13	Particulars on a name plate for burial.	Cannot bury unless there is a name plate as follows: • Made of a durable material; and • with the surname; and • at least one given name (cannot be initials), and • date of death of deceased engraved, printed, or stamped on it. Name plate must: • be affixed to the coffin, or • if no coffin placed on top of the remains	Regulation 17(1)	**YES** Included in Checklist completed by Council's Cemeteries Officer Then entered into Council's Records Hub SharePoint

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
14	Depth of interment.	Bodily remains must be interred so than none of the remains are less than 1 metre from the surface – does not apply to mausoleum or vaults.	Regulation 15	YES
15	Filling of sunken graves.	Cemetery may cause a sunken grave to be filled up to the level of the natural surface of the ground.	Regulation 16	YES
16	Transporting bodily remains in a cemetery.	Transportation of bodily remains in a cemetery must be in • a coffin or other rigid container from which no bodily discharges, contaminants or infectious substances may escape; or • the remains are fixed to a rigid base to prevent movement; and • contained in a shroud or other wrapping from which no bodily discharges, contaminants or infectious substances may escape	Section 15 The Act Regulation 14(1)	YES This is funeral director responsibility, not council.
17	Establishment of cemetery.	Subject to The Act "any person may establish a cemetery." This is no longer an obligation of local government. Part 30 of the former *Local Government Act 1934* relating to the cemeteries was not repealed when the Local Government Act 1999 was enacted. *Power of council to establish cemetery, crematorium, and mortuary 585 (1) The council must, if of opinion that there is no adequate provision (whether within or outside the area) for the burial of persons dying within the area, make such provision by the establishment of a public cemetery.*	Section 19 The Act	YES
18	Establish a mausoleum.	The relevant Authority may establish a mausoleum within the cemetery. There are currently no mausolea facilities in Council's cemeteries. It is highly unlikely there ever will be any mausolea in Council's cemeteries.	Section 21 The Act	YES
19	Set aside part of a cemetery for a particular religion.	This power exists and is not considered to be contrary to anti-discrimination laws. Catholic sections at Stirling and Birdwood cemeteries. Council would be open to considering requests, but there is limited scope for large, dedicated faith sections in most of Council's cemeteries. Exceptions would be Kersbrook and Mount Torrens.	Section 23 The Act	YES

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
20	Perform a Lift and Deepen.	Interment right holder may request a lift and deepen be performed. Council does not currently actively seek extension of interment rights upon expiry, hence, does not practice grave reuse which involves the *'lift and deepen'* process. Council would consider upon request.	Section 30(5) The Act	YES
21	Interment of cremated remains.	Cannot inter cremated remains in a receptacle unless there is a name plate; • made of a durable material; and • with the surname; and • at least on given name (cannot be initials), and • date of death of deceased • engraved, printed, or stamped on it, and • affixed to the outside of, or placed within, the receptacle that contains the remains.	Regulation 17(2)	YES.
22	Scattering of cremated remains.	No interment right is required for the scattering of cremated remains in a cemetery	Section 3 The Act	YES
23	Interment right.	All interments will be subject to an interment right **that must be issued by the relevant authority** and contain: • Identification of the person to whom it is issued. • Identifies who can be interred in the site or who can instruct Council on who can be interred at the site. • Clearly identifies the site. • Specifies the period for which the interment right is granted. • Sets out the rights of renewal for the interment right. • Specifies the cancellation or transfer conditions of the interment right. The relevant authority may prescribe the number of interments allowed at the site. The interment right obliges the relevant authority to: • Permit the interment of remains as per the interment right. • Permit a memorial to be erected as approved by Council. • Leave undisturbed remains at the site for the duration of the interment right. Leave a memorial in place so long as the memorial is in good order and the interment right remains in force.	Section 30(1) The Act Section 30(3) The Act Section 30(4) The Act Regulation 36	YES But interment right details could be recorded in better alignment with the details required by Regulation 36 of the *Burial and Cremation Regulations 2014* (SA). There are legacy issues due to historical sites generally never having been issued with an interment right. Interment sites with no interment right becomes Council's responsibility as the 'relevant cemetery authority.'

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
24	Before an interment right is issued.	The prospective interment right holder must be given a *Plain English Statement* that includes: • All of the requirements of an interment right detail in 30(1). • Sets out the rights and responsibilities of the relevant authority and relatives of a deceased in relation to any memorial to the deceased. • Details of the cost of the interment right and any options for periodic payments. Plain English Statements must be issued and as it talks about prospective interment right holders it is important that the PES is issued prior to the interment right.	Section 30(2) The Act	**YES** Council uses the standard, state-wide *Plain English Statement* forms issued by the Cemeteries & Crematoria Association of South Australia. (CCASA)
25	Duration of interment right.	In accordance with Section 30 of the Act the period for which the interment right is granted may be: • for a specified period as detailed on the interment right; or • in perpetuity. If a term of tenure is specified if it is not specified on an interment right, then the interment right may be deemed to have been issued in perpetuity.	Section 31 The Act	**YES** Council currently offers interment rights with a choice of 50-year, 100 year or perpetual tenure.
26	Renewal of interment right.	Council, on application from the interment right holder, must allow an interment right to be renewed for a minimum of five years. Council does not currently actively seek renewals.	Section 32(1) The Act	**YES**

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
27	Notification of impending expiry of an interment right.	A relevant authority must, at least 12 months prior to the expiry of an interment right, take reasonable steps to inform the interment right holder with a written notice • in a form approved by the Minister, • set out the holder's entitlement to renew the interment right; and • if not renewed the right to reclaim any memorial by the holder. • if not renewed that Council is entitled to re-use the interment right under section 38 of the Act. • cost to renew the interment right. It is recommended that Council implement an initial Expired Sites program, then schedule annual issuing of notices to IR holders with sites where the tenure will be expiring. 'Form' to be drafted and forwarded to 'the Minister,' being, according to the Act, the Minister for Health.	Section 32(2) The Act Regulation 30	NO Council does not currently actively pursue the renewal of interment rights at the end of their tenure. R Requires addressing. Attempts must be made to inform the IR Holder of the impending expiry of the tenure of their IR.
28	Renewal of interment right by someone other than the original holder.	When renewing an interment right, a new Plain English Statement must be issued to the applicant that sets out all the details as if it was a new interment right.	Section 32(3) The Act	YES When Council does undertake renewal/extension of IRs, CCASA's standard *Plain English Statement* has been used.
29	Transfer of an interment right.	Council may impose conditions on limiting the right of transfer to persons who adhere to a particular religion or belong to some other specified class. A transfer does not take effect until it is recorded by the relevant authority. Standard CCASA industry issued Transfer of Interment Right Form used by former cemetery contractor with completed forms retained on file.	Section 33(1)(b) The Act Section 33(3) The Act	YES
30	Surrender of interment right.	The interment right holder may surrender the interment right.	Section 34(1) The Act Regulation 32	YES

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
31	Surrender of unexercised interment right.	Unexercised interment right means one under which: • Human remains are yet to be interred; and • a memorial is yet to be erected.	Section 34(4) The Act	**YES** Recommend adding the definition of "unexercised interment right" as defined in s34(4) of The Act to Council's *Cemeteries Management Policy*.
32	Refund for an unexercised interment right.	If the interment right has been identified as unexercised, then a *refund must be paid by the relevant authority to the former interment right holder*. • The refund is to be based on the current fee payable for an interment right of the same kind. • If the interment right is for a fixed term a formula does exist and once the term of the interment right has expired there is no refund. • If the interment right is in perpetuity a formula does exist that prescribes that ultimately, after 75 years, only a 10 refund is paid.	Section 34(2) The Act Regulation 31 Schedule 1 Regulations	**YES** The approved CCASA Refund Calculation Model is used.

33	If the interment right holder has died who can exercise or enforce the right.	If the interment right holder has died the interment right may be exercised or enforced by:
		• The personal representative of the deceased being a person who is aged 18 year or more who is:
		• The executor of the estate or one executor with the permission of all the other executors; or
		• the administrator of the estate of the deceased person.
		
		If there is no personal representative:
		• By the spouse or domestic partner of the deceased interment right holder; or
		• If there is no surviving spouse or domestic partner – by the eldest living relative of the deceased interment right holder in the following order of priority:-
		   o A child;
		   o A grandchild or great-grandchild
		   o A brother or sister;
		   o A parent;
		   o A grandparent;
		   o An aunt or uncle;
		   o A nephew or niece;
		   o A cousin;
		   o Any other blood relative.
			The Act - Section 35(1)
			
			Regulation 32
				YES
				CCASA's Transfer of Interment Right form is used which includes these provisions.
				If the instructions are by an Executor, they need to warrant that they are the sole executor or that they have the permission of the others.
				Useful to request a copy of an extract of the Will that notes the applicant as the Executor and retain this on file.
				Some funeral homes have Transfer of Interment Right Forms which they complete and forward to Council for their clients.

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
34	Reuse of interment sites.	If an interment right expires Council may: • Re-use the interment site to which the interment right related; and • remove any memorial erected on or at the site	Section 38(1) The Act	**YES** But Council does not currently practice reclaiming/re-using interment sites.

35	What to do prior to re-using a site.	The relevant authority cannot re-use a site unless:
		• An advert has been taken out in a newspaper circulating throughout the State giving notice of the intent to re-use, and
		• Reasonable steps have been taken to give written notice of the intent to re-use to
		  o the personal representative of the deceased, or
		  o 1 or more relatives of the deceased.
		  and
		• The personal representative or a relative of the deceased has advised there is no objection to the re-use, or
		• 2 years have elapsed since the notice to the personal representative or relative and the interment right has not been renewed.
		
		The Act adopted/copied former long-standing policies of Adelaide' major cemeteries. These polices had been externally reviewed prior to the Act coming into effect (01/02/14) and deemed to prescribe "reasonable steps".
		Hence the provisions prescribed in the Act can be deemed to be "reasonable steps." Important to ensure the steps taken are recorded and retained on file for audit purposes.
			Section 38(2) The Act	**YES**
				But Council does not currently practice reclaiming and re-using interment sites.
				(Graves or ashes sites.)

36	What needs to be in the notice of intent to re-use.	The advertisement or notice as required in 38(2) must: • Set out the rights to renewal of the interment right, and • Inform the personal representative or relative that if the interment right is not renewed that the owner of the memorial to the deceased may reclaim it from Council, and • Inform the personal representative or relative of the deceased that the site may be re-used if the interment right has expired, and • The personal representative or a relative of the deceased has advised there is no objection to the re-use, or • 2 years have elapsed since the notice to the personal representative or relative and the interment right has not been renewed.	Section 38(3) The Act Regulation 33	**YES** But Council does not currently practice reclaiming and re-using interment sites. (Graves or ashes sites.)

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
37	Ownership of a memorial (monument, headstone).	A memorial to a deceased person is the personal property of the person who holds the interment right in respect of the interment site where the memorial is situated; and this part of the Act applies to any memorial irrespective of when it was erected or who paid for the memorial (monument, headstone). The Act notes the interment right holder as the owner of the monument/memorial on a site. Therefore, the IR holder must be the person who authorises applications for new or changes to memorials/monuments. For sites where no interment right has been issued, or the interment right has expired, by default, ownership of the interment right reverts to the cemetery authority. Given this, Council is likely to own numerous historical sites and their monuments at its cemeteries.	Sections 39(1) & (3) The Act Section 36 The Act Regulations 34 & 36	**YES** Council uses an *Application for a Monument/Memorial Form* which requires the signed approval of the IR Holder and the cemetery for monumental or Memorial work.
38	Who must maintain a memorial (monument, headstone).	Unless an agreement has been entered into with Council for Council to maintain the memorial it is the responsibility of the owner of the site, therefore the interment right holder, to maintain the memorial. When a transfer of an interment right is affected, the ownership and responsibility for the memorial is also automatically transferred.	Section 40 The Act	**YES**
39	Power to require repair, removal, or reinstatement of memorial (monument, headstone).	If a memorial becomes unsafe then Council may, in a form approved by the Minister, give notice either personally or by post to the owner of the memorial requiring the: • Repair • removal, or • reinstatement. of the memorial within the period specified in the notice. Council's Application for a Monument/Memorial Form provides the specifications of a new monument or monumental work. It requires the interment right holder to seek the cemetery authority's approval for the application for a monument/headstone/memorial. The Interment Right Holder, or their representative must sign the application. Monumental masons are responsible for submitting the application for monumental works, (but may not always do so.)	Section 41(1) The Act Sections 41(4) & (5) The Act	**YES** Council uses an *Application for a Monument/Memorial Form* which requires the signed approval of the IR Holder and the cemetery for monumental or Memorial work.

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
40	If the work is not carried out.	If the notice has been properly served Council may carry out the work and treat the cost of such work as a debt recoverable from the internment right holder. If there is an agreement for Council to maintain the memorial, then this part of the Act does not apply or if the cemetery is or forms part of a State heritage place.	Section 41(2) The Act Sections 41 (4) & (5) The Act	**YES** Council has "laid down" unsafe monuments in some of its cemeteries.
41	If the work is deemed as urgent.	If: • A memorial becomes unsafe, <u>and</u> • the action to repair to repair is urgent, removal or reinstatement of the memorial is considered necessary. Council can have the work carried out and recover the cost from the owner. If there is an agreement for Council to maintain the memorial, then this part of the Act does not apply or if the cemetery is or forms part of a state heritage place.	Section 41(3) The Act Sections 41(4) & (5) The Act	**YES** Council has "laid down" unsafe monuments in some of its cemeteries.
42	Register of interment rights.	A register must be kept of all interment rights <u>issued</u>. The register must contain the following: • The location of and number allocated to the site, or A description of each site in respect of which an internment right has been issued.	Section 37 The Act	**YES** Interment Right Register is located on ByondPro Cemetery Management System. Like most cemeteries, Council has legacy issues relating to historical sites and the non-issuing of interment rights.
43	Plan of the cemetery	Council must keep a plan of the cemetery that shows: • Each (known) site at which human remains are interred; • Each site set aside for the interment of human remains. If an interment right in force identifies the site at which the interments are to be interred the plan must include the number allocated to, or a description of, that site. Council has sound plans of its' cemeteries. Portion of Norton Summit Cemetery is not confirmed as cemetery land but has burials within it.	Sections 53(1)(c) & (2) The Act	**YES** **PARTIALLY** Issue of portion of Norton Summit Cemetery requires addressing as it is not currently deemed to as "cemetery land." This is a legacy issue.

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
44	Register of Interments Bodily Remains Cremated Remains	Council **must keep a register** that: Identifies (so far as possible) persons whose remains are interred in the cemetery. • The name of the deceased person whose remains are interred. • The age of the deceased person at the date of their death. • The address of the last place of residence of the deceased person before their death. • The date on which the interment or re-interment took place. • Whether the remains interred or re-interred were bodily remains (burials) or cremated remains. • Identifies the site in which the remains of each person are interred. • The location of the site and the number (if any) allocated to the site. • Records exhumations of human remains in the cemetery. In the case where bodily remains (burials) are interred. • Whether the remains were interred or re-interred in a coffin, other receptacle or in a shroud only; and • Whether the remains were interred or re-interred within a mausoleum or vault; and • the depth at which the remains were interred or re-interred. In the case of cremated remains: • Whether the remains were interred or re-interred in a cinerary urn or other container or directly in the earth. Recommend Council undertakes an audit of its cemetery records including onsite visits to reconcile the cemetery records with what is actually on site, to correct any obvious spelling or site errors, and to identify information gaps.	Section 53(1)(b)(iii) The Act Regulation 36(3)	YES Register of Interments is located on ByondPro Cemetery Management System. Like most cemeteries, Council has legacy issues relating to historical sites and the non-issuing of interment rights. Prior to the enactment of the Act and the Regulations on 1 February 2014, the collecting and recording of this information was not mandated. It is possible to obtain some of the "missing" information via the Office of Births, Deaths& Marriages SA, and most helpfully, via the Genealogy SA website.

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
45	Register of interment rights.	Council must keep a register containing the prescribed particulars of interment rights issued by the relevant authority including: • The full name and address of the holder of the interment right. • If the interment right identifies the person or persons whose remains may be interred pursuant to the interment right – the full names of those persons. • If the interment right identifies the site at which remains may be interred pursuant to the interment right – the location of the interment right. • The period for which the interment right has been issued. Many pre-2014 interment sites (formerly leases, licences of grants) may not have been issued with interment rights. The cemetery records audit would identify this. The cemetery audit would also be a precursor to Council implementing a Renew/Extend Interment Rights campaign as it would facilitate verification of interment rights still in tenure and those expired.	Sections 53(1)(b)(i) The Act Regulation 36(1)	**YES** Register of Interments is located on ByondPro Cemetery Management System. Like most cemeteries, Council has legacy issues relating to historical sites and the non-issuing of interment rights. . Prior to the enactment of the Act and the Regulations on 1 February 2014, the collecting and recording of this information was not mandated.

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)

46	Register of memorials erected in the cemetery.
	
	Record of disposal of unclaimed memorials.
		Council must keep a register containing the prescribed particulars pertaining to memorials erected in the cemetery including:
		• The size of the memorial.
		• The type of memorial.
		• The name or names inscribed on the memorial.
		• Any epitaphs and other inscriptions on the memorial.
		• The location of the memorial in the cemetery.
		
		Section 42 requires records to be kept regarding memorials disposed of including:
		• A digital photograph of the memorial that shows –
		  o any inscription on the memorial <u>and</u>,
		  o the design of the memorial <u>and</u>
		• Particulars of the previous location of the memorial within the cemetery and
		• If not evident from the digital photograph – details of the materials from which the memorial as made.
		
		Recommend all monuments at Council's cemeteries be photographed and logged in a single formal Register of Memorials and that all new monuments and memorials are recorded and added to the ByondPro Cemetery Management System.
		This can be done in conjunction with the cemetery records audit.
			Regulation 36(2)
			
			Section 42 The Act
			
			Regulation 34
				PARTIALLY
				Photographic images and details of monuments up until circa 2016 have been recorded and retained on Council's files, notably on its ByondPro Cemetery Management system. Details of monuments post 2016 are recorded on Council's *Application for a Monument* forms have not been photographed.

47	Cemetery to be fenced	Regulation 22 states: *"The relevant authority for a cemetery or natural burial ground must ensure that the cemetery or natural burial ground is securely fenced at all times."* Some cemeteries comply. Some have missing or damaged fence sections. These are listed in Appendix 3. This is contrary to information in Council's *Cemetery Asset List*.	Regulation 22	**NO** **PARTIAL COMPLIANCE** (Refer to Appendix 3)
48	Inspection of registers.	The registers described above must be made available for inspection by members of the public during ordinary office hours on the payment of a fee fixed by Council. The registers described above must also be made available for inspection to an authorised officer appointed under the Act.	Sections 53 (4) & (5) The Act	**YES**

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
49	Authorised Officers.	An Authorised Officer means; • a police officer; or • a person appointed by the Minster; or • a council may appoint as an authorised officer a specified officer or employee of the council, or an officer or employee of the council of a specified class. An appointment under the Act may be made subject to conditions limiting: • the period during which, • the area within which, or • the purposes for which the appointee may exercise the powers of an authorised officer. An authorised officer must be issued an identity card: • containing a photograph of the authorised officer; and stating any conditions of appointment limiting the authorised officer's appointment.	The Act Section 58 The Act Section 59	**YES** Council has delegated officers as 'Authorised Officers' in accordance with the *Local Government Act 1999* (SA). .
50	Closing a Cemetery.	The relevant authority for a cemetery may close the cemetery (or natural burial ground) if: a) the cemetery or natural burial ground is or has become unsuitable for the disposal of human remains; or b) <u>50 or more years have elapsed since human remains were last interred in the cemetery or natural burial ground</u> c) where a cemetery or natural burial ground for which the council is the relevant authority, the Minister has to approve the closure. Sections 24 to 28 detail the requirements to close a cemetery and Sections 51 and 52 detail the disposal of land formerly used or designated for cemetery purposes. The requirements are comprehensive and quite rigorous including, amongst other things, to prescribed community consultation, preservation of memorials and retention of cemetery records. Closing a cemetery is now a lengthy and onerous process. Council has 3 closed cemeteries, Burfords Hill Road, Cromer Road and Grassy Flat. These facilities were closed prior to the enactment of the current *Burial and Cremation Act 2013* (SA) on 1 February 2014.	Sections 24 to 28 The Act Sections 51 & 52 The Act	**YES**

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
51	Unauthorised disinterment of cremated remains (ashes)	Enacted February 2023. Created new offences: • For removing cremated remains without authorisation of the interment right holder; and • For a relevant authority of a cemetery or natural burial ground's failure to comply with obligations under interment right Clarifying the legal status of interment rights & preventing future conflicts.	*Burial & Cremation (Interment Rights) Amendment Act 2023*	**YES** Council's Cemetery Officer is aware that the removal of cremated remains cannot be undertaken without the approval of the interment right holder or their legally entitled representative.
52	Cemetery Records.	A new *General Disposal Schedule 41* for Burial and Cremation Records was approved by the State Records Council in December 2020. While Councils have their own General Disposal Schedules, all cemeteries must comply with the new *General Disposal Schedule 41* for Burial and Cremation Records. State Records deem nearly all burial and cremation records to be "permanent records," meaning they are required to be retained forever.	*State Records Act 1997*	**YES**
53	Monumental masons and grave digging contractors working in Council's cemeteries.	Monumental masons and contracted grave diggers who work in Council's cemeteries should provide copies of their: • Current public liability cover ($10m or $20m); • WorkCover currency, • Plant operating licences; • Load shifting equipment inspections; • WHS policies; and • Safe Work Procedures. These should be forwarded annually to Council and recorded.	*WHS Act 2012*	**PARTIALLY** One of 2 Gravedigging Contractors has supplied documents. Some Monumental Masons have supplied documents. Action currently in progress to obtain relevant documents from all relevant contractors and Monumental Masons.

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
54	Asset Registers	s124 of the *Local Government Act 1999* (SA) states: "*Accounting records to be kept* (1) *A council must— (a) keep such accounting records as correctly and adequately record and explain the revenues, expenses, assets, and liabilities of the council;….*" This is aligned with Australian Accounting Standards, AASB 116 (Property, Plant and Equipment) and AASB 138 (Intangible Assets), which guide the accounting treatment for assets, including the maintenance of asset registers.	*Local Government Act 1999* (SA) Australian Accounting Standards	**YES** Council has and maintains and Asset Register which includes the recording of each cemetery, the physical assets at each cemetery and their "condition ratings."
55	Entry into a Grave. Confined Spaces and Shoring.	A grave is defined as a confined space. A such, a confined spaces entry permit and procedure is required if a person enters (goes down into) an excavated grave Grave shoring is required. Council staff do not physically "enter" graves. Grave digging contractors and monumental masons almost certainly enter grave and vault spaces. In accordance with the *WHS Act 2012*, a contractor is defined as a 'worker'. As such, they are obliged to comply with confined spaces and WHS requirements. Council should enforce and monitor this requirement.	*WHS Act 2012* *AS 2862- 2009 Confined Space*	**PARTIALLY** Council has assessed a grave as a 'confined space.' Applies to: Monumental Masons Gravedigging Contractors Requires enforcing and monitoring.
56a	Community Land Management Plans	Division 4 of the *Local Government Act 1999* (SA) requires Councils to prepare and adopt management plans for their community land. Council's *Community Land Management Plan and Register (September 2019)* classifies "cemeteries" as a "community land" group.	Division 4 Section 196 *Local Government Act 1999* (SA)	**YES/** Council's Community Land Management Plan and Register (September 2019) classifies "cemeteries" as a "community land" group. Plan 7 in this document is for Cemeteries."

	ISSUE	RESOLUTION	Section of the Act/Regulation	COMPLIANCE (Yes/No/Partial)
56b	Community Land Management Plans	Plan 7 in this document is "Community Land Management Plan for Cemeteries" which provides generic improvements, objectives, performance targets and performance measures for Council's cemeteries. s196(3)(a) of the LGA Act 1999 states that Community Land Management Plans must "identify the land to which it applies". This information is not included in Council's Community Land Management Plan in relation to cemeteries.		**UNSURE** Council should consider expanding the information on cemeteries in the CLMP to include site/land information details.
57	Fees and Charges	Section 188 of the Local Government Act 1999 (SA) makes provisions for Councils to "impose fees and charges". Section 188(3) states: "A council may provide for— (a) specific fees and charges; (b) maximum fees and charges and minimum fees and charges; (c) annual fees and charges; (d) the imposition of fees or charges according to specified conditions or circumstances; (e) the variation of fees or charges according to specified factors;…"	Section 188 *Local Government Act 1999* (SA)	**YES** Council sets, approves, and publishes annual fees and charges for cemetery products and associated services.
58	Accounting Standards.	Cemetery interment rights have deemed to be classified as 'leases' under the revised Australian Accountancy Standards (2019). AASB16 prescribes requirements for leases. This impacts cemetery authorities and operators in relation to the accounting treatment of cemetery interment rights to be in accordance with these standards. The standard may require the allocation of interment right revenue across the term of the tenure of the interment right, as opposed to recording the total interment right fee in the year in it was received. It is recommended Council seek advice regarding what its' financial reporting obligations are in relation to these two matters. Perpetual IRs have no end date, and, as such, do not fall within the Australian Accountancy Standards' definition of 'a lease.'	AASB Australian Accountancy Board Standards	**UNSURE** Council currently seeking advice from Auditors on the accounting treatment of Interment right Revenue with reference to Australian Accountancy Standards in relation to the correct treatment of interment right revenue as "lease" revenue.

Appendix 2: Reviewed Cemetery Related Documents

	Adelaide Hills Cemetery Related Document	Status
1	Cemeteries Operating Policy.	Revised *Cemeteries Operating Policy* provided to Cemeteries Officer (CO).
2	*Memorials within Council Cemeteries Policy*	Recommended minor amendments provided to CO.
3	*WHS Procedure – Cemetery work within Council*	Revised *WHS Procedure - Cemetery work within Council* provided to CO.
4	Copies of Land Titles for each Cemetery.	Confirmed for all sites. Some on Crown Land.
5	2024-25 Cemeteries Asset List	Complies. Single Cemeteries Asset spreadsheet. Fencing incorrectly rated/recorded.
5	Register of Interment.	Complies via the ByondPro Cemetery Management System
6	Register of Interment Rights.	Complies via the ByondPro Cemetery Management System
7	Register of Memorials.	Memorial Permit Register & Photographs in ByondPro Cemetery Management System* Application forms with diagram & measurements kept in RecordsHub* No photographs of monuments & memorials installed/erected post 2015.
8	*Burials on Private Land outside a Cemetery Policy*	Policy complies. Consider adding comments re timeframe(s) for approval.
9	Application Form *Burials on Private Land outside a Cemetery*	Good. Consider adding comments re timeframe(s) for approval.
10	Application form for Burial or Interment of Cremated Remains	Good.
11	*Issue of Interment Right PES* form	Complies. Very good.
12	*Renewal of Interment Right PES* form	Complies. Very good.
13	*Transfer of Interment Right PES* form	Complies. Very good.
14	*Surrender of Interment Right Form.*	Complies. Very good.
15	*Surrender of Refund Calculation*	Complies.
16	*Application for a Monument/Memorial Forms* (AHC & CCASA)	Recommend if a photograph is being included in the monument, that a copy of the photograph proposed to be used be provided for approval.
17	*Memorial Permit Master*	Consider adding Interment Right Holder details.
18	*Memorial Permit Register*	Consider adding Interment Right Holder information.
19	WHS Contractor Management – Contractor Induction	In place but is this completed with Gravedigger contractors? Monumental Masons?
20	Procedure: Cemetery Operating Procedures	Revised *Cemeteries Operating Procedures* provided to CO.
21	Procedure: Interment Right and IR Progress Form	Internal - Operational
22	Procedure: IR Transfer Application Progress Form	Internal - Operational
23	Procedure: Memorial Application Progress Form	Internal - Operational
24	Cemeteries Brochure	Suggest amending "To apply for a new interment right, applicants should complete an application form," to "must complete an application form."
25	Terms of Reference for Cemeteries Management Committee.	Council's Cemeteries Advisory Group is no longer operating.
26	Fees & Charges 2024-2025 post GST	Cemetery Fees &Charges reviewed annually in Council's budget setting processes.
27	*Community Land Management Plan – Cemeteries*	Recommend expanding to include cemetery site/land information details.

Appendix 3: Cemetery Fencing (Regulation 22)

Adelaide Hills Council – Assessment of Fencing of Council Cemeteries in accordance with Regulation 22 of the Burial and Cremation Regulations 2014 (SA):

> "*Regulation 22—Cemetery to be fenced*
> *The relevant authority for a cemetery or natural burial ground must ensure that the cemetery or natural burial ground is securely fenced at all times.*"

The assessment of fencing was undertaken via site visits to 13 of Council's cemeteries.

The other 3 sites, Burfords Hill Road, Cromer Road, and Grassy Flat were assessed via aerial imagery.

#	CEMETERY	FENCED	COMPLYING/NON-COMPLYING
1	Birdwood Cemetery	YES	COMPLIES with Regulation 22
2	Burfords Hill Road (Closed)	NOT FENCED (via Aerial Image)	NON-COMPLYING
3	Charleston Cemetery	PARTIALLY FENCED	NON-COMPLYING
4	Cromer Road (Closed)	NOT FENCED (via Aerial Image)	NON-COMPLYING
5	Cudlee Creek	NOT FENCED	NON-COMPLYING
6	Grassy Flat (Closed)	NOT FENCED (via Aerial Image)	NON-COMPLYING
7	Gumeracha Cemetery	YES / DAMAGED	NON-COMPLYING
8	Houghton Cemetery	YES / DAMAGED	NON-COMPLYING
9	Kersbrook Cemetery*	YES	COMPLIES with Regulation 22
10	Montacute Cemetery	YES / DAMAGED	NON-COMPLYING
11	Mount Lofty Cemetery	YES	COMPLIES with Regulation 22
12	Mount Torrens Cemetery	YES	COMPLIES with Regulation 22
13	Norton Summit Cemetery	PARTIALLY FENCED	NON-COMPLYING
14	Scott Creek Cemetery	YES	COMPLIES with Regulation 22
15a	Stirling General Cemetery	PARTIALLY FENCED (Oxford Rd unfenced)	NON-COMPLYING
15b	Stirling Catholic Cemetery	YES	COMPLIES with Regulation 22
16	Summertown Cemetery	YES	COMPLIES with Regulation 22

* Martungka Natural Burial Ground is a burial area located within the Kersbrook Cemetery and therefore it is not required to be fenced.

Appendix 7

Cemetery Compliance Audit Recommendations

Cemetery Compliance Audit 2025 Recommendations

Recommendation	Proposed Actions and Comments	Status/ Due Date
That Council implements an initial Interment Right Renewal program that seeks to contact the interment right holders of all expired interment sites within Council's cemeteries to inform them of the expiry of their interment right and the options for renewing/extending their interment right.	This a legislative requirement. Implementation has been delayed as IR Holder details are not retrievable from the cemetery management system (CMS). We are awaiting advice and a quote from the CMS provider to clean up the data and extract this information. Estimated completion date is January 2027, however due to the complexity of the situation, this may not be achievable. The cemeteries officer position is currently vacant; position is under recruitment and response to audit recommendations will re-commence.	Jan 2027
That, Council implements annual Interment Right Renewal programs which seek to contact IR Holders of sites whose interment rights will expire over the forthcoming 12 months.	As above	
That Council creates a Standard End of Interment Right Advice Letter to inform interment right holders, families and loved ones of the impending expiry of their interment right and develop a procedure for the placement of sensitively worded advice notices on Council's website requesting interment right holders, families and loved ones to contact Council's administration.	As above	
That Council includes references to the Interment Right Renewal program in its *Cemeteries Management Policy*.	As above	

That funds be allocated in Council's forward budget to repair or replace damaged sections of the fence at the following cemeteries: • Cudlee Creek Cemetery (no fencing) • Charleston Cemetery (half fenced) • Stirling General Cemetery (no fencing along its Oxford Road (northern) boundary and along its front (eastern) boundary) • Houghton Cemetery (Sections of the eastern and southern side fences) • Gumeracha Cemetery (minor damage to its southern fence) • Montacute Cemetery (damaged by fallen trees along its southern boundary and northeastern corner) • Norton Summit Cemetery (no fence along its western boundary with Lobethal Road and there is no fence along half of the southern boundary)	This is a legislated requirement Cemetery fencing will occur on a risk assessed basis with priorities developed following analysis of audit results and staged over the ten year long term financial plan.	June 2027
That Council engages with all Monumental Masons and Grave Digging contractors who work in its cemeteries, requesting they provide copies of the following documentation to Council and update it on an annual basis. • Public Liability Cover (preferably $20M) • WorkCover currency • Plant & Equipment Operating Licences (inc. Driver's Licence) • Crane Inspections • WHS Policies • Safe Work Procedures.	Council does not engage the gravedigger or masons. Any relevant contracts go through the thorough contractor process covering all documentation as listed in the dot points.	Not accepted

That Council's Cemeteries Management Policy and Cemetery Operating Policy include clauses requiring Council's contract Grave Diggers and Monumental Masons to provide copies of their insurance, WorkCover currency, licences and WHS policies and procedures to Council on an annual basis and these documents be retained on the cemetery's records/files and Council's Contractors Register.	Cemetery operating policy and memorials within council cemeteries policy were reviewed, updated and endorsed by Council on 14/10/2025.	Completed
That upon suitable presentation of Council's contract Grave Diggers and Monumental Masons insurance, WorkCover currency, licences and WHS policies and procedures, Council considers issuing annual licences to monumental masons permitting them to work in their cemeteries.	Council does not engage the gravedigger or masons	Not accepted
That Council engages resources to update its Register of Memorials in the ByondPro Cemetery Management System in accordance with Section 53(1)(b)(ii) of the Act and Regulation 36(2).	Staff member on light duties is currently undertaking this task. The cemeteries officer position is currently vacant; position is under recruitment and upon appointment this work to update register will re-commence.	June 2026
That Council amends its *Cemeteries Management Policy, Cemetery Operating Policy, Memorials Management Policy* and all its cemetery related documents to ensure it refers to current legislation and legislated terminology and addresses policy gaps.	Cemetery operating policy and memorials within council cemeteries policy were reviewed, updated and endorsed by Council on 14/10/2025.	Completed
That Council seeks to resolve the land ownership and land title for the small parcel of land labelled "*3050 – 0 Lobethal Road*" within the Norton Summit Cemetery.	Complex land matter – no estimated completion date. Note: there is a similar situation at Cudlee Creek Cemetery involving three parcels of land.	June 2027

	The Manager of Property and Cemeteries Officer position are currently vacant; division is under realignment and cemeteries position is under recruitment and progress with land ownership/title and response to audit recommendations will re-commence.	
It is recommended that Council engage with its contract grave diggers and monumental masons to confirm if they enter graves and, if so, if they have Confined Spaces training/certification, procedures, equipment and use grave shoring, and they follow confined spaces procedures as per the Australian Standard.	Council does not engage the gravedigger or masons	Not accepted
That Council seeks advice to confirm how it should treat interment right revenue to conform to the prevailing Australian Accounting Standards, with direct reference to AASB16 "Leases".	Finance sought advice from BDO in June 2025 in relation to this. The advise was that AHC may not be complying with accounting standards but for 24/25 the amounts were immaterial. No changes made. Finance will discuss approach for 25/26 with auditors (BDO) during interim visit, noting that it would be a large task to identify leases and analyse each lease.	In progress – July 2026
That Council reviews and revises the plans for its' cemeteries in its' *Community Land Management Plan* with reference to Section 196 of the *Local Government Act 1999* (SA).	Review community Land Management Plan. The cemeteries officer position is currently vacant; position is under recruitment and progressing Community Land Management Plan will re-commence upon appointment.	June 2028

Appendix 8

Audit Actions Progress Report – February 2026

Action	Audit Name	Audit Recommendation	Risk Rating	Proposed Actions	Responsible Officer	Due Date	Revised Due Date	Progress	Progress Comments
3	2021 - Bentleys - Payroll Function Internal Audit - May 2021	We recommend management Document the record management requirements into policies and procedures and enforce the implementation.	Low	Following the implementation of the new payroll system we will review and update processes to ensure an automated leave management function is implemented.	Bruce Smith	30/06/2023	31/05/2026	In Progress	This matter needs to be reviewed to consider of it still relevant.The report will be reviewed and relevance assessed.
2.3.1	2021 Galpins Financial Controls Review Interim Management Letter May 2021	The Business Continuity Plan is updated.	Low	Develop and implement Business Continuity Plan	Lauren Jak	31/12/2026		In Progress	Work on the BCP was deprioritised so that the SEP's and Fire Danger Days Policies could be completed for the 2024/25 season.

Due to resourcing restraints this task moved to Governance Team in late 2025.

Due to impending maternity leave arrangements, new arrangements are being considered to acieve this item. |
Develop Asset Management Plans	2021 Galpins Financial Controls Review Interim Management Letter May 2021	Management works towards preparation and adoption of Buildings, CWMS, Stormwater, Bridges and Playground asset management plans.Management works towards preparation and adoption of Buildings, CWMS, Stormwater and Playground asset management plans.Management works towards preparation and adoption of Buildings, CWMS, Stormwater and Playground asset management plans.	Medium	Continue to document asset management planning and adopt asset management plans for major asset classes (i.e. buildings)	Jade Ballantine	30/06/2022	30/12/2026	In Progress	A workshop on the draft Building Asset Management Plan was held with Council in September 2024. Staff are currently finalising a proposed Buildings Asset Management Plan for a report to Council in March and Audit feedback sough at the May meeting ;during the community consultation. It is hoped that the Building AMP will be adopted by Council by 30 June 2025. Draft Stormwater AMP has been developed in conjuction with consultant and internal review and refinement being undertaken. Completion of Building AMP has been the focus within the available resourcing - Workshop held with Elected Member in September 2024 and further in-line enagement prepared. Draft Plan builtThe Playground, CWMS and Building AMP have not been drafted. A Stormwater Management Plan for Aldgate, Bridgewater, Crafers and Stirling have been prepared. This AMP body of work is a top priority for the Director Environment and Infrastructure who commenced in July 2025. The strategic asset and property teams are being reviewed and realigned to recruit and supply the resources needed to execute the AMP function of Council. Environment & Infrastructure Division under realignment and recruitment.
3.3	2021-22 IT Entity Level Controls Review - May 2022	Finalise the IS Strategic Plan.	Medium	Work has commenced on a Draft Information Services Strategic Plan; however, consideration is being undertaken in incorporating this activity into a Corporate Services Plan as indicated in the recommendations. progress the development of strategic planning for the Information Services Department, with the Digital Transformation program of works forming the basis of this.	Lynette Paltridge	30/06/2026		In Progress	Council has undergone a review of the Council Strategic Plan that include references to Technology & Innovation. Council is preparing for a replacement ERP solution after presentation and support from the Audit Committee and a Council workshop, with budget considerations being prepared for 2025-26 and beyond.The Digital Transformation program of works will form the basis of this strategy.This work is still on track for 30/6/26.
5 - Improvement Opportunity - Closure review of the ED Plan	2022 - Bentleys - Economic Development Plan Implementation Internal Audit - Aug 2022	Management undertakes a formal closure review of the ED Plan in the future before the commencement of the next Plan.	Not Rated	Will undertake a closure review following resourcing of new Region and Place team, with new officer ommencing in February 2026.	Jess Charlton	30/06/2026		In Progress	Status is still current

1. Improvement Opportunity - Electronic signature	2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	Management applies electronic signature application.	Not Rated	AHC is currently exploring options for the use of electronic signatures within its application systems to improve workflow, ease of use and ensure compliance with records management practices. Work with Manager Information Services on electronic Signature Applications, such as DocuSign being reviewed for appropraiteness for AHC and use across the business. (note& financial implications here so not a commitment to implement)	Lynette Paltridge	30/06/2023	In Progress	With a new Manager Information Services and new Manager People and Culture, the proposed actions and next steps will be revisited and updated to reflect current requirements and budgets.
3. Improvement Opportunity - Data-driven Retention Strategy	2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	Management collects relevant data to target high-risk and high-performing employees for appropriate retention efforts; collects relevant data to understand employee value proposition; and develops a data-driven post COVID-19 talent retention strategy.	Low	More recently we have dicussed a range of possible surveys that could be used to gain current thoughts from employees. Cost, timing, what data and how it will be collected and used are all considerations. <More current practices show subject/point in time surveys, eg Pulse Surveys, on specific subject matter return responses that can be acted on more responsively, rather than surveys using a whole range of topics. 1. Review information needed for a Retention Strategy Policy/Procedure and how this will be obtained. (OD Dept) 2. Develop a Retention Strategy Policy/Procedure. (OD Advisor)	Donna Boal	30/06/2026	In Progress	A number of activities have been initiated to address values and culture across the organization. This is the preferred approach to addressing these issues. Great Place to Work survey released September 2025. We currently have no HRP in place to capture and report data, decision made to build share point reports to capture data. Recruitment &retention is Project 2 in the P&C work plan
5. Director and Manager retention and renewal procedure	2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	Management ensures that regular performance reviews of Directors and Managers include the assessment and decision-making of their contract renewal.OD actively follows up with the Director and Manager contract renewal; and formalises the Director and Manager retention and renewal procedure in documentation.	Low	With regard to the finding above that the contract renewal for a Manager commenced at the time of the audit, this process had been worked on for some months prior to this. Document the process for performance review and contract renewal for those on Total Employment Cost (TEC) Contracts.	Donna Boal	30/03/2026	In Progress	This project to review how employees on common law contracts are applied. Project is led by CEO.
Policy/Procedure Framework update	2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	Management reviews and updates the Recruitment and Selection Policy (Policy) and Checklist to ensure currency and consistent requirements; and ensures the responsible officers are informed of the updated requirements. Management reviews and updates the Policy and Checklist to include the requirements of listing all members of the Recruitment Panel when the panel is assembled; and creates an appropriate form to record the panel members and consider a Conflict of Interest Declaration.	Medium	P&C Department agrees with the finding and will Update Recruitment and Selection Policy/Procedure (Responsible officer - Employee Experience Officer) >OD Department agrees with the finding and will Provide advice/training sessions as relevant to those across the organisation with responsibility for recruitment. (Responsible officer = OD Department)	Donna Boal	25/04/2025	30/06/2026 In Progress	Updates have occurred to the recruitment and Selection Policy since 2022. However, this is an ongoing review,some operational changes have already been made to streamline recruitment approvals.New P&C Structure in implementation mode, this is Project 2 of the 2026 P&C work plan Intention is to revamp, streamline the recruitment process then do a leader launch to ensure all hiring leaders are across the process, their requirements and relevant documentation. This will kick off early 2026.

Title	Source	Description	Priority	Action/Notes	Owner	Due Date	Status	Progress Notes
9.1 Customer Communication	2022 Civil Services - Service Review	A common complaint from customers is lack of communication about job progress. Look at the possibility of automating responses to the customers when work is about to happen as well as when work is completed. The key here is accuracy and it's better to handle this manually otherwise.Communication can also be through newsletter, mail, website and regular open public information sessions.Ongoing work to connect CRM to Confirm should continue to improve workflow and will be needed when digital workflow occurs.	Medium	The Infrastructure and Operations Directorate will work closely with Customer Service to determine any potential for further automated messaging to be put in place (not just Civil Services) and continue to explore ways to improve overall communication with customers	Jess Charlton	30/06/2026	In Progress	The Essential Build of the CRM Project (which went live in July 2024) included automated communications for a number of enquiry categories, including when a case had been assigned to an officer.The Advanced Build (stage 2) of the CRM Project went live at the end of October with additional features to improve automated customer communications including Detailed information on third parties responsible for the enquiry (ie. not Council) being included in the automated email response.>Enabling custom notes to be sent through to the customer when the job is closed, to provide further detail on how it has been actioned Further work is required to enable automated notifications through the CRM for those jobs/enquiries managed in Confirm, eg. tree cases. This will facilitate automated updates to the customer throughout the experience (eg. job has been scheduled) and will progress further following completion of open space restructure and recruitment.
Develop an expanded operational service standard suite for maintenance activities	2022 Civil Services - Service Review	Develop a reviewed and documented set of operational service standards. The development of these service standards defines the level of maintenance service to be undertaken based on the condition and defect.	High	2.1 Prioritise the order in which Asset Class specific service standards are to be Developed.2.2 Develop and adopt the Asset Class specific service standards.	Craig Marshall	31/12/2026	In Progress	Plans only are required to be developed for higher priority asset classes and include operational service standards and maintenance plans. Plans to start being developed in 2026 feeding in information from CRM and Confirm.Confirm at December 2025 will have 12 months of key data for inputting into the service levels to be delivered the following year.
Develop prioritised program maintenance schedule	2022 Civil Services - Service Review	- Develop risk based and prioritised program maintenance plans for all road infrastructure, including footpaths and drains, to better balance the priorities of asset maintenance planning with customer service needs.	Medium	1.1 Prioritise the order in which Asset Class specific maintenance plans are to be developed.1.2 Develop and implement the Asset Class specific maintenance plans.	Craig Marshall	31/12/2026	In Progress	Plans only are required to be developed for higher priority asset classes and include operational service standards and maintenance plans. Plans to start being developed in 2026 feeding in information from CRM and Confirm.Confirm at December 2025 will have 12 months of key data for inputting into the maintenance scheduling for delivery in 2026
Improved budgeting and measuring costs	2022 Civil Services - Service Review	5.1 Improvements may be needed in the budgeting process to allow specific costs to be identified for the various maintenance activities. 5.2 Following adoption of Service Standards, development of Maintenance Plans, and implementation of Confirm, improve use of data for more refined cost forecasting.	Low	Some interim methods may be investigated to aid in forecasting more accurately the cost per service delivery type.Access to Power BI reporting for detailed budgeting has been intiated.	Craig Marshall	30/06/2027	In Progress	To be completed after maintenance plan task is finalised at the end of 2026.Confirm at December 2025 will have 12 months of key data for inputting into budgeting, for delivery the following year

Title	Category	Recommendation	Response	Risk	Owner	Due Date	Revised Date	Status	Update
Develop and implement policies around all aspects of asset management	Asset Financial Assumptions and Reporting 2025	Develop and implement formal, documented policies and procedures for all aspects of asset management, including valuation, condition assessments, and evaluations. Policies should outline clear responsibilities, timelines, and methodologies for asset valuation updates and condition audits to ensure transparency and consistency across the Council. Training programs should be established to ensure all relevant staff are familiar with the asset management policies and can apply them effectively.Develop and document a formalised asset valuation framework that outlines standardised procedures for asset valuations, including appropriate uplift methodologies and asset-specific factors. The framework should also address the frequency and methodology for condition assessments, ensuring consistency across all asset categories. The framework should be reviewed and updated periodically to incorporate evolving industry standards and legislative requirements, ensuring ongoing compliance with the Local Government Act 1999 (SA).Impairment reviews Establish a procedure for conducting impairment reviews regularly, particularly for infrastructure assets. This will help identify any assets whose carrying amount may not be recoverable and ensure appropriate impairment losses are recognised in a timely manner.Implement a formal process for documenting the review of	There are only a few people involved in the process and some basic documentation is all that is required between Strategic Assets and Finance.	Low	Jade Ballantine	30/06/2026	30/06/2026	In Progress	Environment and Infrastructure Division is under a realignment and recruitment to deliver strategic objectives following the departure of three Manager. Work has been undertaken to review and update the data held within the valuation tracking document.There will be a discussion and agreement with the Finance Department in 2026 to finalise the new layout. This document will be reviewed annually.
Development of capitalisation of WIP guidelines	Asset Financial Assumptions and Reporting 2025	Establish clear guidelines for classifying, monitoring, and reporting WIP, including the application of specific capitalisation criteria for intangible assets.	In conjunction with the development of the policy as noted in (1) above, guidelines to further elaborate and embed the principles contained within the Policy will be established.	Low	Bruce Smith	30/06/2025	30/04/2026	In Progress	A review of the year-end process is currently being undertaken, with learnings to be identified and considered in the potential drafting of WIP guidelines
Establish internal review framework of WIP capitalisation	Asset Financial Assumptions and Reporting 2025	Establish a framework for regular internal reviews of WIP capitalisation practices to ensure continued adherence to accounting standards and internal policies. These internal reviews should include both a review of capitalisation decisions and an assessment of the adequacy of supporting documentation.	On a 6 monthly basis, Finance will undertake the internal review.	Low	Bruce Smith	30/06/2025	30/04/2026	In Progress	Following completion of the FY 2024/25 financial year-end, a review of the processes undertaken to capitalise items of WIP, including the system capability of Confirm, will be undertaken. This will include a review of the cadence of capitalisation and the decision-making process
Finalise implementing Confirm-Connect across the business	Asset Financial Assumptions and Reporting 2025	Maintains records for all assets, covering their full lifecycle. This should include information about acquisition, usage, maintenance, and disposal to better inform depreciation practices and compliance with AASB 116.	The confirm systems maintains the register of all assets and any actions undertaken on the asset (asset history is available) Council is progressively implementing Confirm-Connect across its business to better identify maintenance activities by operational areas on the business.	Low	Jade Ballantine	4/05/2026	30/06/2026	Completed	Environment and Infrastructure Division is under a realignment and recruitment to deliver strategic objectives following the departure of three Managers. An Asset Support Officer has been recruited and will commence February 2026. Following adequate training of this new Officer further roll out to other departments within Environment and Infrastructure will take place.
Implement additional tracking process	Asset Financial Assumptions and Reporting 2025	Implement a robust process for identifying potential volatility in asset valuations to ensure accuracy and reliability. This should include regularly monitoring indicators of impairment, tracking rapid cost changes, and conducting a review of valuers' assumptions and methodologies, such as independent data verification, sensitivity analysis, and benchmarking. Additionally, expert advice should be sought when necessary to validate assumptions and ensure sound decision-making	Implement additional tracking process in the Dashboards of Confirm.	Low	Kristy Honor	30/06/2026		In Progress	Due to staffing shortages and availability this will need to be postponed until the new year. 09/02 - New team member has just started.

Recommendation	Source	Detail	Rating	Comment	Officer	Due Date	Status	Update
Implement asset condition assessment schedule	Asset Financial Assumptions and Reporting 2025	Implement a regular schedule for condition assessments of all assets, ensuring that no asset goes without assessment for extended periods. A formalised approach should be adopted to ensure that the condition assessments are conducted consistently and that the results are used to adjust asset valuations as needed. The asset management system should incorporate condition assessment results to facilitate accurate and up-to-date financial reporting.	Low	Funding and resource are the only constraints here. When undertaken condition audits and valuations and reflected in Confirm.	Kristy Honor	30/06/2026	In Progress	Due to staffing shortages and availability this will need to be postponed until the new year. 09/02 - new team member has just started
Implement Interment Right Program	Cemeteries Compliance Audit 2025	Council implements an initial Interment Right Renewal program that seeks to contact the interment right holders of all expired interment sites within Council's cemeteries to inform them of the expiry of their interment right and the options for renewing/extending their interment right.Implements annual Interment Right Renewal programs which seek to contact IR Holders of sites whose interment rights will expire over the forthcoming 12 months. Council creates a Standard End of Interment Right Advice Letter to inform interment right holders, families and loved ones of the impending expiry of their interment right and develop a procedure for the placement of sensitively worded advice notices on Council's website requesting interment right holders, families and loved ones to contact Council's administration. Council includes references to the Interment Right Renewal program in its Cemeteries Management Policy	Not Rated	This a legislative requirement. Implementation has been delayed as IR Holder details are not retrievable from the cemetery management system (CMS). We are awaiting advice and a quote from the CMS provider to clean up the data and extract this information. Estimated completion date is January 2027, however due to the complexity of the situation, this may not be achievable.	Karien Oosthuizen	31/01/2027	Not Commenced	The cemeteries officer position is currently vacant; position is under recruitment and response to audit recommendations will re-commence.
Replace or repair cemeteries fences	Cemeteries Compliance Audit 2025	That funds be allocated in Council's forward budget to repair or replace damaged sections of the fence at the following cemeteries Cudlee Creek Cemetery (no fencing) Charleston Cemetery (half fenced) Stirling General Cemetery (no fencing along its Oxford Road (northern) boundary and along its front (eastern) boundary) Houghton Cemetery (Sections of the eastern and southern side fences) Gumeracha Cemetery (minor damage to its southern fence) Montacute Cemetery (damaged by fallen trees along its southern boundary and northeastern corner) Norton Summit Cemetery (no fence along its western boundary with Lobethal Road and there is no fence along half of the southern boundary)	Not Rated	This is a legislated requirement Cemetery fencing will occur on a risk assessed basis with priorities developed following analysis of audit results and staged over the ten year long term financial plan.	Karien Oosthuizen	30/06/2027	Not Commenced	

Recommendation	Audit	Recommendation Detail	Rating	Management Comment	Responsible Officer	Due Date	Status
Resolve land ownership and land title	Cemeteries Compliance Audit 2025	That Council seeks to resolve the land ownership and land title for the small parcel of land labelled "0 Lobethal Road" within the Norton Summit Cemetery.	Not Rated	Complex land matter – no estimated completion date.Note there is a similar situation at Cudlee Creek Cemetery involving three parcels of land.The Manager of Property and Cemeteries Officer position are currently vacant; division is under realignment and cemeteries position is under recruitment and progress with land ownership/title and response to audit recommendations will re-commence.	Karien Oosthuizen	30/06/2027	Not Commenced
Review plans for cemeteries in community land management plan	Cemeteries Compliance Audit 2025	That Council reviews and revises the plans for its' cemeteries in its' Community Land Management Plan with reference to Section 196 of the Local Government Act 1999 (SA).	Not Rated	Review community Land Management Plan. The cemeteries officer position is currently vacant; position is under recruitment and progressing Community Land Management Plan will re-commence upon appointment.	Karien Oosthuizen	30/06/2028	Not Commenced
Treating IRR with Accounting Standards	Cemeteries Compliance Audit 2025	That Council seeks advice to confirm how it should treat interment right revenue to conform to the prevailing Australian Accounting Standards, with direct reference to AASB16 "Leases".	Not Rated	Finance sought advice from BDO in June 2025 in relation to this. The advise was that AHC may not be complying with accounting standards but for 24/25 the amounts were immaterial. No changes made. Finance will discuss approach for 25/26 with auditors (BDO) during interim visit, noting that it would be a large task to identify leases and analyse each lease.	Liz Packer	31/07/2026	Not Commenced
Update Register of Memorials	Cemeteries Compliance Audit 2025	That Council engages resources to update its Register of Memorials in the ByondPro Cemetery Management System in accordance with Section 53(1)(b)(ii) of the Act and Regulation 36(2).	Not Rated	Staff member on light duties is currently undertaking this task.The cemeteries officer position is currently vacant; position is under recruitment and upon appointment this work to update register will re-commence.	Karien Oosthuizen	30/06/2026	Not Commenced
Enable RFID or other access controls	EV Charger Audit 2025	Enable RFID or other access controls to prevent unauthorised overnight charging.	Not Rated	To be implemented upon completion of essential compliance modification works.	Damian Brennan	28/02/2026	Not Commenced
Implement routine inspections and maintenance schedules	EV Charger Audit 2025	Implement routine inspections and maintenance schedules, including testing of electrical installations and safety features.	Not Rated	Servicing agreement will be entered into upon the completion of essential compliance modifications.	Damian Brennan	28/02/2026	Not Commenced
Line markings for EV bays	EV Charger Audit 2025	Install line marking to clearly define EV-only bays.	Not Rated	To be priorities once initial modification works undertaken	Damian Brennan	31/12/2026	Not Commenced
Provide signage for EV locations	EV Charger Audit 2025	Provide clear, standardised signage at all EV charger locations.	Not Rated	To be priorities once initial modification works undertaken	Damian Brennan	31/12/2026	Not Commenced
Register all chargers as assets	EV Charger Audit 2025	Register all chargers as official council assets for proper tracking and maintenance.	Not Rated	Process to be undertaken upon completion of essential modification works.	Damian Brennan	30/06/2026	Not Commenced
Address fire risks in vehicles	Fleet Management Audit 2025	Consider addressing fire risks in vehicles by Installation of fire detection & suppression systems Implementing fleet fire incident response procedures and training Incorporating automated fire detection and suppression systems in procurement of fleet Equipping light vehicles with fire extinguishers & first aid kit	Not Rated	Partially accepted. Incorporating automated fire detection and suppression systems in procurement of fleet- Equipping light vehicles with first aid kits Heavy machinery already contains fire extinguishers. Manage use of machinery on extreme and catashrophic fire days through the Fire Danger Days Procedure Policy	Scott Pittaway	31/12/2026	Not Commenced

Arrange thermographic testing	Fleet Management Audit 2025	Arrange thermographic testing of distribution boards in the depot.	Not Rated	Contacted LGA in relation to this. They have advised we are eligible for 10 asset reviews. Placed on hold until Asset team is resourced.	Lauren Jak	31/12/2026	In Progress
Breakdown or accident card	Fleet Management Audit 2025	Implement a systematic incident management framework, with particular attention to the following key points: Development of a breakdown or accident instruction cards. Formal procedures for managing multiple at-fault incidents Training and awareness programs Monitoring andevaluation	Not Rated	Partially accepted.Fleet Coordinator to create and place breakdown or accident instruction cards in vehicles. Not practical due to resourcing and system limitations.Already have regular monitoring and evaluations in place. Regular updates provided by WHS around incident reporting.	Scott Pittaway	31/03/2026	In Progress
Develop Fleet Policy	Fleet Management Audit 2025	1.Develop a comprehensive light fleet policy or guidelines to clearly outline the use and management of council-owned vehicles that includesVehicle use, Maintenance and repair, Financial management, Disposal 2.Establish a Standard Operating Procedure (SOP) or similar for Light Fleet and considering the adoption of Skytrust to optimise and streamline your Plant and Equipment Management processes. 3.Implement a Grey Fleet Policy that outlines acceptable utilisation of personal vehicles for work related activities. 4.Establish clear staff guidelines relating to installation and maintenance of EV charging stations. 5.Consider implementing a digital key check-in/check-out system to enhance security, operational efficiency, and accountability. Alternatively, using Outlook to monitor key possession offers a cost-effective interim solution, supporting key management despite being less robust than dedicated systems.	Not Rated	Fleet Management Policy is drafted and is currently with ELT for consultation. 2.Staff induction process to be incorporated within draft Fleet Policy. Confirm utilised as plant and fleet asset management platform 3. Incorporated into draft Fleet Policy 4.Incorporated into draft Fleet Policy an action item included within EV charger actions. 5.Included within Draft Fleet Policy, Council working with software providers to introduce fob in and out technology and Microsoft 365 booking integration	Damian Brennan	31/03/2026	In Progress
Establish arrangements for servicing and repairs	Fleet Management Audit 2025	Establish formal arrangements with external providers for servicing heavy fleet and plant equipment and update the Lockout/Tagout (LOTO) procedure. Establish formal arrangements with external service providers for the servicing and repairs of heavy fleet and plant equipment, including 'yellow' fleet and bushfire vehicles.	Not Rated	Update LOTO procedure. Heavy vehicle servicing contract established September 2025	Scott Pittaway	30/06/2026	Not Commenced
Implement line marking for parking bays and pedestrian/vehicle navigation	Fleet Management Audit 2025	Implement line marking for parking bay allocation and pedestrian & vehicle navigation in sealed areas and rear zones for heavy fleet and plant.	Not Rated	Traffic management audit undertaken of two operational depot facilities. Recommendations in process of being implemented at Heathfield FY 25/26.	Damian Brennan	30/06/2026	Not Commenced
Monitoring of fuel storage tanks and bowers	Fleet Management Audit 2025	Council should shift towards more proactive monitoring of fuel storage tanks and bowers to be checked, refer to photograph 1.4	Not Rated	Council already undertakes regular monitoring/checks of fuel tanks and bowers.New Telematic Software have been deployed and resourcing allocated through BR1 process.	Damian Brennan	30/06/2026	Not Commenced
Scheduled reporting	Fleet Management Audit 2025	Utilise Skytrust for defect reporting and contemplate establishing a dedicated team of staff members to conduct comprehensive analyses of fleet incidents.	Not Rated	Partial acceptance. Will not use Skytrust due to system restrictions and resource limitations.Propose using existing in-vehicle monitoring systems for scheduled reporting and driver notification of driver compliance	Damian Brennan	30/06/2026	Not Commenced

Item	Source	Recommendation	Rating	Management Action	Responsible	Due Date	Revised Date	Status	Update
Cyber incident response planning and testing	JLT Public Sector Top Cyber-Security Controls Review 2024	.	Not Rated	A cyber incident response playbook will be developed and maintained, and a testing plan developed.	Lynette Paltridge	30/06/2026		In Progress	A draft service recovery plan is currently being worked on, this is ore aligned with BCP, but does impact this item. Work is planned to commence on this in the coming months.
Cybersecurity awareness training and phishing testing	JLT Public Sector Top Cyber-Security Controls Review 2024	1.1We have established a cybersecurity training program. 1.2In our organisation, cybersecurity training is mandatory for all employees (select period from list). 1.3Our cybersecurity awareness program materials train users to avoid common cyber-risks and threats, such as social engineering and phishing. 1.4 The organisation conducts internal phishing campaigns at least annually.	Medium	A cybersecurity awareness program will developed and implemented. This will include mandatory user awareness training for all staff, and regular phishing testing. The training component will fall under the digital literacy program, and the phishing testing will be implemented by the organisational CSAG.	Lynette Paltridge	31/12/2025	30/06/2026	In Progress	The digital literacy framework is currently in draft and will see this training expanded upon in the coming months. CSAG are now working to turn on the phishing testing through Phriendly Phishing.
End-of-life systems replaced or protected	JLT Public Sector Top Cyber-Security Controls Review 2024	.	Medium	Develop a lifecycle management plan that will proactively identify solutions that need replacement or protection in advance. This will form part of the Information Systems Strategy and the Service Catalog.	Lynette Paltridge	30/06/2026		In Progress	Work has commenced on the replacement of the ERP, which is the key solution that is beyond end of life. This will not be completed by the due date due to being a multiyear program.The ICT team have been proactively retiring on premise servers and solutions as replaced with SaaS / PaasS solutions.
Vendor/digital supply chain risk management	JLT Public Sector Top Cyber-Security Controls Review 2024	.	Medium	Provide standard clauses to be included into all new contracts/templates.	Lynette Paltridge	30/06/2026		In Progress	With a new Manager Information Services now onboard, work on this will now commence.
Development of risk training	LGRS Risk Profiling Report 2025	Continue with the development of risk management training, provision of training and competency assessment of relevant stakeholders and include the above in the Skytrust platform to ensure a documented record is maintained.	Not Rated	Part of the Risk Management Project Plan - Phase 2.	Lauren Jak	31/03/2026		In Progress	Meeting held with managers to discuss risk management in October. Workshops will be conducted with the teams to provide training on risk management and to work through the development of operational risks. Training will then be provided to managers around maintenance of these in Skytrust. Workshops are currently being held with over half of them having been completed so far
Formal Risk Framework to be developed	LGRS Risk Profiling Report 2025	1.The Guide does not formally address roles and responsibilities, leadership and commitment, legislative compliance, document control or internal auditing or training requirements. It is recommended that a formal Risk Management Framework be developed to capture all requirements. LGAMLS document 'Risk Management Framework' was suggested as a starting point and could be adapted to suit Councils needs and include recent legislation changes from 2024. Continue engagement with LGRS Strategic Risk Team in the Risk Management Program. 2.Continue with development of the risk management framework to ensure a process is in place that determines how risks in the risk registers are monitored and that any further actions to mitigate risks are followed up on. Appropriate responsibility should be assigned to the Audit & Risk Committee.	Low	1.Part of the Risk Management Project Plan – Phase 1. New Framework, Appetite and Procedure to include all necessary requirements from LGRS and also the LGA. 2.Part of the Risk Management Project Plan – Phases 1, 2, and 3	Lauren Jak	31/12/2025	30/04/2026	In Progress	Draft risk framework completed. Reviewed by WHS and sitting with Governance before it goes to ELT and then all staff for review. Aim is to bring to Audit and Risk Committee at their April meeting.
Further develop risk reporting process	LGRS Risk Profiling Report 2025	Further develop the reporting process to capture all information necessary for Executive and the Audit Committee to make informed decisions in relation to risk management	Low	Part of the Risk Management Project Plan- Phase 3	Lauren Jak	31/12/2025	30/04/2026	In Progress	Reporting process has been captured in draft Risk Framework which is aiming to come to the April ARC meeting

Process for review of risks	LGRS Risk Profiling Report 2025	As part of the Risk Project Plan, ensure a process is developed to ensure consistent assessment and review of Strategic and Operational Risks such as a Risk Review Schedule as mentioned above in the Members commentary. No formal documented process in place to ensure this occurs.	Low	Part of the Risk Management Project Plan. Schedule will be included in the Framework or Procedure and relevant risk owners advised during Phase 2.	Lauren Jak	31/12/2025	30/04/2026	In Progress	Review process has been captured in draft Risk Framework. The aim is to provide the draft risk framework at the April Audit and Risk committee. Review process has also been discussed in risk workshops with the teams.
Roles are aware of their responsibilities	LGRS Risk Profiling Report 2025	Develop a process to ensure high level roles accountable for the risk management process are made fully aware of their roles and responsibilities (which is to include Elected Members).	Low	Part of the Risk Management Project Plan – Phase 1 and 2.	Lauren Jak	31/12/2025	30/04/2026	In Progress	Roles and responsibilities are outlined in the draft risk framework Meeting held with SLT on 15/10 to provide update on risk project and outline responsibilities. Due date extended to align with endorsement of draft risk framework. Draft risk framework aiming to go to the ARC in April.
Update Audit Committee name in Risk Policy	LGRS Risk Profiling Report 2025	When Risk Policy is reviewed, update wording from 'Audit Committee' to 'Audit & Risk Committee' to align with Local Government Act terminology.	Low	Part of the Risk Management Project Plan – Phase 2	Lauren Jak	31/12/2025	30/04/2026	In Progress	Risk policy drafted and name amended. Draft policy sitting with Governance and will be provided to ELT and all staff for feedback shortly. The aim is to provide the draft policy to the April audit and risk committee.
Update operational risk register	LGRS Risk Profiling Report 2025	Continue to update the Operational Risk Register so that it is a current, working document. Assign actions to responsible persons and ensure close out of these actions.	Low	Part of the Risk Management Project Plan – Phase 2.	Lauren Jak	31/03/2026		In Progress	Met with Senior managers on 15/10 to advise next step is to meet with teams to develop operational risks. Hopefully start workshops in December 2025. Workshops are in the process of being held with the teams to update the operational risks. Over half of the teams have received workshops so far.

ADELAIDE HILLS COUNCIL
AUDIT AND RISK COMMITTEE MEETING
Monday 16 February 2026
AGENDA BUSINESS ITEM

Item:	**8.4**

Responsible Officer:	**Gary Lewis** **Director Corporate Services** **Corporate Services**

Subject:	**Director Corporate Services update – Feb 2026**

For:	**Information**

SUMMARY

There are a number of items which the Director Corporate Services would like to inform and update the Audit and Risk Committee (the Committee) on. These items are not significant enough to prepare a separate report to the Committee. They are therefore addressed collectively through this report.

Information and updates will be provided on the following:

- Reporting
  - o Financial performance and debt for the month ended December 2025
  - o Procurement reporting
- Projects
  - o Procurement efficiency, process optimisation and Financial Delegations
  - o Time and attendance tracking and Payroll integration
  - o Monthly financial reporting
  - o Rates Modelling and Budget models
- Other matters
  - o Annual Business Planning (ABP) process
  - o Enterprise Bargaining Agreement (EBA) update
  - o Enterprise Resource Planning (ERP) project update

RECOMMENDATION

The Audit and Risk Committee resolves:

1. **That the Director Corporate Services Update report be received and noted (item 8.4, 16 February 2026, Audit and Risk Committee meeting).**

1.   **BACKGROUND**

The Director Corporate Services would like to update the Committee on several key items and projects which do not form part of any report to be presented to the Committee.

It should be noted that as some of these items or projects mature the matter may return to the Committee in a standalone report.

2.   **ANALYSIS**

➢   **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

Strategic Plan 2024 – Your Place Your Space
Goal   Organisation
Objective 02   Operate with integrity using best practice governance processes.
Priority 02.3   Enhance governance structures and systems to be agile and support
*   our legislative obligations.*

There is an ongoing need to ensure that Council operates in an efficient and effective manner. This includes reporting and updating the Committee on the business of Council.

➢   **Legal Implications**

Not applicable.

➢   **Risk Management Implications**

The report from the Director Corporate Services will assist in mitigating the risk of:

Failure to manage, improve and develop the financial resources available to Council.

Inherent Risk	Residual Risk	Target Risk
Extreme (5B)	Medium (3C)	Medium (3D)

This report provides greater insight into the Council's operations and an opportunity for the Committee to provide suggestions and recommendations to the Administration where appropriate.

➢   **Financial and Resource Implications**

Although the updates themselves do not have a cost implication, the projects and initiatives which are discussed may have cost implications for Council.

➢   **Customer Service and Community/Cultural Implications**

Not applicable.

➢   **Sustainability Implications**

Not applicable.

- **Engagement/Consultation conducted in the development of the report**

  Consultation on the development of this report was as follows:

  Council Committees: Not Applicable
  Council Workshops: Not Applicable
  Advisory Groups: Not Applicable
  External Agencies: Not Applicable
  Community: Not Applicable

  ➢   **Additional Analysis**

Financial performance and debt – 31 December 2025

Please see below the Financial Performance to December 2025.
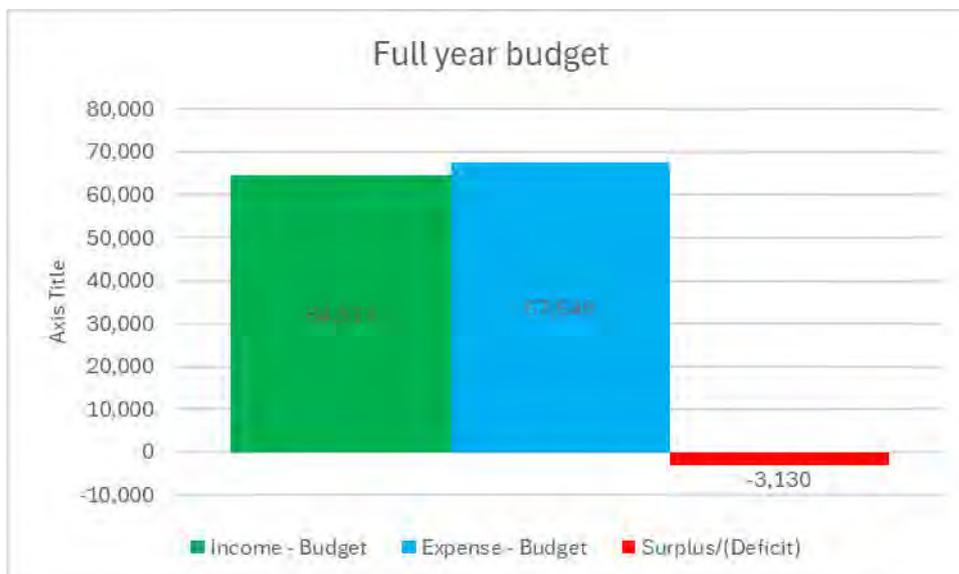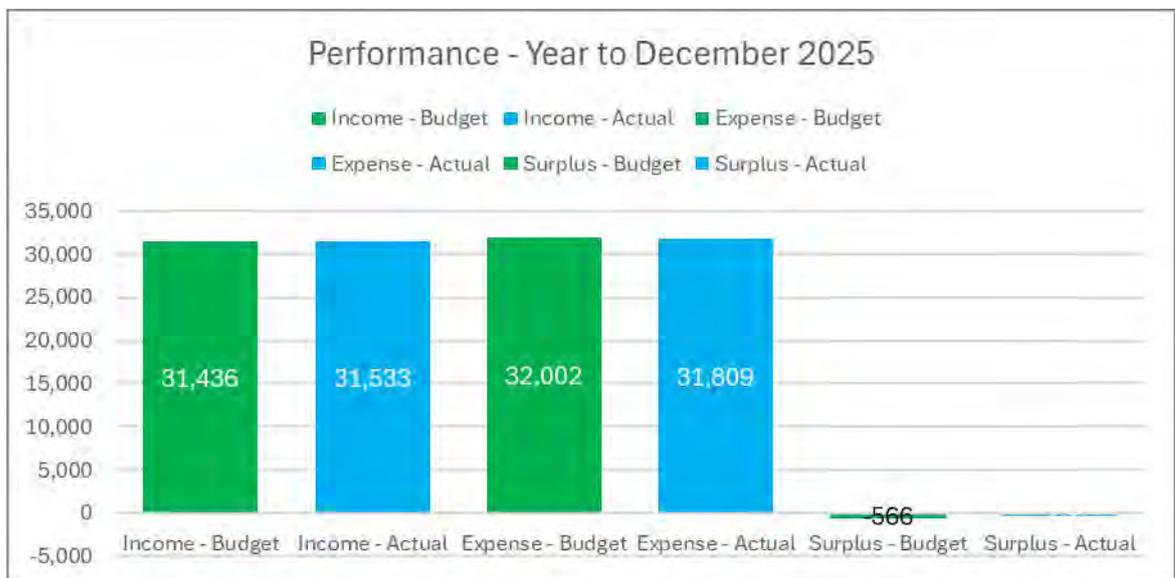
Capital expenditure to December 2025

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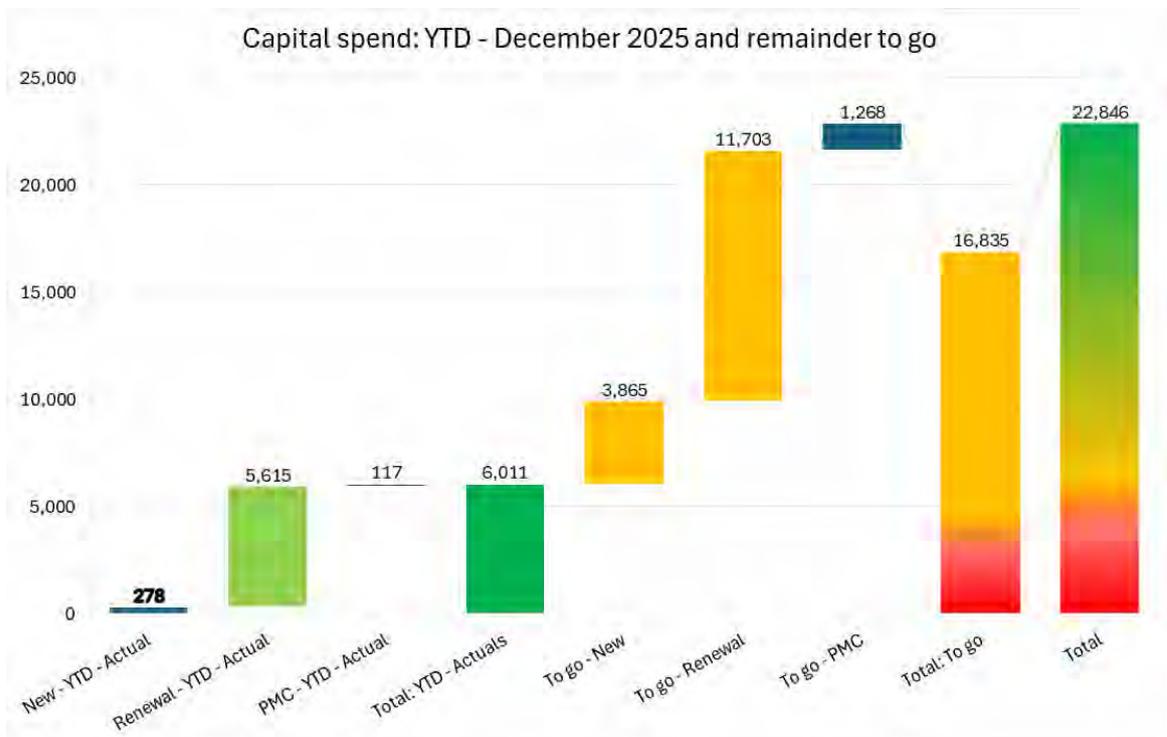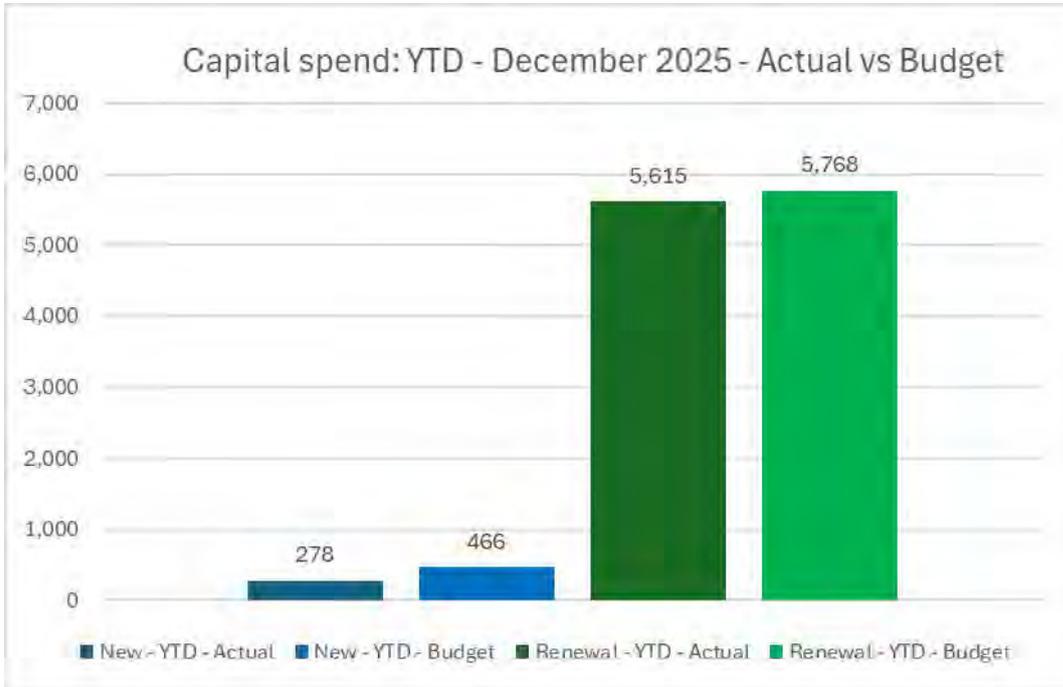
Debt and debt management

Presented below is a summary of the Council's debt position at the end of December 2025, the split between fixed and variable interest and a debt maturity profile.

Debt Portfolio - At 31 December 2025 - Balance owed, contracted borrowing capacity and available capacity.
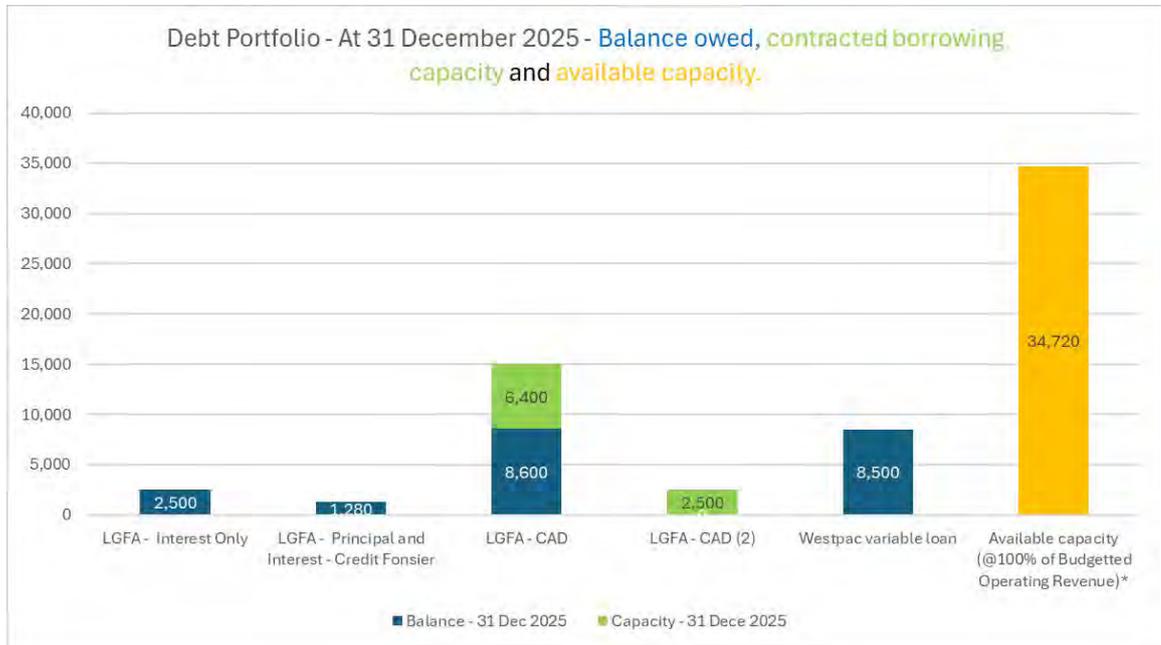
* This is an estimate of availability capacity, based upon maintaining a NFL ratio of up to 100% and on December actuals.

Debt Portfolio split - Fixed and Variable at end December 2025

- LGFA - Interest Only 12%
- LGFA - Principal and Interest - Credit Fonsier 6%
- LGFA - CAD 41%
- Westpac Variable loan 41%

Debt Portfolio - Maturity profile

	Oct-26	Jun-27	Jun-27	Aug-27	Dec-33
■ Amount	8,500	2,500	2,500	1,280	15,000
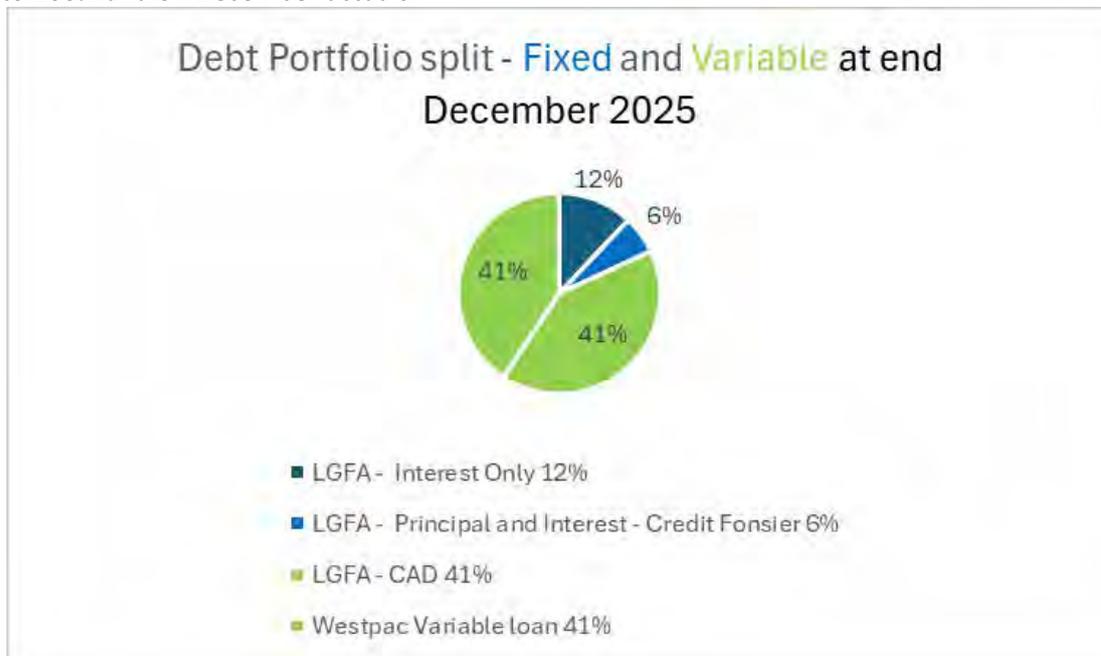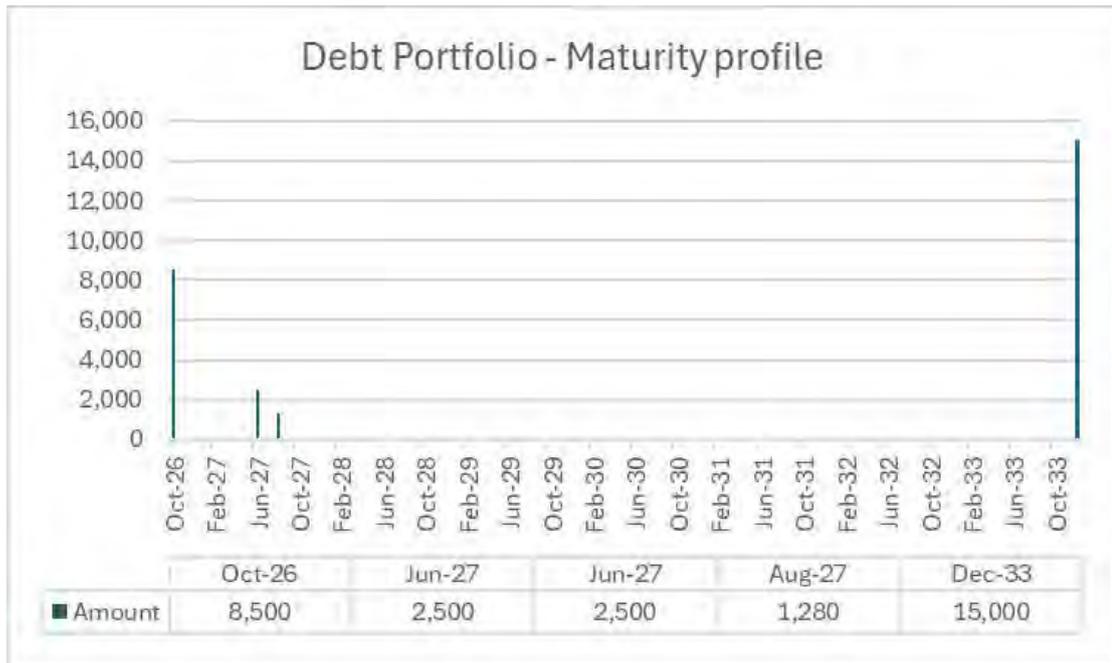
Procurement reporting

Presented below is the status of procurements as at end of January 2026.

Significant progress has been made with regards to the procurement of the works which are planned to be delivered in this financial year.

Projects:

Procurement efficiency and process optimisation, and Financial Delegations update

Following the updates to the Procurement policy, the team are working through embedding these updates within the organisation.

The procurement process has been modified to include a complexity assessment prior to starting the procurement process. Should the procurement be a simple, routine procurement, it will require less oversight from senior management, allowing Manager level staff and their direct reports to complete. This Complexity Assessment Tool has been developed and is currently being reviewed. Simultaneously, the supporting documentation is being developed to support its implementation.

This process has been placed on hold whilst resources are focussed on the Annual Business Planning process.

Time and attendance tracking & payroll

This project has advanced significantly and is moving from the exploratory phase into the delivery phase. It is planned to implement the Employee Self Service (ESS) portal and electronic timesheets for the Corporate Services division first and then extend to other teams and divisions thereafter.

The project was placed on hold due to resource availability over the December and January period, due to a number of urgent payroll matters which required attention. It is due to kick off again in February and March 2026

Should the project be successful, it will result in electronic timesheets being submitted and approved online, leave requests submitted and approved online and an integration of these into the payroll system. Currently, all timesheets are manually keyed into the payroll system.

Monthly financial reporting

This project continues to advance, with consultation on needs at a Director and Manager level in progress.

Supported by the ICT team, the finance team are exploring the capabilities of the current solutions, with a goal of optimising the use of existing solutions. This has identified some data challenges which are currently being worked through.

Finally, the exercise to ensure that the underlying financial data is more fulsome is nearing completion.

Rates Modelling and Budget models

A new Rates Modelling model and a new budget model have been created in Excel, utilising the latest advanced functionality of the software. These new models are significantly more robust and user friendly than the previous models, which will improve the usability, the efficiency, the quality of the output and the richness of the data arising from these processes. It will also enhance the internal control environment. They are potentially interim solutions until the processes are transitioned into the ERP.

It should be noted that some deficiencies within the current ERP have resulted in rework of (in particular) the budget model. These deficiencies further reinforce the need for an update to the ERP

Other matters

Annual Business Plan (ABP) process

The annual business planning process commenced in November 2025 and t**o date, the** administration has held 2 workshops with the Elected Members.

The first workshop held in early December was an overview of the process to be undertaken. At the workshop, it was requested that a further workshop be undertaken early in the new year to discuss projects. This occurred on the 2nd of February. In advance of this workshop, the Administration presented to the Elected Members the proposed operating and capital strategic initiatives for FY 2026-27.

Set out below is timeline of the remainder of the process, including responsibilities:

Date	Item	Responsibility
February 2026	First draft of budget. Includes assumptions from LTFP	Administration
March 2026	Budget workshop (28 March 2026)	Administration and EM's
April 2026	Second draft of budget based upon feedback	Administration
28 April 2026	Adoption of draft budget for Community consultation	EM's
May 2026	Community consultation – 21 days	
June 2026	Final draft of budget incorporating community feedback	Administration
Early June 2026	Adoption of Budget and ABP	EM's

Enterprise Bargaining (EB) negotiations update

Both the Office and Field EB's have been completed and accepted by the South Australian Employment Tribunal.

Enterprise Resource Planning (ERP) project update

The requirements workshops facilitated by vendor Fragile to Agile have been completed and the draft ERP requirements document have also been completed. We are now considering the procurement stage of the project.

A presentation was given at the Council workshop on 2nd February to provide an update to Elected Members on the project and to ensure that the recently elected members are fully informed.

At the presentation administration informed Council that it would be bringing a report to Council in due course which would ask them to endorse the approach to market. This report will also confirm there is a requirement for Council to provide approval for a proposed solution prior to entering into contract negotiations.

The indicative time frame is as follows;

- April – June 2026 - Approach to Market
- April 2026 – Onboard Change and Project Manager
- April 2026 – Industry Briefing
- End June 2026 – Submissions Close
- July – Sept 2026 – Submission Evaluation
- July 2026 – Vendor Presentations (scenario based)
- Sept 2026 – Submission to Council for Endorsement
- Oct 2026 – April 2027 Final Contract Negotiations
- Oct 2026 – April 2027 Planning Workshops with Vendor and AHC
- April 2027 – Onwards Implementation (actual timeframes unknown until vendor selected)

The Administration is aware that this timeline is challenging, especially considering the start of caretaker period which is expected in September.

3. OPTIONS

The Committee is limited to receiving and noting this report

4. APPENDICES

Nil.

ADELAIDE HILLS COUNCIL
AUDIT AND RISK COMMITTEE MEETING
Monday 16 February 2026
AGENDA BUSINESS ITEM

Item:	**8.5**
Responsible Officer:	**Gary Lewis**
	Director
	Corporate Services
Subject:	**Council Quarterly Performance Report – Q2 2025-26**
For:	**Information**

SUMMARY

As a local government entity, Council has a number of legislative obligations regarding the preparation and distribution of corporate planning and reporting information. In addition to these mandated requirements, Council has over time created a number of additional elements to improve the integration, transparency and accountability of its activities. The quarterly Council Performance Report is just one of these elements.

The Council Performance Report for Q2 2025-26 *(Appendix 1)* covers the period 1 October to 31 December 2025.

The purpose of this report is to provide the Audit and Risk Committee a summary of Council's performance against the *Annual Business Plan 2025-26* targets in order to assist in their role as advisors to Council on the adequacy and effectiveness of processes involving financial management, reporting, risk and governance.

RECOMMENDATION

The Audit and Risk Committee resolves:

1.   **That the Council Quarterly Performance Report – Q2 2025-26 be received and noted (item 8.5, 16 February 2026, Audit and Risk Committee)**

1.   **BACKGROUND**

At its 19 June 2018 meeting, Council adopted (Res 128/18) the Corporate Planning & Performance Framework, of which a key element was the establishment of a suite of corporate business indicators which are aligned with Adelaide Hills Council's Strategic Plan goals and will enable the tracking of performance over time.

At its Ordinary Meeting of 30 June 2025, Council adopted its Annual Business Plan 2025-26. Annexure C of the Annual Business Plan 2025-26 provides updated Corporate Performance Indicators. These were developed in consultation with Elected Members, the Executive

Leadership Team and relevant managers as part of the *2025-26 Annual Business Plan* process. They are aligned to Council's *Your Place Your Space Strategic Plan 2024.*

2. ANALYSIS

➢ **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

Strategic Plan 2024 – Your Place Your Space

Goal 4	Organisation
Objective O5	Evolve Council's functions and services to meet the current and future needs and aspirations of our community
Priority O5.2	Demonstrate financial sustainability through long term financial planning and annual budget setting and aligns with adopted targets.

The Quarterly Council Performance Report is part of the performance reporting suite contained in the Corporate Planning and Performance Framework.

➢ **Legal Implications**

Chapter 8 - Administrative and financial accountability of the *Local Government Act 1999* sets out the key legislative obligations regarding corporate planning and reporting obligations, as follows:

- S122 – Strategic management plans – development, content requirements, consultation, review and availability of strategic plan, asset management plan and long-term financial plan;
- S123 – Annual business plans and budgets - development, content requirements, consultation, review and availability of annual business plan and budget
- S127 – Financial statements – preparation, content, auditing and availability of the financial statements;
- S131 – Annual reports – preparation, content, distribution and availability of the annual report

Additional requirements are contained in the *Local Government (General) Regulations 2013* and the *Local Government (Financial Management) Regulations.*

➢ **Risk Management Implications**

Quarterly Council Performance Reporting will assist in mitigating the risk of:

Ineffective performance management and reporting processes leading to poor performance and/or loss of stakeholder confidence.

Inherent Risk	Residual Risk	Target Risk
Extreme (4B)	Low (3E)	Low (3E)

Note that there are many other controls that assist in mitigating this risk. The quarterly performance reports are part of the current control suite and therefore there is no additional mitigating impact of this report.

➢ **Financial and Resource Implications**

Quarterly Council Performance Reporting assists in showing the financial and resource performance to plan as per the targets, initiatives and activities outlined in the Annual Business Plan 2025-26.

➢ **Customer Service and Community/Cultural Implications**

Providing integrated, consultative corporate planning and effective and transparent performance reporting to the Council and community has the potential to increase the level of trust and confidence in Council.

➢ **Sustainability Implications**

Quarterly Council Performance Reporting assists in demonstrating the outcomes related to Council's economic, social and environmental initiative.

➢ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

Council Committees: Not applicable
Council Workshops: Not applicable
Advisory Groups: Not applicable
External Agencies: Not applicable
Community: Not applicable

➢ **Additional Analysis**

The performance report format has been updated from previous versions to align with the four pillars of the Strategic Plan 2024: Natural Environment, Community Wellbeing, Built Form and Economy, and Organisation. This revised format aims to strengthen the connection between Council's strategic objectives, annual priorities, and performance outcomes.

In addition to the business performance indicators and targets, a selection of service metrics aligned to each goal have also been incorporated into the report to reflect ongoing operational activity and service delivery.

In refining the format, consideration was also given to ensuring the report is accessible and meaningful to the broader community. The performance report will be made available on the Adelaide Hills Council website and promoted via Council's social media channels to support transparency and community awareness.

An evolution of the report format may be considered in the second half of the financial year, subject to identified need or opportunities for improvement.

3.   **OPTIONS**

Not applicable.

4. **APPENDICES**

(1)   Council Performance Report – Q2 2025-26

Appendix 1

Council Performance Report – Q2 2025-26

Council Performance Report

Delivering our Annual Business Plan 2025-26
Quarter Two| 1 October - 31 December 2025

Adelaide Hills
COUNCIL

Overview

The Performance Report provides a summary of Council's progress in delivering on its strategic objectives, business plan initiatives, and performance indicators. It highlights significant achievements, outlines service delivery, and tracks the advancement of major projects and capital works.

Highlights | Quarter 2

Food Organics Green Organics (FOGO) Extended Trial

- The extended FOGO trial rolled out weekly collections in November and achieved just over 70% diversion from landfill in Q2, with opt-out rates lower than anticipated (see pgs. 4 and 7).

CRM Delivery of Advanced Build

- The CRM Advanced Build went live in Q2, introducing 20+ online application/permit forms, a refreshed customer portal, and deeper integration with field operations via Confirm (see pg. 19).

Community Wastewater Management System (CWMS)

- Council completed installation of the SCADA Remote Management Monitoring System for CWMS, meeting the target during Q2 (see pg. 17).

Risks/Challenges

Fire Track Maintenance

- Critical fire track remediation works have been delayed due to extensive late 2025 rainfall, which left many tracks inaccessible, creating a risk of ongoing limited access for essential maintenance.

Financial Performance

September 2025 YTD	YTD Actual $'000	YTD Budget $'000	Variance fav/ (unfav) $'000	Annual Budget fav/ (unfav) $'000
Total Income	31,533	31,436	96	64,518
Total Expenses	31,809	32,002	193	67,648
Operating Surplus/ (Deficit)	(276)	(566)	290	(3,130)

Our Goals

Council's 'Your Place, Your Space' Strategic Plan 2024 sets a bold and community-driven vision for our region, built on the priorities and aspirations of our residents. This progress report reflects Council's commitment to its strategic priorities, demonstrating how the initiatives, projects, and decisions align with the long-term objectives of the Strategic Plan.

Natural Environment	Community Wellbeing	Built Form and Economy	Organisation
NE 1: Pursue our adopted pathway to achieve net zero carbon emissions.	CW 1: Promote and support reconciliation.	BFE 1: Guide development that fosters vibrant and resilient communities, promotes appropriate design and enhances livability.	O1: Embrace technology solutions and digital transformation to enhance our organisation and the community experience.
NE 2: Support the community and businesses to decarbonise and transition to sustainable lifestyle practices (green communities).	CW 2: Enrich, empower and support connected communities.	BFE 2: Nurture a distinctive sense of place, support activation activities and recognise and celebrate our rich heritage.	O2: Operate with integrity using best practice governance processes.
NE 3: Protect, improve, expand and connect habitat.	CW 3: Embrace diversity in our community and build on community strengths.	BFE 3: Develop and maintain infrastructure to support livability and sustainable economic activity.	O3: Support and develop a skilled organisation that is aligned to Council's priorities.
NE 4: Build resilience in the natural environment to adapt to climate and other environmental changes.	CW 4: Build community resilience for the future.	BFE 4: Improve the utilisation of Council and community facilities.	O4: Engage and advocate for our communities.
NE 5: Improve landscape character and amenity value on Council managed land.	CW 5: Foster cultural identity and connection to place.	BFE 5: Promote sustainable prosperity by supporting tourism, creative industries, primary production and vibrant townships.	O5: Evolve Council's functions and services to meet the current and future needs and aspirations of our community.
	CW 6: Promote physical, mental and social wellbeing.		

Major Projects 2025-26

Cox Creek Bridgewater Restoration Project

Progress

On track

30%

The project is funded by the Australian Government's Natural Heritage Trust under the Urban Rivers and Catchments Program, with the support of Adelaide Hills Council to deliver restoration works along 6km of Cox Creek, from Mount George Conservation Park to Engelbrook Reserve.

The project focuses on targeted weed removal, including Willow, Ash, Gorse, Broom, Blackberry and Watsonia, and revegetation with native riparian species to improve habitat and waterway health.

Supported by a range of community and government stakeholders, the grant enables Council to engage contractors for weed management, revegetation, and creek bank stabilisation.

As required under the Grant Agreement, an Australian Government Monitoring, Evaluation, Reporting and Improvement (MERI) Framework has been developed and implemented for the project. In Quarter 2, Council submitted the six-monthly ecological progress report covering Quarters 1 and 2. The report confirms the project is progressing in line with approved scope and milestones.

Highlights include:
- baseline monitoring of habitat condition undertaken
- 9.5 hectares of initial weed control completed
- 6 hectares of initial willow and ash control completed
- 93 metres of creekbank stabilised

Restoration works progressing along Cox Creek

Major Projects 2025-26

Food Organics Green Organics (FOGO) Extended Trial

Progress

On track — 70%

The expanded Food Organics and Garden Organics (FOGO) trial commenced in Quarter 1, on 4 November 2025, across the townships of Balhannah, Charleston, Lobethal, Oakbank, and Woodside. The initiative aims to reduce waste sent to landfill, lower greenhouse gas emissions, and support South Australia's circular economy by converting food and garden organics into nutrient-rich compost.

As part of the extended trial, all properties within the Tuesday collection townships now receive a weekly FOGO collection, while landfill and recycling collections continue on a fortnightly schedule. Community engagement has been positive, with opt-out rates lower than anticipated (see page 7 for diversion rate data).

Council is also working closely with residents and businesses that generate more than 140 litres of waste per fortnight, providing tailored service adjustments where required.

Evaluation of the trial will occur from Quarter 3 2026, assessing both performance and financial implications, with consideration given to expanding the service further. Data on resourcing requirements is also being collected for review during the second half of the 2025–26 financial year.

Natural Environment
Responsible custodians of our natural environment

Strategic Initiatives 2025-26

Key Project	Grants & incentives to support the community in reducing emissions	Approval of solar battery purchase and installation for the South Australian Pistol and Shooting Club, and upgrade of LED lights for the Kersbrook Football Club.
Project Type	Operating initiative	
% Complete	35%	
Status	🟢 On Track	

Key Project	Develop & implement a community energy reduction program incl. energy & transport	Not yet commenced. Progress update to be provided in future performance reports.
Project Type	Operating initiative	
% Complete	0%	
Status	⚫ Not Started	

Key Project	Local climate adaptations for landscape conservation	Not yet commenced. Progress update to be provided in future performance reports.
Project Type	Operating initiative	
% Complete	0%	
Status	⚫ Not Started	

Natural Environment
Responsible custodians of our natural environment

🏅 Key Project	**Bore infrastructure investigations and compliance works**	Inspections have been completed on 13 bores to date, with pump infrastructure assessed and minor remediation works undertaken.
⏰ Project Type	Operating initiative	
⚙️ % Complete	40%	
↪ Status	🟢 On track	

🏅 Key Project	**Council facilities energy efficiency improvement program**	Following Q1 progress on lighting upgrades for the Council Chamber and Coventry Library canopy, the library lighting system was fully installed in Q2. Procurement of a heavy-fleet fuel system (to reduce bulk fuel distribution) and solar infrastructure (to lower electricity usage and improve resilience) also progressed during the quarter.
⏰ Project Type	Capital initiative	
⚙️ % Complete	50%	
↪ Status	🟢 On track	

🏅 Key Project	**Installation of water efficient infrastructure - Houghton, Lobethal & Kersbrook**	Contractors have been engaged to renew and install water-efficient irrigation infrastructure at Houghton and Kersbrook Cemetery. Further investigation confirmed that Lobethal main irrigation improvements are not feasible due to existing utility infrastructure constraints.
⏰ Project Type	Capital initiative	
⚙️ % Complete	25%	
↪ Status	🟢 On track	

🏅 Key Project	**Safety Improvements for access to Woorabinda Bushland Reserve**	Design and scoping work is complete and construction is due to commence in February 2026.
⏰ Project Type	Capital initiative	
⚙️ % Complete	50%	
↪ Status	🟢 On track	

Natural Environment
Responsible custodians of our natural environment

Performance Metrics

Indicator	Target	Progress	Status	Comment
Reduction in carbon usage (metric tonnes) by transitioning existing internal combustion powered light fleet to electric vehicles	> 20 tonnes carbon dioxide reduction	50%	**On target** *Annual target*	Council has procured 4 new electric vehicles this quarter, replacing petrol-powered models. On track to replace 8 internal combustion vehicles with EVs in 2025/26.
Community decarbonisation & sustainable lifestyle awareness & education sessions including customer satisfaction measurement	5 sessions	80%	**On target** *Annual target*	AHC supported stalls, workshops and a textile collection day across key community events in November.
Reduced community derived waste to landfill from kerbside collections by undertaking an extended trial to measure the diversion rate of waste to landfill	70% diversion rate for trial		**Target not yet assessable** *Annual target*	Weekly FOGO collections were introduced for Tuesday township properties in November. The properties diversion rate for the remainder of Q2 averaged just over 70%. Waste audit results will be posted in Q3.
Establish baseline of overall vegetation profile within Adelaide Hills Council region	100% completion of region mapping	75%	**On target** *Annual target*	Council engaged Aerometrex to undertake district-wide LIDAR surveying, with aerial capture completed in late Nov 25. Data processing is scheduled for Q3 2026.
Number of fire tracks requiring essential maintenance actions	37 fire tracks	25%	**Behind target** *Annual target*	Critical fire track remediation works have been costed and contractors engaged, but extensive late-2025 rainfall left many tracks inaccessible. Essential works are delayed until conditions allow safe access.

Service Metrics

180 tonnes
green organics collected from 3625 vehicles on free organic drop off days

57,000 kWhs
of solar energy consumed at Council facilities

567 tonnes
recycling waste collected

91 permits
issued for burning on private property

352 actions
completed in relation to tree works

1297 native flora
planted across the Adelaide Hills Council region

Major Projects 2025-26

Reconciliation Action Plan Implementation

On 31 May 2025, Council celebrated a significant milestone in its Reconciliation journey with the launch of the Innovate Reconciliation Action Plan (RAP). Developed with input from the Adelaide Hills Reconciliation Working Group and internal staff, the Plan outlines Council's enduring commitment to Reconciliation, and sets out clear, measurable actions aligned with Council's Your Place Your Space Strategic Plan 2024.

During Quarter 2, the establishment of the Council RAP Working Group progressed, with the selection process underway and membership expected to be finalised in the coming months. The Working Group will support coordinated delivery and oversight of RAP actions across the organisation.

Council is also developing a simpler and more transparent way to track progress on RAP actions, using a central online system that staff can update as work is completed. This will help ensure Council's reconciliation efforts remain on track and visible across the organisation.

Planning also advanced for Aboriginal Heritage Act training, scheduled for Q3. The training will be delivered by the Department of Aboriginal Affairs and Reconciliation and aims to build organisational understanding of Aboriginal heritage, recent legislative changes, and related compliance responsibilities. Key topics include the forms of Aboriginal heritage, the role of statutory bodies, legal obligations under the Act, heritage management in project planning, and steps to follow when encountering or managing Aboriginal heritage.

Progress	
● On track	50%

Community Wellbeing
A thriving, safe and welcoming community

Major Projects 2025-26

Uraidla Play Space

Progress

On track

35%

Recent cost assessments confirmed that the initial landscape architect design exceeded the available project budget. In response, Council staff have worked diligently with the landscape architect, cost consultants, and several play equipment suppliers to refine the design.

The revised concept maintains the community's aspirations for the playspace while ensuring it remains deliverable within the project budget and site constraints. This work has been detailed and comprehensive, helping to strengthen the project's long-term feasibility.

Procurement processes have now been completed, and a contractor has been formally appointed to deliver the upgrade works. Updated designs, both for construction and for community viewing, are scheduled to be released during Quarter 3.

Image of the current Uraidla Play Space to be redeveloped

Community Wellbeing
A thriving, safe and welcoming community

2

Strategic Initiatives 2025-26

Key Project	Amenity lighting - Woodside Recreation Ground
Project Type	Capital initiative
% Complete	15%
Status	🟢 On track

Staff are working with community representatives to finalise the project scope.

Key Project	Sports court upgrades
Project Type	Capital initiative
% Complete	50%
Status	🟢 On track

Upgrades to the Lobethal Community sports courts have been finalised.

Tendering has commenced to progress the upgrade of the Summertown tennis courts.

Key Project	Disability Discrimination Act access upgrades - regionwide
Project Type	Capital initiative
% Complete	0%
Status	⚫ Deferred

Disability Discrimination Act access upgrade requirements for Council facilities will be re-scoped and integrated into the development of a future building upgrade strategy.

Community Wellbeing
A thriving, safe and welcoming community

2

Performance Metrics

Indicator	Target	Progress	Status	Comment
Positive ageing wellbeing score (0-10)	7 Average	100%	Target exceeded *Quarterly target*	The Q2 overall wellbeing score was 7.1. Clients with lower wellbeing scores most often identified grief & pain as key factors.
Customer satisfaction with library services	90% Customer satisfaction	100%	Target exceeded *Annual target*	Council achieved a 91% customer satisfaction rating through the Library Customer Satisfaction Survey. The results for 2024/25 are received in August 25.
Number of volunteer hours contributed to Adelaide Hills Council programs	3000 Hours	100%	Target exceeded *Quarterly target*	Council volunteers contributed 3,366 hours in Q2, demonstrating the commitment of our community to supporting local programs and services.
Number of events and programs celebrating cultural diversity	8 Events/programs	100%	Target exceeded *Annual target*	10 events and programs were delivered in Q1. A comprehensive program schedule is planned for Q3, with a particular focus on Harmony Week.

Service Metrics

140,550 library borrowings
100,663 physical books & resources
39,887 digital books & resources

7,673 hours of support
provided to eligible community members via Hills Home Support or the Positive Ageing Program

436 immunisations
administered across the Adelaide Hills Council region

69 inspections
conducted relating to food hygiene and public health

68 community events
supported by Council

100% pets
lost or wandering animals reunited with owners

Community Wellbeing
A thriving, safe and welcoming community

FABRIK Arts + Heritage

Fabrik Arts + Heritage continues to grow as a vibrant cultural hub, offering dynamic spaces and programs that celebrate creativity, heritage, and community connection. Having completed its first year of operation, Fabrik is establishing itself as a regional arts destination, supporting Council's strategic goals to foster cultural development, increase visitation, and deliver lasting social and economic benefits to the Adelaide Hills.

Programs Update	FABRIK's program delivery remained strong in Q2, with continued participation across textile and art workshops, and regular engagement in community-led special-interest groups. Planning progressed for two upcoming exhibitions: TIES - The art and process of knotting, a Fringe Festival community exhibition, and Hills Hollow, showcasing works from four local primary schools.
Initiatives and Partnerships	FABRIK enjoyed strong local engagement in the Handmade Christmas Artist Market, where 22 of 39 stallholders were Adelaide Hills based, and through retail partnerships with 40% local suppliers. Visual branding incorporating historic Onkaparinga blanket patterns and mill objects continued to strengthen connection to the Mill, while retail demand grew for products made from repurposed vintage blankets and Onkaparinga blanket-patterned items.

Performance Metrics

Indicator	Target	Progress	Status	Comment
Develop income streams to ensure budget is met via venue hire income and retail sales profits	Target against business plan and budgets	86%	**Behind target** *Quarterly target*	December retail income was the year's highest ($15,343), though overall revenue is below budget. Retail reporting and metrics have been improved following a cultural commerce review to better support sales performance.
Increase visitation and spend in the region: number of intra/interstate and international visitors	30% of total visitation from outside the region	100%	**Target exceeded** *Quarterly target*	In Q2, 34% of visitors came from outside the Adelaide Hills. Additional marketing during the festive period was undertaken to attract intrastate visitors.
Increase participation in the arts: number of visitors	13,200 visitors (Yr 1)	55%	**On target** *Annual target*	Quarterly peak visitation occurred during the Handmade Christmas Market, attracting 3,000 visitors. Year-to-date visitation is 7,320, representing 55% of the annual target.
Number of participants in business development opportunities	30 participants (Yr 1)	100%	**Target exceeded** *Annual target*	This quarter provided 43 artist development opportunities (32 market stalls, 5 studio artists and 6 workshops) contributing to a year-to-date total of 58, exceeding the annual target of 30.
Increased wellbeing though creative initiatives	85% positive participant responses	78%	**Behind target** *Quarterly target*	Participant surveys for the public program commenced in Q2, with 78% of respondents reporting increased wellbeing. Not all participants completed the survey.

Built Form and Economy
Building foundations for the future

Major Projects 2025-26

Stormwater Infrastructure Junction Road, Balhannah

Council is progressing two major stormwater projects in Balhannah to address long-standing flooding issues and improve community safety.

The Junction Road project, jointly funded with the State Government and the Federal Local Roads and Community Infrastructure Program, will upgrade drainage to prevent road overtopping and protect properties between Kurla Road and the railway crossing, resolving a persistent issue affecting the area for more than a decade.

A second project will improve drainage along West Terrace, Nairne Road and Bridge Street to reduce flood risk to nearby properties.

During Quarter 2, the project was tendered to market, with concrete supply and related infrastructure identified as key considerations for scheduling. Council is now working with potential contractors to confirm availability and minimise the risk of delays as the project progresses.

Progress — **On track** — 25%

Stormwater and flood mitigation works to be undertaken at Junction Road, Balhannah

Housing Strategy

Progress — **Not started** — 0%

Project scoping is scheduled to begin in January 2026, following the commencement of the new Manager, Region and Place, in Quarter 1 and the subsequent appointment of the Region and Place Team.

Council is also anticipating the release of guidance materials from the Department of Housing and Urban Development (DHUD) and the Local Government Association in January 2026.

Updates against this major project will commence from Quarter 3.

Built Form and Economy
Building foundations for the future

Strategic Initiatives 2025-26

Key Project	**Adelaide Hills Subzone Code amendment**
Project Type	Operating initiative
% Complete	5%
Status	🟠 Behind schedule

Project scoping is being finalised in line with the agreed strategic direction and preliminary community engagement, drafting of the Proposal to Initiate has commenced to clarify technical requirements, and recruitment of the Strategic and Policy Planner is complete with onboarding underway.

Key Project	**Bike track maintenance**
Project Type	Operating initiative
% Complete	50%
Status	🟢 On track

Council has received the bike track audit commissioned during 2025, with recommended defect remediation and scheduled maintenance to commence early in 2026.

Key Project	**Tour Down Under**
Project Type	Operating initiative
% Complete	60%
Status	🟢 On track

Planning is in the final stages with a focus on informing our community of the road closure information and promoting activities and other relevant information to the public.

Built Form and Economy
Building foundations for the future

3

Key Project	Town & Precinct Planning Strategic Framework
Project Type	Operating initiative
% Complete	5%
Status	🟡 Attention needed

Project scoping has commenced ahead of a Council workshop in Q3, where governance, approach and the overarching concept will be considered. Recruitment for the Project Owner and two SME roles is complete, with onboarding underway.

Key Project	Public toilet septic system upgrade, Norton Summit
Project Type	Capital initiative
% Complete	40%
Status	🟢 On track

Wastewater investigations are complete, providing a clear definition of the scope of works. Construction activities are scheduled for completion in Q3, subject to event programming and favourable weather conditions.

Key Project	Replacement of non-compliant external cladding - Stiriling Coventry Library
Project Type	Capital initiative
% Complete	25%
Status	🟢 On track

Investigations into non-combustible cladding, energy efficiency improvements & ESD integration are underway. Tendering will occur upon Scope of Works approval. Construction is expected to commence in Sept 26, scheduled around weather & school holiday constraints.

Key Project	Road Safety Program (including co-contribution to road Black Spots Program)
Project Type	Capital initiative
% Complete	25%
Status	🟢 On track

Council is awaiting an announcement from the government regarding the Black Spot Program funding round.

An application has been submitted for Torrens Hill Road, Paracombe.

Built Form and Economy
Building foundations for the future

Key Project	Barbeque and shelter - Hamilton Hill, Woodforde
Project Type	Capital initiative
% Complete	0%
Status	🟡 On hold

Community engagement was undertaken to inform the proposed relocation of a BBQ and shelter.

As no clear community preference emerged, the project has been placed on hold pending further consultation.

Key Project	Work, Health and Safety security upgrades at Council Depot, Heathfield
Project Type	Capital initiative
% Complete	25%
Status	🟢 On track

A new fuel system for the heavy vehicle fleet has been ordered to save on bulk fuel distribution and to reduce electricity usage. Additional works will be progressed following the installation of the new fuel system.

Key Project	Lighting improvements, Lewis Walk Hamilton Hill, Woodforde
Project Type	Capital initiative
% Complete	100%
Status	🟢 Complete

The project has been completed with low wattage solar lighting installed to enhance safety.

Key Project	Road safety: traffic control & calming, and Emu crossing, Lobethal
Project Type	Capital initiative
% Complete	25%
Status	🟢 On track

The design phase has been completed in collaboration with Lobethal Primary School.

Built Form and Economy
Building foundations for the future

Performance Metrics

Indicator	Target	Progress	Status	Comment
Number of dwellings built per year to 2031 per Greater Adelaide Regional Plan target	165 dwellings	36%	**Behind target** *Annual target*	The cumulative total in Q1 & Q2 of applications received for new dwellings totals 60.
Percentage of Building Consents completed within statutory timeframes	85% completed	76%	**Behind target** *Quarterly target*	The Q2 target was missed by 9% due to confusion caused by recent PlanSA dashboard changes removing clock-day visibility.
Percentage of Planning Consents completed within statutory timeframes	85% completed	100%	**Target exceeded** *Quarterly target*	The target was met in Q2 with 55% of planning decisions issued within statutory timeframes.
Visitor numbers (visitor domestic day trips)	1.2m visitors		**Target not yet assessable** *Annual target*	Data will be reported once available.
Complete resilience to existing CWMS by implementing SCADA Remote Management Monitoring Systems	100% complete	100%	**Target met** *Annual target*	SCADA Remote Management Monitoring System was installed and completed during Q2.

Service Metrics

252 development applications granted
270 development applications received

20 community markets
supported by Council across the Adelaide Hills Council region

1041 hours allocated
to upgrading and maintaining community facilities

2350 sq meters
of road ways reconstructed across the Council region

49 inspections
related to new and existing wastewater applications

739 maintenance tasks
completed region-wide by Adelaide Hills Council Civil Services

Built Form and Economy
Building foundations for the future

2025-26 Capital Works Program

Asset category	Revised Annual Budget	% spent to budget
Bridges	$349k	1%
Buildings	$1,705k	25%
Cemeteries	$40k	18%
CWMS	$913k	1%
Footpaths	$528k	43%
Kerbing & Road Shoulders	$315k	7%
Sport & Recreation	$571k	4%
Stormwater	$2,954k	32%
Road Seal & Pavement	$4,754	35%
Roads Unsealed	$783k	29%
Plant & Fleet	$4,766k	37%
ICT Equipment	$1,175k	31%
Other	$2,608k	2%
Project Management	$1,385k	19%

Major Project 2025-26

Customer Relationship Management (CRM) System Advanced Build

CRM Advanced Build successfully went live to the community during Quarter 2, on Sunday October 26th, 2025.

Key inclusions were the introduction of over 20 online application and permit forms to replace legacy PDFs, a refreshed customer portal featuring an inbox to improve transparency and two-way communication, and enhanced integration with Confirm to provide better visibility of job details and field officer notes directly within Salesforce.

The Advanced Build also delivers improved case categorisation and status options to support clearer customer communication.

Progress
Complete
100%

Digital Transformation Project

Progress continues across several sub-projects within the broader program. The cybersecurity stream remains on track, with Purview approximately 55% complete, SharePoint Online at 75%, and digital literacy initiatives at 25%.

Council has now completed the full set of ERP system requirements, and preparations are underway to approach the market by the end of Quarter 3.

Progress
On track
25%

Organisation

An accessible, accountable and representative organisation

4

Performance Metrics

Indicator	Target	Progress	Status	Comment
Increase in No. of customers interactions from digital channels	30% of interactions	25%	**Non-reporting period** *Bi-annual target*	Progress remains unchanged from Q1 (25% achievement). As this is a bi-annual target, the next update will be provided in Q3.
Train 100% of staff in Digital Literacy by Q3 2025/26	100%	25%	**On target** *Quarterly target*	Initial cybersecurity training commenced during Q2. Digital Literacy Framework is in draft.
Deploy cloud-delivered IT services (SaaS), mobile devices, and wireless networks to 80%of staff by Q3 2025/26	100%	50%	**On target** *Quarterly target*	Following the finalisation of the network tender in Q1, implementation planning progressed significantly during Q2.
Decisions (Council resolutions) considered in open Ordinary and Special Council meetings	90%	100%	**Target exceeded** *Quarterly target*	94% of Council decisions (Council resolutions) were considered in open Ordinary meetings in Q2.
Council member attendance at Ordinary and Special Meetings	90%	100%	**Target exceeded** *Quarterly target*	95% attendance recorded in Q2. Elected Members recorded 1 apology and 2 leave of absences.
Freedom of Information requests received, in progress, and completed within legislated timeframe	100%	100%	**Target met** *Quarterly target*	In Q2, Council received 9 FOI applications, 8 were completed, and 3 remain in progress. No applications were lodged with the Ombudsman or Tribunal.
Number of lost time injuries	0	0%	**Behind target** *Quarterly target*	2 lost time injuries were incurred in Q1 and reported retrospectively, due to timing of the Scheme Claims Report. The equipment involved has since been re-engineered to remove the risk of recurrence.
Deliver Community Engagement Framework	100%	50%	**On target** *Annual target*	Council will receive a report seeking approval of the draft Community Engagement Framework in Q3. Pending approval, community engagement will then occur.
Number of Community Forums at different locations in district	4	50%	**On target** *Annual target*	In addition to the Q1 sessions, one community forum was held in Q2 at the Aldgate Village Well to gather input on creating a more accessible and welcoming region.
Percentage increase of Adelaide Hills Engagement Hub membership	5%	100%	**Target exceeded** *Annual target*	A total of 101 new community member subscriptions were added across Q1 and Q2, bringing active membership to 2,677 - a 9% increase since the start of FY 2025/26.

Organisation

4 An accessible, accountable and representative organisation

Performance Metrics

Indicator	Target	Progress	Status	Comment
Overall customer satisfaction	75%	68%	**Behind target** *Bi-annual target*	The result is based on 788 customer experience surveys received in Q1 and Q2. The advanced Salesforce CRM build deployed in Q2 delivered major service improvements. Survey data insights will inform improvement opportunities.
Operating Deficit Ratio	3.8%		**Target not yet Assessable** *Annual target*	Reporting against this target will occur in Quarter 4 when the result is known.
Net Financial Liabilities Ratio	63%		**Target not yet Assessable** *Annual target*	Reporting against this target will occur in Quarter 4 when the result is known.
Asset Sustainability Ratio	116%		**Target not yet Assessable** *Annual target*	Reporting against this target will occur in Quarter 4 when the result is known.

Service Metrics

119,653 web users
interacted with the Adelaide Hills Council website

3 Section 41 meetings
including Audit Committee, CEO Performance Review Panel, and Boundary Change Committee

9 Freedom of Information
applications received and processed

4648 cases
Created in the Customer Relationship Management System 4158 cases completed

10 council meetings & information/briefing sessions
5 ordinary meetings; 0 special meeting; 5 information or briefing sessions

3 community engagements
Conducted on the Adelaide Hills Engagement Hub platform

08 8408 0400
mail@ahc.sa.gov.au

ahc.sa.gov.au

Adelaide Hills
COUNCIL

ADELAIDE HILLS COUNCIL
AUDIT AND RISK COMMITTEE MEETING
Monday 16 February 2026
AGENDA BUSINESS ITEM

Item:	**8.6**
Responsible Officer:	**Gary Lewis** **Director Corporate Services**
Subject:	**Budget Review 2 – 2025-26**
For:	**Decision**

SUMMARY

The *Local Government (Financial Management) Regulations 2011* (the "Regulations") requires Council to formally consider its budget three times per year. This statutory requirement recognises the likelihood that events will occur that require or offer opportunities for changes to the budget during the year.

This report presents the second Budget Review (BR2) of the 2025-26 financial year to the Audit and Risk Committee for review. BR2 will be subsequently submitted to Council for consideration and adoption.

The proposed operating budget changes result in an immaterial increase in the projected deficit by $0.006m. This results in the projected deficit being $3.136m. To achieve this ongoing consistency and to support Councils ongoing financial sustainability a number of projects originally budgeted are recommended to be removed, details are set out below. Once previously identified risks, which are still present, are considered, the preliminary forecast full year result is a deficit of $3.311m.

A review of the capital program has identified that a number of projects will not be delivered in the current year. These will be deferred into a future year.

Additionally, a number of projects have been rescoped, resulting in a change in their funding requirements. However, this results in efficiency gains in delivery and delivers a more complete outcome for the community. It is likely to result in operating cost savings in future years.

In all, these changes result in a decrease in the capital program, from $22.846m to $19.937m, a decrease of $2.909m. Attention should be drawn to the fact that risks remain in the capital delivery program, as well as end of year adjustments (particularly in relation to work in progress) and it is expected that the full year outcome will be approximately $19m.

RECOMMENDATION

The Audit and Risk Committee resolves:

1. **That the report on Budget Review 2 2025-26 be received and noted (item 8.6, 16 February 2026, Audit and Risk Committee meeting).**

2. **To recommend to Council to adopt the proposed budget adjustments presented in Budget Review 2 (item 8.6, 16 February 2026, Audit and Risk Committee meeting) which result in:**

    a. **An increase in the Operating Deficit from $3.130m to $3.136m for the 2025-26 financial year.**

    b. **A reduction to the capital expenditure budget for 2025-26 of $3.027m bringing the total budget to $19.819m**

    c. **proposed financial sustainability indicators relative to Council's agreed targets of the following:**

        i.   **Operating Ratio**   **-4.8%**   **(Target 0% to 10%)**
        ii. **Net Financial Liabilities Ratio**   **52%**   **(Target 0% to 100%)**
        iii. **Asset Renewal Funding Ratio**   **144%**   **(Target 90% to 110%)**

1. **BACKGROUND**

    The Regulations require Council to formally consider its budget three times per year. This statutory requirement recognises the likelihood that events will occur that require, or offer opportunities for, changes to the budget during the year. This report presents BR2 of the 2025-26 financial year.

    The latest adoption of Council's revised Budget occurred at the Council meeting held on 25 November 2025, where Council adopted the 2025-26 Budget Review 1 with a Budgeted Operating Deficit of $3.130m.

2. **ANALYSIS**

    ➢   **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

    Strategic Plan 2024 – Your Place Your Space
    Goal 4   Organisation
    Objective 02   Operate with integrity using best practice governance processes.
    Priority 02.2   Support decision making through the use of timely data-driven analysis and reporting.
    Objective 05   Evolve Council's functions and services to meet the current and future needs and aspirations of our community.
    Priority 05.2   Demonstrate financial sustainability through long term financial planning and annual budget setting which aligns with adopted targets.

    A key aspect of Council's formal budget reviews is to review and monitor Council's Annual Budget with reference to its overall financial position and its Long-Term Financial Plan (LTFP) to ensure Council continues to be financially sustainable.

    ➢   **Legal Implications**

    The undertaking of formal budget reviews is a requirement of the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

Under the Audit and Risk Committees terms of reference a function of the committee is to "monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain".

➤ **Risk Management Implications**

Conducting the budget review process as required by Regulations will assist in mitigating the risk of:

Failure to conduct the budget review process as required by Regulations results in inaccurate budgets and unforecasted deficits leading to inadequate resourcing for current and future activities.

Inherent Risk	Residual Risk	Target Risk
Medium (4D)	Low (2E)	Low (2E)

It ensures that financial resources are deployed in areas that align with Council's Strategic Management Plans, are affordable and support Council's Long Term Financial Plan.

➤ **Financial and Resource Implications**

The approval of the proposed changes to the budget will allow Council and those with delegated authority, to exercise their authority and deliver on Council's service delivery agenda.

➤ **Customer Service and Community/Cultural Implications**

The approval of the proposed changes to the budget will allow Council and those with delegated authority, to exercise their authority and deliver on Council's service delivery agenda.

➤ **Sustainability Implications**

Not applicable.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

Council Committees:	Not applicable
Council Workshops:	Not applicable
Advisory Groups:	Not applicable
External Agencies:	Not applicable
Community:	Not applicable

➤ **Additional Analysis**

Adopted budget to BR1

The table below illustrates the movement from the adopted budget, from BR0 to BR1, with key changes highlighted.

Budget	Amount ($'m)	Comments
Adopted budget	($2.341)	
BR0 Movement	($0.764)	Carry forward of Strategic initiatives: 1. Amy Gillet – Council contribution 2. CRM Project
BR0 Deficit	($3.105)	
BR1 Movement	($0.024)	Vacancy savings offsetting stormwater maintenance, aerial mapping survey costs
BR1 Deficit *	($3.130)	

* Table does not sum due to rounding

The remainder of this report considers the movement from BR1 to BR2.

Operating budget analysis – Refer Appendix 2 and 3 for details.

The graph below illustrates the movement from the BR1 adopted budget, to the BR2 proposed budget and to the forecast full year outcome. The detail of each of the movements can be found in *Appendix 2*. The detail of the risks and opportunities can be found in *Appendix 3*.

Budget deficit walk-up (including risks and opportunities)
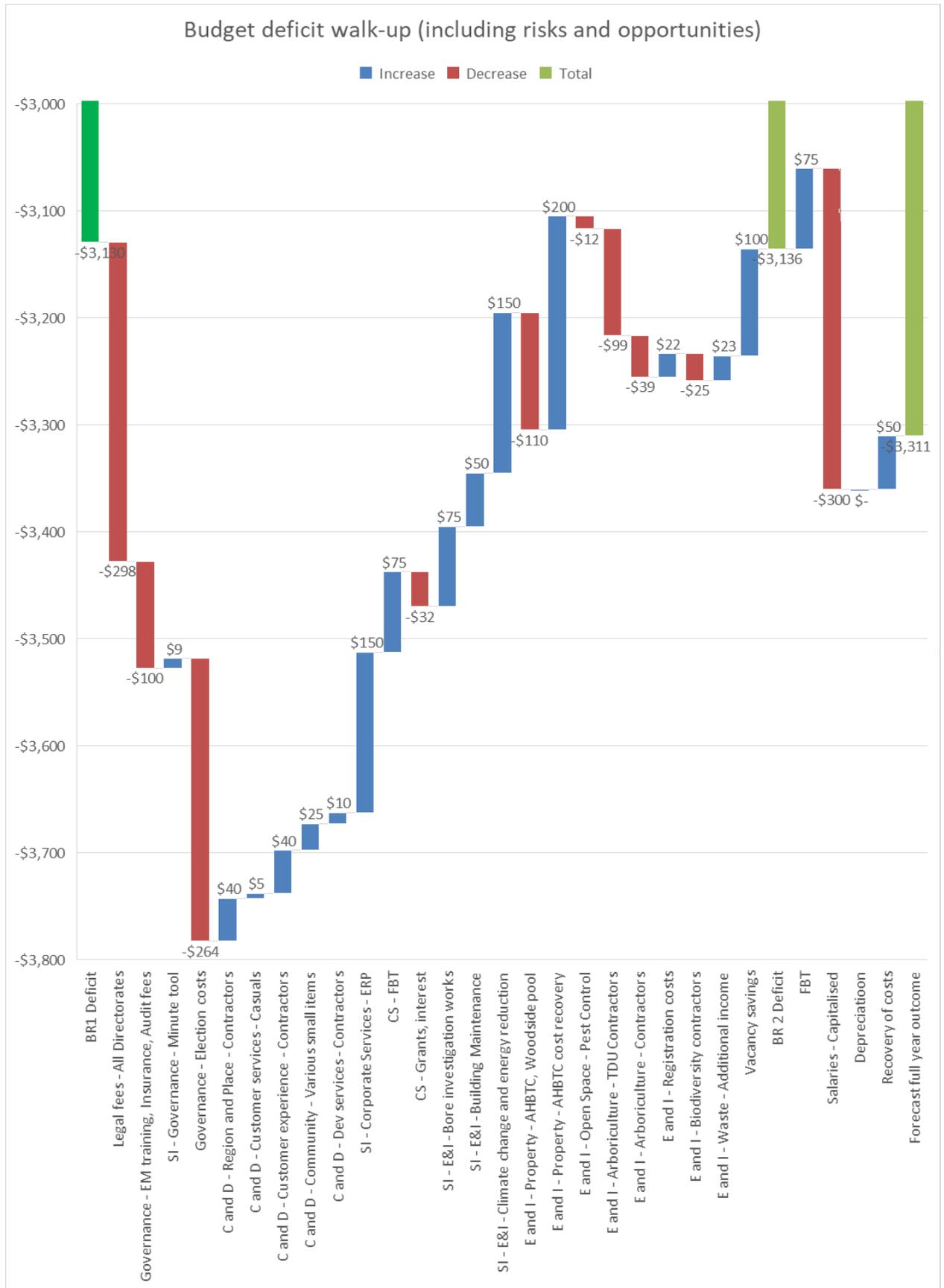
Further commentary – Proposed budget adjustments:

Legal fees - $298k - Unfavourable

Legal fees and the analysis thereof is the subject of a separate report to the Committee. A summary from that report is presented below:

Department	Costs to December 2025	Full year budget	BR2 adjustment	Revised full year budget and forecast
Governance	$ 94,540	$ 100,000	$ 50,000	$ 150,000
P and C	$ 37,676	$ 10,000	$ 60,000	$ 70,000
Rates - Recoverable	$ 52,608	$ 89,000	$ -	$ 89,000
Rates - Non recoverable	$ 5,319	$ 6,800	$ 3,200	$ 10,000
Information Management	$ -	$ 1,500	$ -	$ 1,500
C and D - Corporate	$ 14,228	$ 1,100	$ 15,000	$ 16,100
Development Services - Court Fees	$ 36,761	$ 78,100	$ -	$ 78,100
Development Services - Legal Fees	$ 23,799	$ 30,600	$ 20,000	$ 50,600
Environmental Health	$ 9,977	$ -	$ 50,000	$ 50,000
Dogs and Cats	$ 19,627	$ 5,000	$ 15,000	$ 20,000
Parking	$ 4,363	$ 1,100	$ 16,000	$ 17,100
Buildings	$ 9,147	$ 20,000	$ 50,000	$ 70,000
Land	$ 3,722	$ 2,700	$ -	$ 2,700
Civil Services	$ 3,022	$ -	$ 3,100	$ 3,100
AHBTC	$ 9,893	$ -	$ 10,000	$ 10,000
Waste	$ 5,500	$ -	$ 5,500	$ 5,500
Total:	$ 330,181	$ 345,900	$ 297,800	$ 643,700

Governance – Election costs - $264k - Unfavourable

This budget adjustment caters for the actual cost of the supplementary ward elections held in September 2025 (approx. $130k) and the estimated cost of the Mayoral supplementary election held in February 2026.

Strategic initiative – Corporate Services – ERP - $150k - Favourable

This favourable outcome is a result of deferring some early stages of the project. Thus, a portion of these costs may not be incurred in FY 2025-26 and will be deferred into a future year. The amount and timing impacts will become clearer over time, with a further update to be provided at BR3.

Strategic initiative – E and I – Climate change and energy reduction - $150k - Favourable

Recommend the scope of this project be refined and integrated into a regional approach with Resilient Hills and Coast partnership and/or redirected into a budget proposal for 26/27 to support a suite of three environmental initiatives namely:
• Business case development to activate Heathfield Waste Transfer Station to support electrical waste recycling, refurbishment, resale
• Water Management Plan to develop policy framework, fees and charges, and projects to improve bore/groundwater use and community wastewater management systems
• Water Sensitive Urban Design and Biodiversity Plan for the Amy Gillett Pathway Corridor

E and I – Property – AHBTC, Woodside pool - $110k Unfavourable

These costs relate to:

1. A change in accounting treatment (Opex to Capex) for the wall remediation – Decrease by $30k;
2. A decrease in the contribution required for the Woodside pool – Decrease by $10k; and
3. These are offset by the addition of a new project. This project will result in the remediation of the common area and driveway at AHBTC – Increase $150k.

E and I – Arboriculture – TDU contractors - Unfavourable

These costs relate to preventative and safety related tree pruning which is undertaken in advance of the Tour Down Under. This pruning occurs on roads owned by the Department of Infrastructure and Transport (DIT), the verges of which are owned by the Council.

A portion of these costs have historically been recovered from DIT. However, DIT have indicated that this may not occur this year. The Chief Executive will advance discussions in relation to the recovery of a portion of these costs with DIT.

Further commentary – Risks and opportunities:

Depreciation

Using the learnings from the 2024-25 end of financial year process, the Administration has undertaken a review of the year-end process, specifically the activities undertaken and the timing thereof. Opportunities to bring certain activities forward were identified. This will allow for additional time to analyse and review the outcomes of these activities.

One of the activities which has been undertaken earlier is the calculation of the estimated depreciation charge for 2025-26. An initial calculation has been undertaken and is currently the subject of a detailed and comprehensive review. The initial outcomes of this review have indicated that additional analysis and investigative works will be required to confirm the accuracy of the proposed charge.

In the interests of accuracy, it is proposed to make no adjustments to the depreciation budget at this time whilst the additional analysis is being undertaken.

It should however be noted that adjustments may be required, likely as part of Budget Review 3.

Capital budget analysis – Refer Appendix 4 and 5 for details.

The graph below illustrates the movement from the BR1 adopted budget, to the BR2 proposed budget and to the forecast full year outcome. The detail of each of the movements can be found in *Appendix 4*. Broadly speaking, and setting aside the adjustments for the confidential items, the remaining adjustments off-set each other.

In addition to this, some risks have been identified. The detail of the risks can be found in *Appendix 5*.

Capital walk-up (Including risks and opportunities)
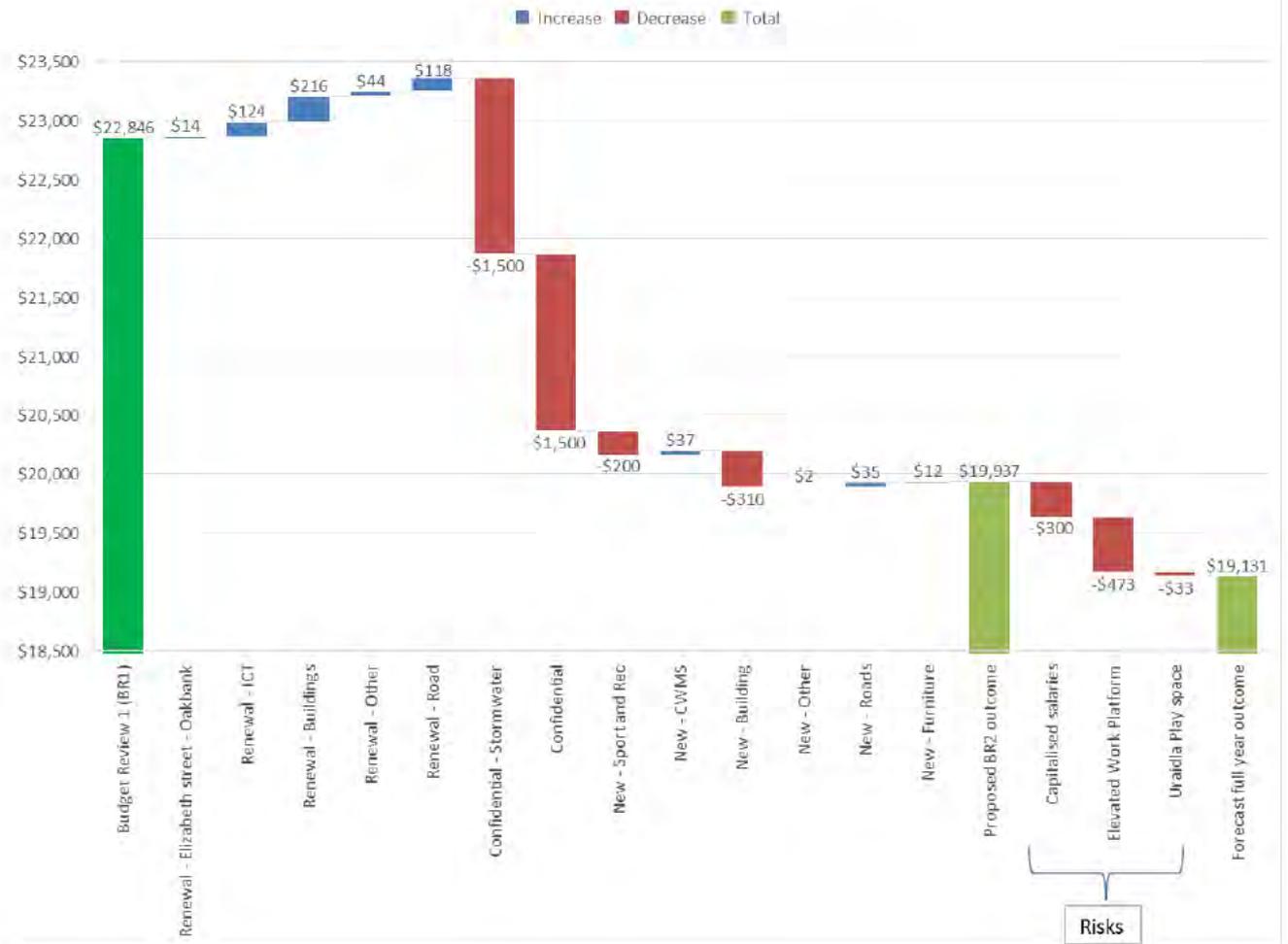
Impact on Sustainability Ratios

Financial Indicator	Council Adopted Target	Current Budget for 2025-26 (BR1 Nov 2025)	Proposed BR2 Budget 2025-26
Operating Surplus Ratio	0% to 10%	(4.8%)	(4.8%)
Net Financial Liabilities Ratio	0% to 100%	51%	52%
Asset Renewal Funding Ratio	90% to 110%	153%	144%

Further commentary – Asset Renewal Funding ratio

The adopted budget asset renewal Funding ratio was 119%. A combination of renewal carry-forward (BR0) and a gross up of fleet renewal costs (BR1) has resulted in an increase in the ratio. The ratio has decreased from BR1 to BR2 as a result of the deferral of significant renewal capital following a detailed program review.

Financial sustainability considerations

The budget and full year result is not necessarily a good measure of Council's financial sustainability as it considers a very short timeline in the life of a Council. The budget and actual result for the year is impacted by short-term, one-off events which may materialise in a particular year and in turn be isolated to that year.

Further, these impacts may be non-cash in nature and thus not impact the liquidity or financial viability of Council. The measurement of Council's liquidity is a relevant measure of Council's financial sustainability.

Additionally, the actual results for the financial year may differ significantly from the budget due to a number of reasons including proactive changes to delivery approaches which may occur in the latter quarter of the year.

Of more relevance in considering financial sustainability is the Long-Term Financial Plan (LTFP) as this is the roadmap to financial sustainability for the Council. This is presented to the Committee as a separate document.

Therefore, whilst an increase to a deficit is a possible indicator of financial sustainability concerns, there are other more relevant measures which provide greater assurance.

Savings – Strategic initiatives

Appendix 6 has a number of Strategic Initiatives which the Administration has identified as necessary to postpone into future years. This results in a potentially more financially sustainable Council, as well as allowing additional time for the project scope and delivery approach to be refined.

3.   **OPTIONS**

The Committee has the following options:

I.   To receive and note this report and recommend to Council the proposed budget adjustments presented in Budget Review 2 as prepared.
II.   To make additional comments or suggestions to Administration to consider prior to finalising Budget Review 2.

4. APPENDICES

(1) 2025-26 Budgeted Uniform Presentation of Finances and Financial indicators
(2) 2025-26 Operating Budget Review 2 Proposed Changes
(3) 2025-26 Operating Budget Review 2 Risks and Opportunities
(4) 2025-26 Capital Budget Review 2 Proposed Changes
(5) 2025-26 Capital Budget Review 2 Risks and Opportunities
(6) 2025-26 Budget Review 2 Adjustments – Strategic Initiatives

Appendix 1

*2025-26 Budgeted Uniform Presentation of Finances
and Financial indicators*

Adelaide Hills Council

BUDGETED UNIFORM PRESENTATION OF FINANCES

2025-26 Annual Budget

2024-25 Actuals		2025-26 Adopted Budget	BR0	2025-26 Revised Budget (BR0)	BR1	2025-26 Revised Budget (BR1)	BR2	2025-26 Revised Budget BR2
$'000		$'000		$'000		$'000		$'000
	INCOME							
51,484	Rates	54,953	0	54,953	134	55,087	0	55,087
1,612	Statutory charges	1,671	0	1,671	0	1,671	0	1,671
1,048	User charges	1,026	0	1,026	19	1,045	60	1,105
901	Grants, subsidies and contributions - Capital	0	0	0	0	0	0	0
7,790	Grants, subsidies and contributions -Operating	5,770	0	5,770	58	5,828	(27)	5,801
34	Investment income	25	0	25	0	25	0	25
324	Reimbursements	263	0	263	50	313	200	513
524	Other income	645	0	645	0	645	6	651
55	Net gain – equity accounted Council businesses	105	0	105	0	105	0	105
63,772	**Total Income**	64,458	0	64,458	261	64,719	238	64,957
	EXPENSES	26,864						
22,651	Employee costs	26,082	0	26,082	(640)	25,442	(38)	25,404
25,345	Materials, contracts & other expenses	25,657	674	26,331	1,071	27,402	282	27,684
14,237	Depreciation, amortisation & impairment	13,777	0	13,777	0	13,777	0	13,777
921	Finance costs	1,374	0	1,374	(146)	1,228	0	1,228
26	Net loss – equity accounted Council businesses	0	0	0	0	0	0	0
63,180	**Total Expenses**	66,890	674	67,564	285	67,849	244	68,093
591	**NET BUDGETED SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS**	(2,432)	(674)	(3,106)	(24)	(3,130)	(6)	(3,137)
	Net Outlays on Existing Assets							
(11,830)	Capital Expenditure on Renewal and Replacement of Existing Assets	(14,292)	(2,244)	(16,536)	(1,782)	(18,318)	984	(17,334)
877	Proceeds from Sale of Replaced Assets	0	0	0	1,075	1,075	0	1,075
13,441	Depreciation	13,777	0	13,777	0	13,777	0	13,777
2,488	**NET OUTLAYS ON EXISTING ASSETS**	(515)	0	(2,759)	(707)	(3,466)	984	(2,482)
	Net Outlays on New and Upgraded Assets							
(4,165)	Capital Expenditure on New and Upgraded Assets & Remediation costs	(3,448)	(1,013)	(4,461)	(67)	(4,528)	1,925	(2,603)
901	Capital Grants and Monetary Contributions for New and Upgraded Assets	0	0	0	0	0	0	0
40	Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0
(3,224)	**NET OUTLAYS ON NEW AND UPGRADED ASSETS**	(3,448)	0	(4,461)	(67)	(4,528)	1,925	(2,603)
(145)	**NET LENDING/ (BORROWING) RESULT FOR FINANCIAL YEAR**	(6,395)	0	(10,326)	(798)	(11,124)	2,902	(8,222)
(27,514)	Net Financial Liabilities at Beginning of Year	(32,504)	0	(32,504)	6,903	(25,601)	0	(25,601)
2,058	Decrease / (increase) in Other	0	0	0	0	0	0	0
0	Non Cash Equity Movement	(105)	0	(105)	0	(105)	0	(105)
(25,601)	Net Financial Liabilities at End of Year	(39,004)	0	(42,935)	6,105	(36,830)	9,007	(33,928)

It should be noted that the figures in this appendix have been rounded and consequently
individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.

Adelaide Hills Council

STATEMENT OF COMPREHENSIVE INCOME
2025-26 Budget

2024-25 Actuals		2025-26 Annual Business Plan	BR0	BR1	BR2	2025-26 BR2 Budget
$'000		$'000				$'000
	INCOME					
51,484	Rates	54,953	-	134	-	**55,087**
1,612	Statutory charges	1,671	-	-	-	**1,671**
1,048	User charges	1,026	-	19	60	**1,105**
901	Grants, subsidies and contributions - Capital	-		-	-	**-**
7,790	Grants, subsidies and contributions -Operating	5,770	-	58	(27)	**5,801**
34	Investment income	25	-	-	-	**25**
324	Reimbursements	263	-	50	200	**513**
524	Other income	645	-	-	6	**651**
55	Net gain - equity accounted Council businesses	105	-	-	-	**105**
63,772	**Total Income**	64,458	-	261	238	**64,957**
	EXPENSES					
22,651	Employee costs	26,082	-	(640)	(38)	**25,404**
25,345	Materials, contracts & other expenses	25,657	674	1,071	282	**27,684**
14,237	Depreciation, amortisation & impairment	13,777	-	-	-	**13,777**
921	Finance costs	1,374	-	(146)	-	**1,228**
26	Net loss - equity accounted Council businesses	-	-	-	-	**-**
63,180	**Total Expenses**	66,890	674	285	244	**68,093**
592	**OPERATING SURPLUS / (DEFICIT)**	**(2,432)**	**(674)**	**(24)**	**(6)**	**(3,136)**
(2,651)	Asset disposal & fair value adjustments	-	-	1,075	-	**1,075**
2,236	Amounts received specifically for new or upgraded assets	-	-	-	-	**-**
1,486	Physical Resources Received Free of Charge	-	-		-	
1,663	**NET SURPLUS / (DEFICIT)**	**(2,432)**	**(674)**	**1,051**	**(6)**	**(2,061)**
37,460	Changes in revaluation surplus - infrastructure, property, plant & equipment	23,600	-	-	-	**23,600**
-	*Amounts which will be reclassified subsequently to operating result*		-		**-**	
(146)	Other Comprehensive Income	-	-	-	-	**-**
12	Share of Other Comprehensive Income JV	-	-	-	-	**-**
37,326	**Total Other Comprehensive Income**	23,600	-	-	-	**23,600**
38,989	**TOTAL COMPREHENSIVE INCOME**	21,168	(674)	1,051	(6)	**21,539**

Adelaide Hills Council
STATEMENT OF FINANCIAL POSITION
2025-26 Budget

2024-25 Actuals		2025-26 BR2 Budget
$'000	**ASSETS**	$'000
	Current Assets	
249	Cash and cash equivalents	144
5,126	Trade & other receivables	5,126
18	Inventories	18
5,393		5,288
-	Non-current Assets held for Sale	-
5,393	**Total Current Assets**	5,288
	Non-current Assets	
247	Financial assets	247
4,241	Equity accounted investments in Council businesses	4,346
606,763	Infrastructure, property, plant & equipment	636,523
611,251	**Total Non-current Assets**	641,116
616,644	**Total Assets**	646,404
	LIABILITIES	
	Current Liabilities	
6,787	Trade & other payables	6,787
1,230	Borrowings - Other	9,451
4,529	Provisions	4,529
12,546	**Total Current Liabilities**	20,767
	Non-current Liabilities	
18,070	Borrowings	18,070
607	Provisions	607
18,677	**Total Non-current Liabilities**	18,677
31,223	**Total Liabilities**	39,444
585,421	**NET ASSETS**	606,960
	EQUITY	
148,418	Accumulated Surplus	146,357
436,906	Asset Revaluation Reserves	460,506
97	Other Reserves	97
585,421	**TOTAL EQUITY**	606,960
25,601	**NET FINANCIAL LIABILITIES**	33,927

Adelaide Hills Council

STATEMENT OF CHANGES IN EQUITY
2025-26 Budget

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
2025-26	$'000	$'000	$'000	$'000
Balance at end of previous reporting period	148,418	436,906	97	585,421
Adjustment due to compliance with revised Accounting Standards				-
Adjustment to give effect to items reported from a prior period				-
Restated opening balance	148,418	436,906	97	585,421
Net Surplus / (Deficit) for Year	(2,061)	-	-	(2,061)
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment	-	23,600	-	23,600
Transfers between reserves	-	-	-	-
Balance at end of period	146,357	460,506	97	606,960
2024-25				
Balance at end of previous reporting period	146,881	399,446	105	546,432
Adjustment due to compliance with revised Accounting Standards				-
Adjustment (Correction of prior period error)				-
Restated opening balance	146,881	399,446	105	546,432
Net Surplus / (Deficit) for Year	1,663	-	-	1,663
Other Comprehensive Income				-
Changes in revaluation surplus - infrastructure, property, plant & equipment	-	37,460	-	37,460
IPPE Impairment	-	-	-	-
Share of Other Comprehensive Income Equity Businesses	12	-		12
Capital WIP Write-off prior years	(413)			(413)
Other Equity Adjustments - equity accounted Council businesses	267			267
Transfers between reserves	8		(8)	-
Balance at end of period	148,418	436,906	97	585,421

FINANCIAL INDICATORS

	Council Adopted Target	2025-26 Revised Budget (BR2)
Operating Surplus Ratio		
<u>Operating Surplus</u>	0% to 10%	(4.8%)
Total Operating Revenue		
Net Financial Liabilities Ratio		
<u>Net Financial Liabilities</u>	0% to 100%	52%
Total Operating Revenue		
Asset Renewal Funding Ratio		
<u>Asset Renewals</u>	90% to 110%	144%
Infrastructure & Asset Management Plan required expenditure		

Adelaide Hills Council

CASH FLOW STATEMENT
2025-26 Budget

2024-25 Actuals $'000		2025-26 BR2 Budget $'000
	CASH FLOWS FROM OPERATING ACTIVITIES	
	Receipts	
51,442	Rates - general & other	55,087
1,513	Fees & other charges	1,671
1,033	User charges	1,105
6,450	Grants	5,801
26	Investments	25
262	Reimbursements	513
632	Other revenues	651
	Payments	
(25,028)	Employee costs	(25,404)
(25,150)	Materials, contracts & other expenses	(27,684)
(857)	Finance payments	(1,228)
10,323	**NET CASH USED IN OPERATING ACTIVITIES**	10,536
	CASH FLOWS FROM FINANCING ACTIVITIES	
	Receipts	
6,346	Proceeds from Borrowings	8,221
-	Proceeds from Aged Care Facility Deposits	-
-	Proceeds from Bonds & Deposits	-
-	Proceeds from Right of Use Leasing	-
	Payments	
-	Repayment from Borrowings	-
-	Repayment of Lease Liabilities	-
-	Repayments of Aged Care facility deposits	-
6,346	**NET CASH USED IN FINANCING ACTIVITIES**	8,221
	CASH FLOWS FROM INVESTING ACTIVITIES	
	Receipts	
3,192	Grants for new or upgraded assets	-
645	Sale of replaced assets	1,075
40	Sale of surplus assets	-
-	Repayment of loans from Community Groups	-
-	Distributions received from Equity Accounted Businesses	-
	Payments	
(6,869)	Expenditure on new/ upgraded assets	(2,603)
(13,779)	Expenditure on renewal/ replacement of assets	(17,334)
-	Loans Made to Community Group loans	-
-	Capital Contributed to Equity Accounted Businesses	-
(16,771)	**NET CASH USED IN INVESTING ACTIVITIES**	(18,862)
(102)	**NET INCREASE / (DECREASE) IN CASH HELD**	(105)
(20,362)	**CASH AT BEGINNING OF YEAR**	249
(20,464)	**CASH AT END OF YEAR**	144
249	Cash & Investments	144
-	Short Term Drawdown	-
249		144

Appendix 2

2025-26 Operating Budget Review 2
Proposed Changes

Budget Review 2 2025/26

Account Description	Current Budget: Exp / (Inc)	Change: FAV / (UNFAV)	Revised Budget: Exp / (Inc)	Status One-off or Ongoing	Subtotals: FAV / (UNFAV)	Comments
CEO						
GOVERNANCE: Elected Members: Training	10,000	-30,000	40,000	One-off		A review of the costs of the "Working together initiative" has indicated that these are likely to be in excess of the current budget. It is estimated that the costs in FY2025-26 could be up to $40k
FINANCIAL MANGT: Insurance: Insurance Building & Contents	632,500	-50,000	682,500	On-going		During the year, a small number of uninsured assets have been identified, and added to the insurance register. Additionally, there has been some turn-over with Council's vehicle assets. This, combined with a general increase in the replacement costs of buildings and contents, has resulted in an increase in the insurance costs for the year.
GOVERNANCE: Operations: Audit Services	82,100	-20,000	102,100	One-off		Additional costs relating to external audit overruns arising from complexities with asset valuations and depreciation
Subtotal:					-100,000	
Agenda and Minute Tool	9,000	9,000	0	One-off	9,000	This project has been deferred into a future year - Please refer Appendix 6 for details
GOVERNANCE: Operations: Legal Fees	100,000	-50,000	150,000	One-off	-50,000	Costs to the end of November are $74k. Increase to accommodate work required to the end of the year. Legal fees are the subject of a separate paper to the Audit and Risk Committee
GOVERNANCE: Elected Members: Elections	12,200	-264,000	276,200	One-off	-264,000	Forecast costs associated with Mayoral and supplementary elections
COMMUNITY & DEVELOPMENT						
CORPORATE MANGT DRS: Policy Planning: Contractors	50,000	40,000	10,000	One-off	40,000	A portion of the vacancy savings identified at BR1 were set aside for contractor costs to cover the vacancies. These were not utilised (and won't be) as staff will be undertaking the work
CUSTOMER SERV MANGT: Operations: Salaries Office	774,000	5,000	769,000	One-off	5,000	Expected savings in Library casual cost to the end of the year
CUSTOMER EXPERIENCE: Operations: Contractors	18,500	10,000	8,500	One-off		Certain portions of the CRM upgrade work packages are unlikely to be delivered with the current resourcing in the current year. The need to deliver these packages in next year will be undertaken as part of the 2026-27 budget process
CUSTOMER EXPERIENCE: Customer Experience Capability: Contractors	10,000	10,000	0	One-off		
CUSTOMER EXPERIENCE: CRM: Contractors	174,000	20,000	154,000	One-off		
Subtotal:					40,000	
COMMY - YOUTH DEV: Youth Leadership Workshop: Contractors	11,500	11,500	0	One-off		Minor adjustments to Community operating budgets
COMMY - MANGT: Disability Planning: Materials	21,000	8,500	12,500	One-off		Minor adjustments to Community operating budgets
Community Resilience Operating Costs	30,000	5,000	25,000	One-off		Minor adjustments to Community operating budgets
Subtotal:					25,000	
LAWS AND ENFORCEMENT: GI - Dog & Cat: Legal Fees	5,000	-15,000	20,000	One-off		Additional cost for By-law review and implementation
LAWS AND ENFORCEMENT: GI - Parking: Legal Fees	1,100	-7,000	8,100	On-going		Additional cost due to increased parking enforcement
LAWS AND ENFORCEMENT: GI - Parking: Impounding Expense	4,000	-9,000	13,000	On-going		Additional cost due to increased parking enforcement - Registration searches
ENVIRONMENTAL HEALTH: Litigation: Legal Fees	0	-50,000	50,000	One-off		On-going legal matter. Costs forecast to end of the year
Subtotal:					-81,000	
CORPORATE MANGT C&D: Operations: Legal Fees	1,100	-15,000	16,100	On-going	-15,000	Aligning budget to actual costs year to dated. Provision for additional expenditure of $1k.
DEVELOPMENT SERVICES: Litigation: Legal Fees	30,600	-20,000	50,600	One-off	-20,000	Increased litigation fees arising from increased and more complex development applications
DEVELOPMENT SERVICES: Arboriculture: Contractors	23,700	10,000	13,700	One-off	10,000	Reduction in forecast expenses with inhouse technical arborist providing planning support

Account Description	Current Budget: Exp / (Inc)	Change: FAV / (UNFAV)	Revised Budget: Exp / (Inc)	Status One-off or Ongoing	Subtotals: FAV / (UNFAV)	Comments
CORPORATE SERVICES						
ERP Transition to SaaS ERP solution	400,000	150,000	250,000	One-off	150,000	A full Council meeting and workshop presentation early in the new calendar year has resulted in a potential deferral of pre-procurement processes by up to 2 months. Thus, a portion of these costs may not be incurred in FY 2025-26, and will be deferred into a future year. The amount and timing impacts will become clearer over time, with an update to be provided at BR3.
FINANCIAL MANGT: FBT: Vehicles - Light	220,000	75,000	145,000	One-off	75,000	Initial indications are that the FBT charge for the year will decrease significantly with the transition to electric vehicles, and different contracting arrangement with Managers and Directors. This will be confirmed later in the year once the FBT return is prepared. It should also be noted that the exemption relating to electric vehicles is subject to review by the Federal Government
RATES - PROCESSING: Operations: Legal Fees	6,800	-3,200	10,000	On-going	-3,200	Non-recoverable legal fees increase arising from increase in number of disputes
FINANCIAL MANGT: Financial Reporting: LGFA - Bonus	-15,000	5,515	-20,515	One-off		Bonus interest income is received once a year, for the full year. This is therefore the total which will be received for FY 2025-26
ROADS : SEALED: Revenue: Grant - Supplementary Local Roads	-381,700	-38,000	-343,700	On-going		The budget for the Supplementary Local Roads Grant was higher than the actual grant received, by $38k. The budget is an estimate of the amount expected to be received.
Subtotal:					-32,485	
PEOPLE & CULTURE: Litigation: Legal Fees	10,000	-60,000	70,000	On-going	-60,000	During the year, there have been a number confidential HR matters which have occurred and for which legal guidance and assistance has been received. The adjustment takes into account costs to date and makes provision for costs to the end of the year, at a lower frequency.

Account Description	Current Budget: Exp / (Inc)	Change: FAV / (UNFAV)	Revised Budget: Exp / (Inc)	Status One-off or Ongoing	Subtotals: FAV / (UNFAV)	Comments
ENVIRONMENT & INFRASTRUCTURE						
Bore Infrastructure Investigations of Future Works	100,000	75,000	25,000	One-off	75,000	This project has been deferred into a future year - Please refer Appendix 6 for details
Building Maintenance and Operational Investment	50,000	50,000	0	One-off	50,000	This project has been deferred into a future year - Please refer Appendix 6 for details
SUSTAINABILITY: Community Energy Reduction Program: Contractors	120,000	120,000	0	One-off		This project has been deferred into a future year - Please refer Appendix 6 for details
SUSTAINABILITY: Climate Change Adaptation: Contractors	30,000	30,000	0	One-off		This project has been deferred into a future year - Please refer Appendix 6 for details
Subtotal:					150,000	
BUILDINGS: General Property: Legal Fees	20,000	-50,000	70,000	One-off		There are a number of complex lease and property matters, the resolution of which is going to require legal advice.
COMMERCIAL ACT - AHBTC: Lease: Legal Fees	0	-10,000	10,000	One-off		Aligning budget to actual costs year to dated. No provision for additional expenditure required at this stage.
CIVIL SERVICES: Litigation: Contractors	0	-3,100	3,100	One-off		Aligning budget to actual costs year to dated. No provision for additional expenditure required at this stage.
Subtotal:					-63,100	
COMMERCIAL ACT - AHBTC: Operations: Reimbursements	-40,600	200,000	-240,600	One-off	200,000	Forecast recovery of costs from tenant relating to works being undertaken by Council
BUILDINGS: AHBTC Wall Remediation: Contractors	100,000	30,000	70,000	One-off		A review of the works to be undertaken has resulted in a change in approach with the resulting works being capital in nature. The $70k is required for temporary wall propping works until the works are complete
AHBTC Driveway Remediation: Contractors	0	-150,000	150,000	One-off		Remediation costs associated with the driveway at AHBTC
SPORT & RECREATION PLANNING: Woodside Pool: Contribution Expense	95,300	10,000	85,300	On-going		The budget for the Woodside Pool contribution expense was higher than was actually required to be paid. Therefore, this has been adjusted downwards
Subtotal:					-110,000	

Account Description	Current Budget: Exp / (Inc)	Change: FAV / (UNFAV)	Revised Budget: Exp / (Inc)	Status One-off or Ongoing	Subtotals: FAV / (UNFAV)	Comments
PARKS AND RESERVES: Maintenance: Contractors	49,600	-12,000	61,600	On-going	-12,000	Pest control of steadily increasing numbers of rabbits and other pests.
ROAD RESERVES: TDU Tree Safety Work: Contractors	31,800	-99,400	131,200	One-off	-99,400	Unbudgeted essential tree risk mitigation works required to host Tour Down Under 2026 event. This financial year, the Department of Infrastructure and Transport (DIT) have not committed to any financial contribution for the deliver of vegetation management works originating within Council verges that project over DIT carriageways.
ROAD RESERVES: Arboriculture Reports: Contractors	36,700	-39,000	75,700	One-off		Arboriculture Consultancy Services required to backfill vacant Arboriculture Technical Officers
Subtotal:					-39,000	
PLANT, EQUIPMENT AND STORES: Registration: Vehicles - Heavy	50,000	3,000	47,000	One-off		Decrease in the budget to match the actual registration costs which have been fully incurred for the year
PLANT, EQUIPMENT AND STORES: Registration: Vehicles - Light	48,100	17,000	31,100	One-off		Decrease in the budget to match the actual registration costs which have been fully incurred for the year
PLANT, EQUIPMENT AND STORES: Registration: Vehicles - Other	6,500	2,000	4,500	One-off		Decrease in the budget to match the actual registration costs which have been fully incurred for the year
Subtotal:					22,000	
BIODIVERSITY: Operations: Contractors	164,880	-25,000	189,880	On-going	-25,000	To engage a consultant to facilitate consultation for the revision of the Biodiversity Strategy (currently expired) and funding required to facilitate habitat management and ensure long term survival of the Cryptic Sun-moth which is a nominated endangered listed species under the EPBC Act.
BIODIVERSITY: NV Heritage Agreement: Grant	0	10,890	-10,890	One-off		Unbudgeted final payment of the Native Vegetation Heritage Program
BIODIVERSITY: NV Heritage Agreement: Grant Expenses	0	-10,890	10,890	One-off		Offsetting expenses for the above grant
WASTE ASHTON: Landfill: Legal Fees	0	-5,500	5,500	One-off	-5,500	Matching budget to actual costs incurred
WASTE MANGT: Multiple And Sundry Bins: Other Income	-165,000	23,000	-188,000	One-off	23,000	Unbudgetted increase in Multiple and Sundry Bins income.
VACANCY MANAGEMENT	25,656,400	100,000	25,556,400	One-off	100,000	During quarter 2, vacancy savings of $400k have been identified. These cover the vacancy provision in the budget and as such no adjustment ot eh budget will occur as a result of them. It is forecast that there might be further vacancy savings of up to $100k across Council, for the latter half of the year
	Total	-5,685			-5,685	

Appendix 3

2025-26 Operating Budget Review 2
Risks and Opportunities

Budget Review 2 2025/26
Risks and Opportunities

Account Description	Current Budget: Exp / (Inc)	Change: OPP / (RISK)	Revised forecast	Ref	Comments
CORPORATE SERVICES					
FINANCIAL MANGT: FBT: Vehicles - Light	145,000	75,000	70,000		Initial indications are that the FBT charge for the year will decrease significantly with the transition to electric vehicles, and different contracting arranagement with Managers and Directors. This will be confirmed later in the year once the FBT return is prepared. It should also be noted that the exemption relating to electric vehicles is subject to review by the Federal Government
COMMUNITY AND DEVELOPMENT					
ENVIRONMENTAL HEALTH: Revenue: Other Revenue	200	50,000	50,200		There is an on-going legal matter, the resolution of which might result in a recovery of Council's costs. The timing and likelihood of this recovery is not clear at this time and therefore, this is being included as an opportunity
DEPRECIATION					
All assset categories	13,776,900	Unknown	Unknown		A review of the year-end process and the commencement of year-end activities earlier in the year has allowed for an estimated depreciation charge to be calculated. An initial review of the proposed charge has been undertaken and the outcomes of this review are being considered and worked through. It is unclear at this time what changes will be required to the depreciation charge for the year.
Council wide					
Salaries - Capitalisation	1,385,000	300,000	1,085,000		Project staff who were budgetted to spend time on capital projects have been re-allocated and are now spending time working on operating projects. These include Amy Gillet and AHBTC works. Additionally, there are roles which are budgetted to deliver capital works which are now vacant

Appendix 4
2025-26 Capital Budget Review 2
Proposed Changes

2025-26 CAPITAL BUDGET REVIEW 2

Project Description	Asset Classification	Asset Category	Current Budget	Change INCREASE / (DECREASE)	Revised Budget	Comment
				RENEWAL		
Elizabeth Street, Oakbank	Various	Renewal	$60,000	$13,590	$73,590	A package of works was delivered in Elizabeth street, Oakbank, which included the renewal and upgrade of certain portions of the footpath, as well as renewal of the kerbing. The cost of works was $13.6k more than was initially budgetted. However, by doing the works together, cost savings were achieved over doing them as separate packages of work.
General ICT renewals	ICT	Renewal	$260,000	$81,000	$341,000	Included within the General ICT renewals, was a project to upgrade the servers and storage. This has been procured and the costs are $81k greater than the budget of $189k.
Network infrastructure	ICT	Renewal	$478,000	$43,000	$521,000	Following a review of the network architecture in FY2024-25, this project is to replace some of the network infrastructure. The project was oroginally budgetted to only include hardware. However, an extended warranty and support agreement has been included which will provide better long term functionality. This has resulted in an increased initial cost but will result in savings in the longer term.
Birdwood Institute	Buildings	Renewal	$120,628	$143,000	$263,628	Whilst undertaking initial investigative works, additional remediation works have been identified as required. This increase in scope has an associated increase in cost. However, a more complete and longer term fix of the building can now occur
Nairne Road Offices - Building renewal	Buildings	Renewal	$117,000	-$117,000	$0	As part of the operational workplace review, a condition assessment of the building is being undertaken. Once completed, and in conjunction with the operational workplace review requirements assessment, a decision will be made around the need (or otherwise) to undertake works on the building.
Gumeracha depot renewal works	Buildings	Renewal	$259,000	-$259,000	$0	A review of operational needs at each depot is to be undertaken. This work has not been completed yet, and is unlikely to be completed in FY 2025-26. Therefore, this cost is not going to be incurred in the current year, and as such, this budget is no longer required.
Heathfield Depot Renewals	Buildings	Renewal / New	$0	$245,000	$245,000	Renewal of one existing office transportable building and installation of second transportable building to provide appropriate office accommodation for operational office based staff in one central location is being proposed. The cost of this is offset by the savings on the Gumeracha deport renewal works
AHBTC Wall remediation	Buildings	Renewal	$0	$204,000	$204,000	Following detailed investigative works, a more comprehensive rebuild (rather than a repair) is required. This has resulted in an increase in the capital budget. However, there is an operational cost saving
Plant Repacement Program	Fleet	Renewal	$3,164,050	$280,921	$3,444,971	Transfer of budget from light fleet to heavy fleet. A number of utilities are to be replaced by plant which is classified as heavy fleet
Light Fleet Replacement Program	Fleet	Renewal	$1,602,246	-$280,921	$1,321,325	Transfer of budget from light fleet to heavy fleet. A number of utilities are to be replaced by plant which is classified as heavy fleet
Houghton Square Post and Chain Renewal	Other	Renewal	$0	$27,000	$27,000	Removal of rotten timber bollards and chain around perimeter of Houghton Square and replacement with steel or composite plastic bollards
Fence Renewal Program	Other	Renewal	$0	$42,000	$42,000	Installation and replacement of fencing in two locations to enable effective fire mitigation and waterway management outcomes.
Gumeracha depot renewal works - retaining walls	Other	Renewal	$25,000	-$25,000	$0	A review of operational needs at each depot is to be undertaken. This work has not been completed yet, and is unlikely to be completed in FY 2025-26. Therefore, this cost is not going to be incurred in the current year, and as such, this budget is no longer required.
Roads Renewal REGIONWIDE	Roads	Renewal	$3,790,000	$118,000	$3,908,000	Contractors costs for pruning of the road envelope in advance of the Road Renewal Program
Sires Road East bridge	Bridges	Renewal	$48,000	-$48,000	$0	A review of the bridge in preparation for undertaking the works has identified that only minor repair works are required. This will be undertaken through the bridge repair program. This budget will be repurposed to fund works on the Spoehr Road bridge
Spoehr Road Bridge Balhannah	Bridges	Renewal	$47,000	$48,000	$95,000	A review of the bridge in preparation for undertaking the works has identified that additional works are required. This will be funded through savings on the Sires Road bridge.
CONFIDENTIAL	CONFIDENTIAL	Renewal	$1,561,000	-$1,500,000	$61,000	

2025-26 CAPITAL BUDGET REVIEW 2

Project Description	Asset Classification	Asset Category	Current Budget	Change INCREASE / (DECREASE)	Revised Budget	Comment
				NEW		
CONFIDENTIAL	CONFIDENTIAL	New/Upgrade	$1,500,000	-$1,500,000	$0	
Uraidla playspace	Sport and Rec	New/Upgrade	$433,000	-$200,000	$233,000	The budget for the project is being adjusted to more closely align with the expected costs. There is the potential that further savings will eventuate. This will become clearer once the project has been delivered
Control Cabinet Birdwood(SCADA)	CWMS	New/Upgrade	$0	$36,810	$36,810	A portion of this work was delivered in late FY 2024-25, with ther remainder in early 2025-26. The amount was budgetted in full in FY 2024-25, with an adjustment at BR3 for FY 2024-25 to carry the budget over into FY 2025-26. This adjustment carries this budget forward into FY 2025-26.
Stirling library - replacement of external cladding	Buildings	New/Upgrade	$80,000	-$50,000	$30,000	it is proposed that the cladding project be undertaken as a single project, rather than staged over a number of years. The allocation in the current year will allow for planning, design and procurement, with the project to be delivered in full in FY 2026-27
Operational workplace review	Buildings	New/Upgrade	$267,200	-$200,000	$67,200	The operational workplace review continues, with detailed planning, costings and staff engagement to be undertaken during the remainder of the financial year. Therefore these costs are to be deferred into future periods.
Norton summit Public toilet - New septic system	Buildings	New/Upgrade	$80,000	-$60,000	$20,000	This project is being considered, from a need and technical feasability perspective.
Norton Summit CFS - Parking and landscaping	Other	New/Upgrade	$0	$20,000	$20,000	This project is being considered, from a need and technical feasability perspective.
Gumeracha depot - Tree structure stabilisation	Other	New/Upgrade	$8,000	$3,670	$11,670	This work has been completed, at a cost which is slightly higher than budgetted.
Hamilton Hill - New BBQ area	Other	New/Upgrade	$40,000	-$40,000	$0	This project is to be deferred into FY 2026-27
Road Safety Lobethal - Lobethal Primary emu crossing	Other	New/Upgrade	$42,000	-$42,000	$0	It has been identified that there may be insufficient storm water capacity in this area. This is being further investigated and understood. Until this investigative work has been completed, this project will be put on hold. If the project is completed and then additional stormwater capacity is required, this work may need to be altered or redone. Once the stormwater assessment is complete, a decision around the delivery method for this project will be made.
Fire Track Gates	Other	New	$0	$60,000	$60,000	Installation of 12 x boom gates across high profile essential fire tracks to eliminate unauthorised four wheel drive access during winter. This will significantly reduce annual surface maintenance prior to fire danger season when critical CFS access is required
Monomeith Road	Roads	New/Upgrade	$0	$35,000	$35,000	Road widening to create greater seperation between trees and vehicles. This road is to be used as a detour whilst the Department of Infrastructure and Transport (DIT) undertakes roadworks in the area. The road therefore needs to accommodate larger vehicles than it currently does
Street Furniture Renewals/Upgrades	Furniture	New	$20,000	$12,000	$32,000	Upgrade/New bike racks in Mt Torrens (2) and Birdwood (4) to support Amy Gillett.
						-
		Total Expenditure Change		-$2,908,930		-

Capital Expenditure Changes
Split as follows:

Renewal		-$984,410
New/Upgrade		-$1,924,520
PM Costs		$0
Total		-$2,908,930

Appendix 5

2025-26 Capital Budget Review 2
Risks and Opportunities

2025-2026 CAPITAL BUDGET REVIEW 2 - Risks and Opportunities

Project Description	Asset Classification	Asset Category	Current Budget	Change OPP / (RISK)	Forecast	Comment
Project Managament costs	Renewal	Project Management costs	$1,385,000	-$300,000	$1,085,000	Project staff who were budgetted to spend time on capital projects have been re-allocated and are now spending time working on operating projects. These include Amy Gillet and AHBTC works. Additionally, there are roles which are budgetted to deliver capital works which are now vacant.
Truck mounted EWP	Renewal	Fleet	$473,000	-$473,000	$0	Budget is required to commence the procurement of a truck based, small elevated work platform(EWP). This will replaced 3 items of plant which are currently used but are no longer suitable for Council's needs. The EWP has a circa 30 month lead time and to ensure that sufficient budget is avaliable at the time of contracting, it is required to be included in the current year's budget. The budget will then be carried over until the EWP is delivered to Council. and there is therefore a risk that this will not be spent in the current year. This renewal was budgtted to occur in FY 2027-28.
Uraidla playspace	New/upgrade	Sport and rec	$233,000	-$33,000	$200,000	There are potential further savings on the Uraidla playspace. This will be confirmed once the project has been delivered.
				-$806,000		

Appendix 6

*2025-26 Budget Review 2
Adjustments – Strategic initiatives*

Proposed adjustments - Strategic initiatives

	Division	Project	Amount	Comment
1	Governance	Agenda and minute	$ 9,000	The focus of the team this year has been the transition to Sharepoint online and the bedding down of these changes. Early investigations have indicated that there will be a different cost profile. This has been included as a project bid for the FY 2026/27 budget.
2	E and I	Bore Infrastructure Investigations of Future Works	$ 75,000	It is proposed that a portion of this project is deferred into next financial year. The role which would lead this work (Water Management Technical Officer) has been appointed and following an initial familiarisation process, will lead the work next year. This has been included as a project bid for the FY 2026/27 budget.
3	E and I	Building Maintenance and Operational Investment	$ 50,000	Work which would be undertake under the guise of this project has been undertaken using BAU budgets. This project can therefore be removed without impacting service delivery.
4	E and I	Climate change adaptation: Contractors	$ 30,000	It is proposed that these projects be delivered on a regional basis and through a collection of Councils, rather than simply AHC. Discussions are on-going with regards to this and therefore, although this project is being advanced, the funding for the current year is likely not required.
5	E and I	SUSTAINABILITY: Community Energy Reduction Program: Contractors	$ 120,000	
		Total:	$ 284,000	

ADELAIDE HILLS COUNCIL
AUDIT AND RISK COMMITTEE MEETING
Monday 16 February 2026
AGENDA BUSINESS ITEM

Item:	**8.7**
Responsible Officer:	**Gary Lewis** **Director** **Corporate Services**
Subject:	**Legal Fees 2025-26**
For:	**Information**

SUMMARY

The purpose of this report is to respond to the resolution of Council on 28 October 2025. This resolution required the CEO to provide a report to the Audit and Risk Committee on legal fee expenditure on a quarterly basis in a form similar to that provided to the Audit and Risk Committee at its meeting on 20 October 2025, up to and including the current financial year.

This report aims to enhance transparency and accountability by presenting a breakdown of legal expenditure by department and subject matter, in line with Council's commitment to best practice governance and financial discipline.

RECOMMENDATION

The Audit and Risk Committee resolves:

1.   **That the report on Legal Fees 2025-26 be received and noted (item 8.7, 16 February 2026, Audit and Risk Committee meeting)**

1.   **BACKGROUND**

At the Ordinary Meeting of 28 October 2025 Council resolved as follows:

12.6   Legal Fees Analysis 2024/25

Moved Cr Leith Mudge
S/- Cr Chris Grant   366/25

Council resolves:

1.   That the Legal Fees Analysis 2024/25 report be received and noted.

2.   That Council notes the detailed breakdown of legal expenditure by department and matter, as set out in this report.

3.   That Council notes that legal expenses have risen by 66% or $332k from FY 2024 to FY 2025.

4.   That the CEO provides a report to the Audit and Risk Committee on legal fee expenditure on a quarterly basis in a form similar to that provided to the Audit and Risk Committee at its meeting on 20 October 2025, up to and including the current financial year.

Carried Unanimously

Legal fees in Council can fluctuate due to the ad-hoc and complex nature of certain matters. While many issues are routine, some require specialist advice to meet governance obligations and statutory requirements. Costs typically peak when multiple complex matters arise simultaneously. Provisions are made to cover these costs, with some potentially recoverable in future periods.

Legal fees are an essential component of Council operations, supporting compliance, risk management, and the resolution of complex matters. This report provides a detailed analysis to uphold Council's commitment to transparency and informed decision-making.

2.   **ANALYSIS**

  ➢   **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

Strategic Plan 2024 – Your Place Your Space
Goal   Organisation
Objective O2   Operate with integrity using best practice governance processes
Priority O2.1   Demonstrate accountable and transparent decision making.

Council has identified both Organisational Priorities and guiding principles (Governance) that are supported by open and transparent decision making with regards the allocation of resources.

  ➢   **Legal Implications**

Not applicable.

  ➢   **Risk Management Implications**

Failing to explain significant and unusual costs may lead to reputational damage to Council.

The analysis of the expenses will assist in mitigating the risk of:

Increasing concerns in the community with regards how Council uses community resources leading to a loss of confidence in Local Government.

Inherent Risk	Residual Risk	Target Risk
Medium (4D)	Low (2E)	Low (2E)

➢ **Financial and Resource Implications**

Analysis is consolidated below in the further analysis section.

➢ **Customer Service and Community/Cultural Implications**

Not applicable.

➢ **Sustainability Implications**

Not applicable.

➢ **Engagement/Consultation conducted in the development of the report**

Not applicable.

➢ **Additional Analysis**

Presented in *Appendix 1* is a summary of the legal fees to 31 December 2025, by department. This includes the key matters which legal advice has been sought on, as well as the firms which have provided this advice.

Budget analysis

Further detailed analysis of these costs is presented below, including:

1. Costs for the first 6 months of the year;
2. A suggestion of additional budget required to meet the forecast costs to the end of the year; and
3. Forecast full year costs

Department	Costs to December 2025	Full year budget	BR2 adjustment	Revised full year budget and forecast
Governance	$ 94,540	$ 100,000	$ 50,000	$ 150,000
P and C	$ 37,676	$ 10,000	$ 60,000	$ 70,000
Rates - Recoverable	$ 52,608	$ 89,000	$ -	$ 89,000
Rates - Non recoverable	$ 5,319	$ 6,800	$ 3,200	$ 10,000
Information Management	$ -	$ 1,500	$ -	$ 1,500
C and D - Corporate	$ 14,228	$ 1,100	$ 15,000	$ 16,100
Development Services - Court Fees	$ 36,761	$ 78,100	$ -	$ 78,100
Development Services - Legal Fees	$ 23,799	$ 30,600	$ 20,000	$ 50,600
Environmental Health	$ 9,977	$ -	$ 50,000	$ 50,000
Dogs and Cats	$ 19,627	$ 5,000	$ 15,000	$ 20,000
Parking	$ 4,363	$ 1,100	$ 16,000	$ 17,100
Buildings	$ 9,147	$ 20,000	$ 50,000	$ 70,000
Land	$ 3,722	$ 2,700	$ -	$ 2,700
Civil Services	$ 3,022	$ -	$ 3,100	$ 3,100
AHBTC	$ 9,893	$ -	$ 10,000	$ 10,000
Waste	$ 5,500	$ -	$ 5,500	$ 5,500
Total:	**$ 330,181**	**$ 345,900**	**$ 297,800**	**$ 643,700**

A matter by matter break down is shown in **Appendix 1** with a summary of the most significant drivers below.

1. Governance - $50,000

Elected member behavioural matters and employee grievance matters, both of an exceptional nature and including ongoing investigations, have been the two largest contributors to legal fees year to date. Other costs relate to elected member obligations, membership of the GRFMA, and an ongoing legal matter affecting all Councils (TTEG). The remaining forecast provides only a conservative allowance for the resolution of these matters.

2. People and Culture - $60,000

Three sensitive and confidential human resource related matters have occurred year to date, these include ongoing investigations. The remaining forecast caters for the closing of these matters.

3. Development Services – Court fees – no additional budget sort at this time

Seven matters have occurred in which planning decisions have either been appealed or Council has undertaken prosecutions. Not all of these matters have been finalised. The remaining forecast provides for the closing out of these matters and includes capacity to undertake additional work if required.

4. Development Services – Legal fees - $20,000

Legal advice has been sought on a range of development-related matters. With increasing development activity, a higher volume of development applications is being submitted, many of which require interpretation of the existing legal frameworks within which development can occur. In some cases, this interpretation is complex, and legal advice is therefore required.

5. Environmental Health - $50,000

A complex legal matter relating to wastewater is currently being progressed. Costs include legal fees and associated Council-required expenditures. Provision has been made to cover expected costs to year end. While partial cost recovery may be possible, any recovery is anticipated to occur in the following financial year.

6. Dogs and Cats - $20,000

Legal fees were incurred to assist in undertaking the by-law review. This expense is therefore unlikely to be repeated until the next by-law review in seven years' time. Limited further costs are likely to be incurred during the remainder of the year.

7. Buildings - $35,000

Several complex leasing matters have been identified that will require legal advice to resolve. These matters are of a one-off nature and, once concluded, are not expected to recur.

On-going costs

This full year forecast has been further analysed, between on-going costs and one-off or abnormal costs which are not expected to recur.

Department	Revised full year budget and forecast	One-off	On-going
Governance	$ 150,000	$ 50,000	$ 100,000
P and C	$ 70,000	$ 30,000	$ 40,000
Rates - Recoverable	$ 89,000	$ -	$ 89,000
Rates - Non recoverable	$ 10,000	$ -	$ 10,000
Information Management	$ 1,500	$ -	$ 1,500
C and D - Corporate	$ 16,100	$ 11,100	$ 5,000
Development Services - Court Fees	$ 78,100	$ -	$ 78,100
Development Services - Legal Fees	$ 50,600	$ -	$ 50,600
Environmental Health	$ 50,000	$ 45,000	$ 5,000
Dogs and Cats	$ 20,000	$ 20,000	$ -
Parking	$ 17,100	$ 12,100	$ 5,000
Buildings	$ 70,000	$ 35,000	$ 35,000
Land	$ 2,700	$ -	$ 5,000
Civil Services	$ 3,100	$ -	$ 5,000
AHBTC	$ 10,000	$ 5,000	$ 5,000
Waste	$ 5,500	$ 5,500	$ -
Total * :	$ 643,700	$ 213,700	$ 434,200

* Note that the totals do not add horizontally as the table contemplates that Land and Civil Services will require legal fees on an on-going basis in excess of the curren year budget

3.   OPTIONS

The Committee is limited to receiving and noting this report.

4.   APPENDICES

(1) Summary of legal fees to 31 December 2025.

Appendix 1

Summary of legals fees – 31 December 2025

Appendix 1 - Summary of legal fees to 31 December 2025

Department	Cost ($)	Key matters	Firm
Governance	$ 34,378	Behavioural matter	EMA Legal, Kelledy Jones, Minter Ellison,
Governance	$ 9,449	QIP, CEO Remuneration	Kelledy Jones
Governance	$ 29,655	Employee Grievance matter	Minter Ellison
Governance	$ 5,335	GRFMA Membership	Kelledy Jones
Governance	$ 9,311	TTEG Management Agreement	LGA
CEO/Governance	$ 6,412	Various other small matters	Kelledy Jones
P and C	$ 37,676	Confidential HR advice	Mellor Ollson, Kelledy Jones, Birss Legal
Rates	$ 52,608	Recoverable legal fees in relation to debt recovery	Scott Lawyers
Rates	$ 5,319	Non-recoverable fees in relation to debt recovery	Scott Lawyers
C and D - Corporate	$ 9,870	Asset transfer agreement and heritage considerations - OWMMI	Norman Waterhouse
C and D - Corporate	$ 1,060	General planning and building advice	Kelledy Jones
C and D - Corporate	$ 2,450	Professional development - EM session - Planning system and Code Amendments	Kelledy Jones
C and D - Corporate	$ 848	Confidential Policy matter	Kelledy Jones
Development Services - Court Fees	$ 36,761	Appeals - Planning decisions, enforement notices	Norman Waterhouse
Development Services - Legal Fees	$ 23,799	General advice (building fire safety, enforcement, planning)	Norman Waterhouse
Environmental Health	$ 9,977	Advice, notices and other enforement	Norman Waterhouse
Dogs and Cats	$ 19,627	General advice and by-law preparation, and General Notice publishing	Norman Waterhouse, News Pty Ltd
Parking	$ 1,134	Legal services for prosecution	Norman Waterhouse
Parking	$ 3,229	Lodgement fees for recovery of expiation fees by Department of Treasury and Finance	DTF
Buildings	$ 9,147	Various leasing and land acquisition matters, general property related advice	Mellor Ollson, Kelledy Jones, Norman Waterhouse
Land	$ 3,722	Land acquisition settlement, general advice - E and I	Kelledy Jones, Eckermann Lawyers
Civil Services	$ 3,022	Legal matter - Counterparty redacted	Norman Waterhouse
AHBTC	$ 9,893	Deed of extension and variation - Tenant	Mellor Ollson
Waste	$ 5,500	Landfill management	Kelledy Jones
Total:	$ 330,181		

ADELAIDE HILLS COUNCIL
AUDIT AND RISK COMMITTEE MEETING
Monday 16 February 2026
AGENDA BUSINESS ITEM

Item:	**8.8**
Responsible Officer:	**Gary Lewis** **Director Corporate Services** **Corporate Services**
Subject:	**Debtors Report**
For:	**Information**

SUMMARY

This report provides the status of sundry debtors as of 31 December 2025. Total outstanding debtors are $1,203,709 across 121 accounts. The balance is concentrated in the <90 days category due to the timing of a large grant payment of $1,018,109 yet to be received from the Department for Infrastructure and Transport (DIT).

Operationally, small-value items in the >150 days category are being managed via reminder cycles and, where applicable, attached to property rate assessments under s144 (Recovery of amounts due to council), of the *Local Government Act 1999.*

An analysis of rate debtors is provided annually to the first Audit and Risk Committee after 30 June of each year.

RECOMMENDATION

The Audit and Risk Committee resolve:

1.   **That the Debtors Report be received and noted (item 8.8, 16 February 2026, Audit and Risk Committee meeting)**

1.   **BACKGROUND**

Council generates income from a variety of sources including rates, grants, fines (infringements), development applications and fees and charges for the provision of goods and services to individuals, businesses, and other organisations in the community.

This income is managed using financial management systems that also enables recording of amounts owing to Council and information relating to amounts paid. Appropriate action can be taken to collect amounts owing where they are not paid in a timely manner.

The last debtors report covering balances as of 30 June 2025 was presented to the Audit Committee on 18 August 2025.

2.   ANALYSIS

> **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

Strategic Plan 2024-28 – Your Place Your Space

Goal 4   Organisation

Objective O5   Evolve Council's functions and services to meet the current and future needs and aspirations of our community.

Priority O5.2   Demonstrate financial sustainability through long term financial planning and annual budget setting which aligns with adopted targets.

It is important that debt recovery practices are monitored on a regular basis to ensure that Council's cash flow is optimised, and the non-recovery of Council debts is minimised.

> **Legal Implications**

Recovery powers under s133 and s144 of the *Local Government Act 1999* apply.

> **Risk Management Implications**

Monitoring the balances of debtors through regular reporting will assist in mitigating the risk of:

Poor debt recovery practices which lead to increased levels of overdue debtors will negatively impact on Council's current cash flow as well as reduce the likelihood of future debt recovery.

Inherent Risk	Residual Risk	Target Risk
Extreme (4B)	Medium (3D)	Medium (3D)

> **Financial and Resource Implications**

Close monitoring of debt, supported by an agreed policy will ensure that any cash flow impact on Council is minimised.

> **Customer Service and Community/Cultural Implications**

Debt servicing pressures can limit capacity to maintain service levels and fund infrastructure.

> **Sustainability Implications**

Higher debt levels can increase borrowing needs that must be serviced from future operating revenues.

> **Engagement/Consultation conducted in the development of the report**

Council Committees: Not applicable
Council Workshops: Not applicable

Advisory Groups: Not applicable
External Agencies: Not Applicable
Community: Not applicable

➢ **Additional Analysis**

Sundry Debtors

A summary of the aged debtors as of 31 December 2025 is provided below with the total amount outstanding totalling approximately $1.204m across 121 individual debtor accounts.

Description	TOTAL	No of Debtors	<30 Days	<60 Days	<90 Days	<120 Days	<150 Days	>150 Days
Additional Bins	9,360	1	9,360	0	0	0	0	0
AHBTC	66,669	1	51,685	14,984	0	0	0	0
Burial Fees	37,465	12	8,211	8,419	20,116	0	719	0
Food Premises Inspection	11,572	62	1,258	2,142	0	1,406	962	5,804
Grants Received	1,023,609	2	5,500	0	1,018,109	0	0	0
Miscellaneous (Other)	1,571	8	315	770	243	0	223	20
Other Councils	21,729	3	19,605	0	0	0	0	2,124
Property	1,912	2	809	0	0	0	0	1,103
Regulatory Services	27,617	19	0	19,055	0	0	0	8,562
Road Rent	2,204	11	0	0	0	0	0	2,204
TOTAL: 31/12/2025	**1,203,709**	**121**	**96,743**	**45,370**	**1,038,468**	**1,406**	**1,904**	**19,818**

In relation to the Aged Debtors as of 31 December 2025, the following points of clarification are provided:

- AHBTC (Udder Delights), outstanding December rent and outgoings, and electricity charges from July 2025 were fully paid in January 2026.

- There are two Burial Fees debtors < 90 days who are on payment plans and have been making regular payments towards their original debts for the purchase of 50-year interment rights. Both debtors are adhering to their agreements.

- There are 32 Food Premise Inspection (FPI) debtors >150 days totalling $5,804 made up of lots of small debts less than $150 and aligning to the fee charged for the service. At this stage, they are individually, uneconomical to pursue with external debt collectors.

- Two grant related debtor items total $1,023,609, of which $1,018,109 relates to the Department for Infrastructure and Transport's (DIT) review of the final expenditure report for the 2024–25 Black Spot Program (Fox Creek Road). Payment will follow DIT's completion of its review.-related debtor items total $1,023,609, of which $1,018,109 relates to

- The City of Adelaide's long service leave reimbursement ($19,605.00) was paid in January 2026. Two remaining balances are unlikely to be recoverable and may require future write-off.

- There are two Regulatory debtors totalling $10,000.00 relating to an Environment, Resources and Development Court order and a Civil penalty for an unauthorised tree removal case. Both debtors are on payment plans and are adhering to their agreements.

- The remainder of regulatory debtors relate to outdoor dining licences, made up of small debts less than $100 in line with the fee charged for the service. At this stage, they are individually, uneconomical to pursue with external debt collectors.

- There are eleven Road Rent debtors > 150 days totalling $2,204.46. These debts are currently uneconomical to refer to debt collection, being less than $300.00 each. However, under s144 (Recovery of amounts due to council) of the *Local Government Act 1999,* amounts attributable to property owned by the debtor can, and will now be attached to the property rate assessment.

The CEO or delegated officers have not used their delegation to write off any sundry debts for the period ending 31 December 2025.

The five-year semi-annual trend of total sundry debtors covering the period 30 June 2021 to 31 December 2025 is shown below.
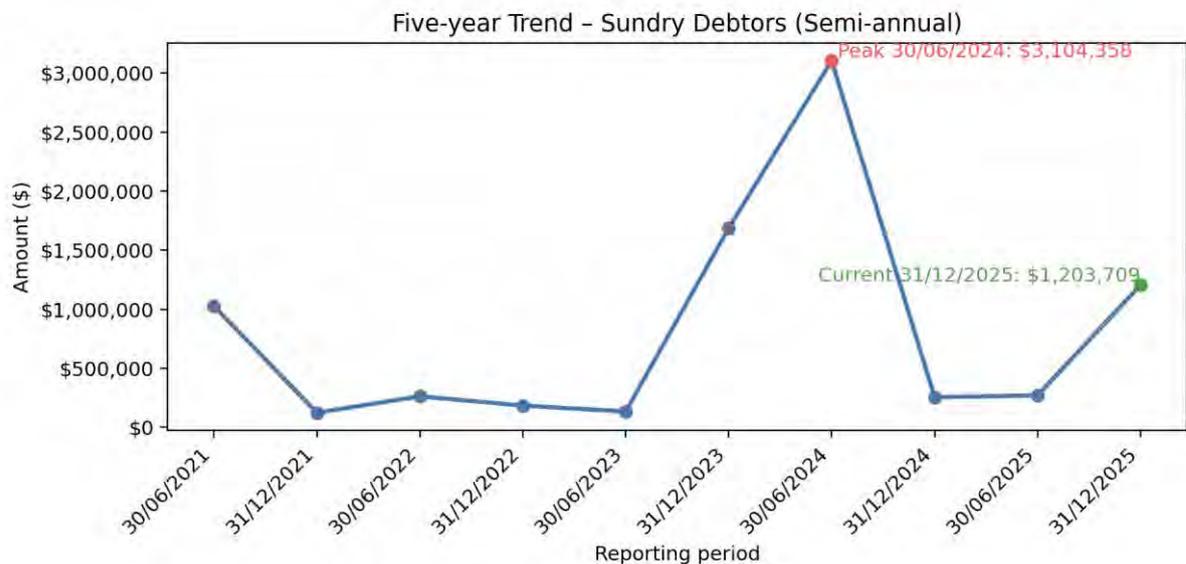
The graph illustrates significant volatility in sundry debtor balances, driven primarily by the timing of grant payments. The peak balance of $3.104m on 30 June 2024 reflects the impact of large grants for the Amy Gillett project ($2.860m) being outstanding at reporting time.

The current balance of $1.204m on 31 December 2025 represents a substantial increase from the $270k reported on 30 June 2025, primarily due to the $1.018m in grant funding for the 2024-25 Black Spot program yet to be received.

For 31 December 2023, $1.661m in funding was yet to be received from DIT for the 2021-2022 Black Spot program for the Montacute Road upgrade project, and for 30 June 2021,

$286k from DIT remained outstanding for the 2020-21 Black Spot program for the Ironbank Road upgrade project, $100k from DIT for the Stirling to Crafers bikeway project and a further $550k had not been received from the Department of the Premier and Cabinet for the FABRIK redevelopment.

Overall, the trend supports the view that large movements are cyclical and linked to external funding providers, rather than a deterioration in debt recovery performance.

Excluding grant related balances, underlying sundry debt levels remain modest and stable year on year. Low value aged items continue to be managed via statutory recovery options and targeted reminders.

3.   OPTIONS

The Audit and Risk Committee is limited to receiving this report.

4.   APPENDICES

Nil

ADELAIDE HILLS COUNCIL
Audit and Risk Committee
Monday 16 February 2026
AGENDA BUSINESS ITEM

Item:	**8.9**
Responsible Officer:	**Gary Lewis** **Director** **Corporate Services**
Subject:	**Long Term Financial Plan 2026- 2035**
For:	**Decision**

SUMMARY

The Long Term Financial Plan (LTFP) provides a strong basis on which to prepare the Annual Business Plan and budget. As we start the planning process for financial year 2026/27 the LTFP will give clear guidance on the opportunities and challenges that Council must address to ensure Councils ongoing financial sustainability.

The LTFP provides recommended levels for expenditure for both operating and capital works and the required level of rates income to support them.

RECOMMENDATION

The Audit and Risk Committee resolves:

1. **That the Long Term Financial Plan report be received and noted (item 8.9, 16 February 2026, Audit and Risk Committee meeting)**

2. **To recommend that Council endorse the Long Term Financial Plan as contained in Appendix (item 8.9, 16 February 2026, Audit and Risk Committee meeting)**

3. **To note that the Chief Executive Officer may make minor changes to the Long Term Financial Plan arising from the Committee's consideration of the matter prior to it being provided to Council (item 8.9, 16 February 2026, Audit and Risk Committee meeting)**

1.   **BACKGROUND**

The Local Government Act requires Council to prepare a Long Term Financial Plan (LTFP) as part of its suite of Strategic Management Plans. The LTFP is a fundamental instrument of accountability and provides projections for Council's planned activities over a ten year timeframe.

The key objective of Council's LTFP is to demonstrate financial sustainability in the medium to long term, while still achieving Council's corporate objectives as specified in its Strategic Management Plans. At the same time the LTFP ensures that there is an understanding of the impact of decisions made today on future sustainability. This means ensuring the cost effective delivery of works and services, and the appropriate maintenance and renewal of our asset base in a financially sustainable manner.

Prior to the commencement of the development of the Annual Business Plan (ABP) and budget it is beneficial for Council to review and update its Long Term Financial Plan (LTFP). In recent years this has been deferred whilst Council considered its new strategic direction.

A review of the LTFP was conducted in conjunction with the Annual Business Plan 2025/26 and the LTFP was included in the consultation process.

The purpose of this plan is not to provide specific detail about individual works or services. It does however provide a decision-making tool that allows various assumptions and sensitivity analysis to be carried out that will indicate the ability of Council to deliver cost effective services to our community in the future in a financially sustainable manner.

Updates to the assumptions on which the LTFP are based have been completed with the latest information available to Council, considering inflation and interest rates and the appreciation in construction costs. The latest information from Council's asset management systems on the expected renewal costs of its assets has also been incorporated.

2.   ANALYSIS

> **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

Strategic Plan 2024 – Your Place, Your Space

Goal 4	Organisation
Objective O5	Evolve Council's functions and services to meet the current and future needs and aspirations of our community.
Priority O5.2	Demonstrate financial sustainability through long term financial planning and annual budget setting which aligns with adopted targets.

The Long Term Financial Plan has been developed in alignment with Council's strategic management plans.

> **Legal Implications**

The LTFP is prepared as a part of the suite of Strategic Management Plans and in accordance with Section 122(1)(a) of the Local Government Act 1999 (the Act) and Regulation 5 of the Local Government (Financial Management) Regulations 2011.

> **Risk Management Implications**

Preparing a LTFP as required by the Act and Regulations will assist in mitigating the risk of:

Inability to discharge role and functions of a local government entity leading to a breach of legislation and loss of stakeholder confidence.

Inherent Risk	Residual Risk	Target Risk

It ensures that financial resources are deployed in areas that align with Council's Strategic Management Plans, are affordable and support Council's Long Term Financial Plan.

➤ **Financial and Resource Implications**

The LTFP is a financial model that aims to achieve long term financial sustainability, using the key financial indicators and benchmarks for guidance, projected over ten years using inputs from the Strategic Management Plan, Asset Management Plan and other key Strategies.

A Council's long-term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

The LTFP is based on continuing existing service levels including infrastructure renewal and upgrade and is regularly updated to account for any changes.

➤ **Customer Service and Community/Cultural Implications**

The community has an expectation that Council will have a long term plan for financial sustainability.

➤ **Sustainability Implications**

The key objective of Council's LTFP is financial sustainability in the medium to long term, while still achieving Council's corporate objectives as specified in its Your Place Your Space, 2024 Strategic Plan.

Council has specific functional strategies that address environmental and economic sustainability goals, objectives and priorities. At the same time the LTFP ensures that there is an understanding of the impact of decisions made today on future sustainability. This means ensuring the cost effective delivery of works and services, and the appropriate maintenance and renewal of our asset base in a financially sustainable manner.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

Council Committees: Nil
Council Workshops: 2 February 2026 and 22 March 2025.
Advisory Groups: Nil
External Agencies: Nil
Community: Consultation was conducted from 21 May to 11 June 2025.

➤ **Additional Analysis**

The foundation of the LTFP is the budget required to deliver the current service level, the best indicator of this is the most current budget. This has been informed by the budget review currently being considered along with any other relevant information.

The financial indicators in the LTFP are summarised as follows.

Operating result

For financial year 2026/27 there is a forecast of a 2.6% deficit, with a steadily improving result achieving a surplus by 2028/29. The improvement is driven by a combination of the completion of major projects, reducing cost of debt and rate rises 1.5% above inflation. It should be noted that the LTFP consulted on considered a rate rise of 1% above CPI.

Average operating result over the ten years of the plan is 1.2% which is within the recommended range.

Renewals capital expenditure

The total capital expenditure on asset renewal is $127m, which is an average of $12.7m per annum. This is the full amount of the required expenditure indicated by Council's asset management systems.

Asset renewal ratio

As the LTFP expenditure matches the recommended amount from the asset management systems this is a flat 100% throughout the plan.

New and upgrade capital expenditure

The total capital expenditure on new and upgraded assets is $30.222m, which is an average of $3.0m per annum. This amount is based on the outcomes from workshops conducted with the elected member body in preparation of the plan.

Net financial liabilities

The starting point for Council's net financial liabilities is forecast to be $35m at the end of 2025/26. It is forecast to increase over the first three years of the plan to a peak of $43m whilst key projects are completed and then fall consistently as the projects reach completion and Council moves into surplus.

Net financial liabilities ratio

The ratio rises from 41% to a peak of 61% before falling to 23% over the ten years.

Assumptions

Rates

The income generated from rates is expected to increase by more than inflation, this is required to expedite the return to surplus. The average rate rise in the model is 1.5% above the Consumer Price Index for years 2026/27 to 2028/29, after which the average rate rise is assumed to be 0.5% above CPI and remain so for the remainder of the plan.

These increases are higher than the figures consulted on which were 1% above CPI for two years dropping to 0.5% above CPI for the remainder of the plan. This increment is a result of higher depreciation costs.

A moderate amount of growth in rateable properties is assumed to occur, initially 0.7% dropping to 0.4%.

Inflation

Inflation (CPI) is assumed to drop from 3% over three years to 2.5% and remain at that level for the remainder of the plan. This is the mid point of the Reserve Bank of Australia target range.

Interest rates

Interest rates are held constant through the plan.

Payroll

Payroll costs are assumed to increase from current levels across the whole of the plan in accordance with current Enterprise Bargain Agreements.

Consultation

It should be noted that the consultation that was conducted was on a draft Long Term Financial Plan 2026-40, which included 15 years of information which is more than the minimum required under the Act. This was done as it gives greater visibility of the asset renewal costs and the impacts on the net financial liabilities. It considered relevant due to the significant changes that were being recommended to the plan. The version that is recommended for adoption has been reduced to the normal ten years to focus on the implementation of the current strategy and the move into surplus.

Review

If adopted the next Long Term Financial Plan review will be included in the development of the ABP and budget for 2026/27. As such the proposed LTFP may have a short life, however, it will offer significant support to the development for both the ABP & Budget for 2026/27 and the revised LTFP for 2027 to 2036.

3.   OPTIONS

The Audit and Risk Committee has the following options:

I.   To receive and note this report and recommend to Council the Long Term Financial Plan as prepared.
II.   To make additional comments or suggestions to the Administration to consider prior to finalising the Long Term Financial Plan for adoption to Council.

4.   APPENDICES

(1)   Long Term Financial Plan 2026-2035

Appendix 1

Long Term Financial Plan 2026-2035

Long Term Financial Plan

Adelaide Hills
COUNCIL

Welcome

The Long Term Financial Plan is an element of the strategic framework that considers the financial implications over the next 10 years.

Contents

Purpose

- The long term financial plan (LTFP) integrates the financial implications all of Councils plans, including
- Strategic Plan – Your Place your space
- Infrastructure Asset Management Plans
- Annual Business Plans

- The Plan demonstrates Councils Financial commitment to sustainability, its strengths and weaknesses and its proposed path forwards.
- This report is the key tool to communicate financial sustainability and the associated challenges in achieving ongoing sustainability,

The *Local Government Act 1999* requires Council to prepare a Long Term Financial Plan (LTFP) as part of its Strategic Management Plans. Council considers that its Long Term Financial Plan (LTFP) is a fundamental instrument of accountability and provides projections for Council's planned activities over a ten year It ensures that financial resources are deployed in areas that align with Council's Strategic timeframe.

Our vision is to preserve and celebrate the Hills' unique character and environment, with sustainable practices in rural landscapes. We aspire to cultivate a safe, resilient and welcoming community that honours our heritage, and encourages creativity and innovation.

Financial Sustainability Statement

Throughout the 2024/25 financial year Council has conducted a comprehensive review of the assumptions and methodologies used in its financial planning and reporting. It has also considered core assumptions used in its asset management planning processes in depth.

These reviews have led to a reassessment of Council's financial sustainability, with Council reporting material deficits 2023/24 and 2024/25 while forecasting more to come.

This Long Term Financial Plan sets out the path to a more financially sustainable Council. A reduction in expenditure especially around the development of new assets and infrastructure was required to avoid higher rate increases.

Maintaining the investment in existing assets, ensuring that they are maintained appropriately while reducing expenditure on building new assets is fundamental to improving Councils financial strength.

The initial years of the plan include rates rises that are higher than those proposed in the past. This is necessary to put Council back on a financially sustainable path. Council expects to be back in surplus by 2029 and be able to fund the asset renewal programs which have become significantly more expensive following the significant increases in construction costs in recent years.

This new LTFP sets demonstrates Councils commitment to being financially sustainable and able to support the Community in the long term.

Basis of preparation

The Long Term Financial Plan allows for the effects of inflation in future years. Therefore, future costs are assumed to be higher than current costs due to inflation decreasing the purchasing power of money.

The Long Term Financial Plan is prepared in conjunction with Councils Strategic Framework which includes the Strategic Plan 'Your Place, Your Space', and Councils Infrastructure Asset Management Plans (IAMP's) and associated Frameworks.

Alignment with Councils existing IAMPS and other asset management practices means that the funding requirements established in those plans are incorporated into the financial planning.

Forecasting income and expenditure over a ten year period requires assumptions to be made, and the accuracy of the forecasts are dependent on these assumptions.

The first assumption is that the business of Council will substantially continue in an unchanged manner except where Council determines to make changes.

Unforeseen changes in the statutory environment could change these forecasts.

A number of financial and economic assumptions are also requited. These include the level of population growth and the increase in the level of rates.

Councils' costs are assumed to follow the Consumer Price index, and this forecast is based on the Reserve Bank of Australia and its targets.

Asset Management	Annual increase in asset values over the next ten years is set at 4%. This has been derived form the average increase over the previous 20 years.
Service levels	No increase beyond projects listed, no reductions currently identified. A review process is being prepared with any proposed changes to be consulted on.
Rates	An increase above CPI in financial year 2025/26 of 4%, 1.5% in the following three years and reducing again to an annual increase of 0.5% above CPI.
Interest expense	There is an assumption of small decrease in interest rates being charges (0.25%) but no return to the historical low rates is assumed to occur.
Growth	The plan assume that growth initially continues at 0.8% but slows over the first few years to a long term level of 0.4%.
Inflation	The March quarter CPI released by the Australian Bureau of Statistics is 2.2%. Significant contributors to this are electricity costs and tertiary education.
Payroll costs	Increases in payroll costs are expected to closely follow CPI, depending on the relevant agreement.

Financial Indicators

Operating Surplus	The operating surplus ratio shows if the operating revenue is sufficient to meet all operating expenses and whether current ratepayers are paying for their consumption of resources. The ratio is the operating surplus as a percentage of total operating income. A negative ratio means operating expenses are greater than income. Proposed target: 1-10% surplus over 10 years. The plan achieves an average deficit of 1.2%.
Asset Renewal	Net Financial Liabilities is an indicator of the Council's total indebtedness and includes all Council's obligations including provisions for employee entitlements and creditors. The ratio is the total financial liabilities as a percentage of total operating income. Proposed target: 90-110% every year. The plan achieves 100% every year.
Net Financial Liabilities	This ratio indicates whether a Council is renewing or replacing existing infrastructure assets at the same rate that its asset management plan requires. The ratio is the total financial liabilities as a percentage of total operating income. Proposed target: <100%.
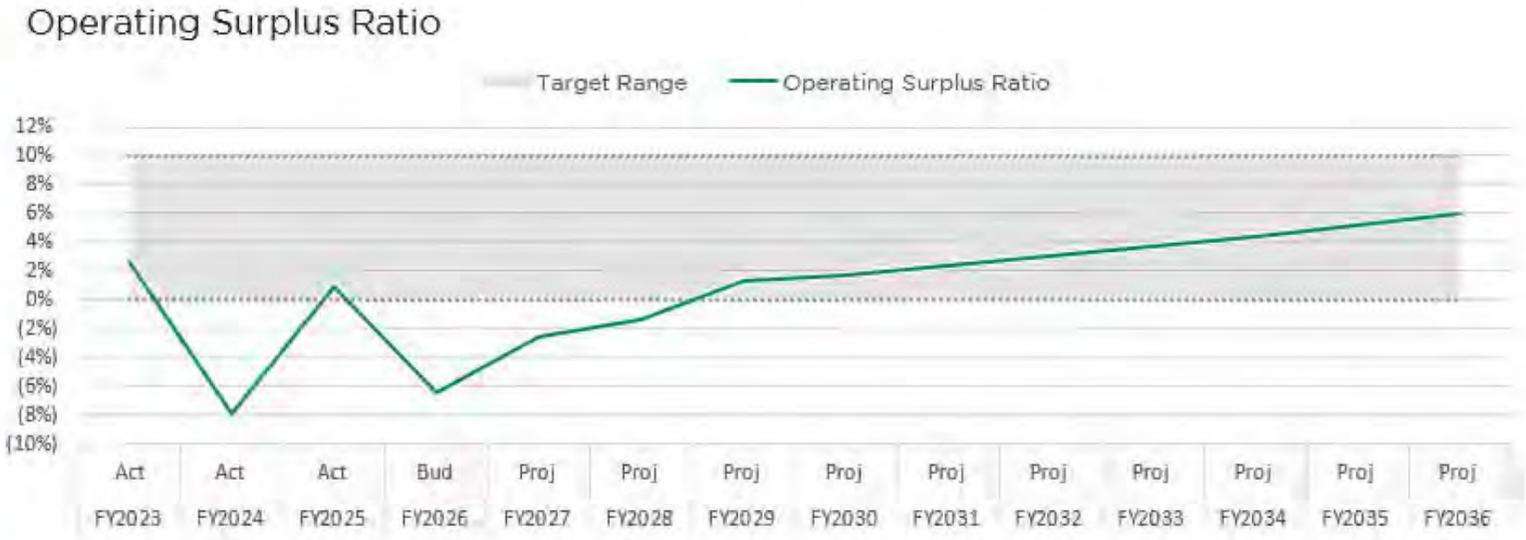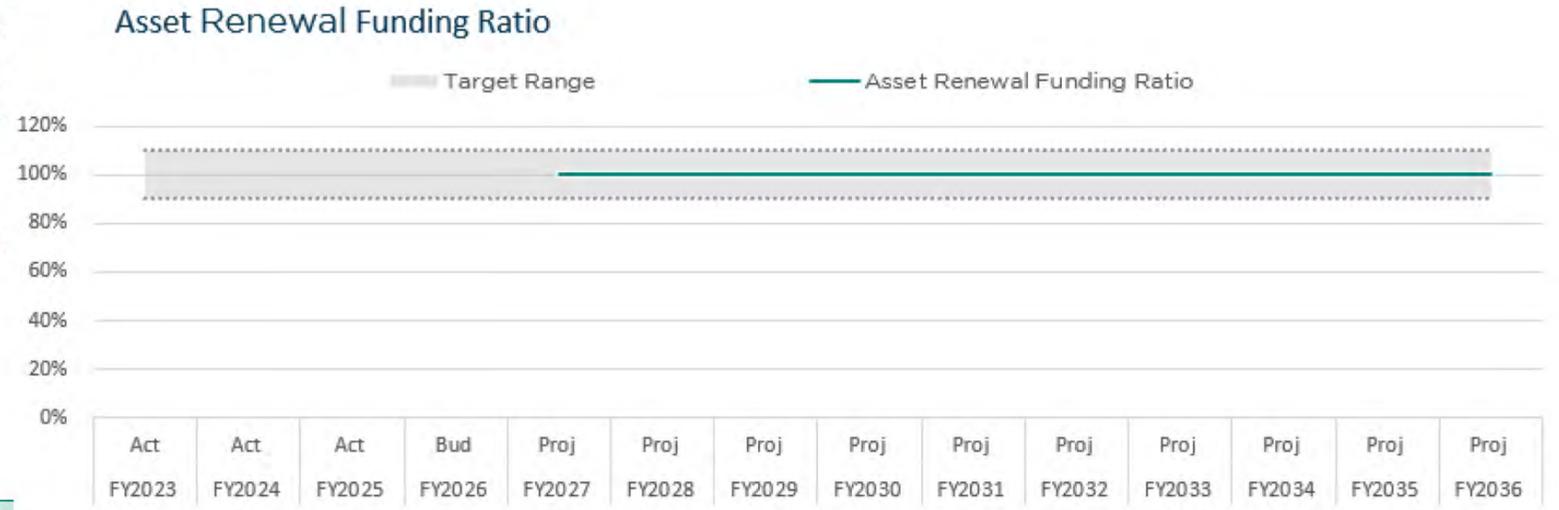
Operating Surplus Ratio

Asset Renewal Funding Ratio

Net Financial Liabilities Ratio

Financial Statements

Statement of Comprehensive Income

This Statement provides a 10 year projection of the state of Council's annual operating result (ie. the surplus or deficit between its annual spending and revenue. As this statement outlines the intended sources of total operating income (such as rates, grants and other fees and charges) for the period to which the LTFP relates, it provides details of council's funding approach to the funding of services and infrastructure of the council. It can be seen that Council has a heavy reliance on rates and to a lesser extent grants with rates constituting over 85% of Operating Income.

Statement of Financial Position

This Statement provides a 10 year projection of Council's assets and liabilities using the projected 2025-26 Budget as the base year. The projections result from proposed capital expenditure emanating from the Asset Management Plans and adopted strategies, together with borrowings necessary to meet those capital requirements, and net funding generated by operations.

Uniform Presentation of Finances

In accordance with the requirements of Local Government (Financial Management) Regulations 2011 this section of the LTFP presents the financial position of Council for the next 10 years in the mandated format consistent across the Local Government sector.

This section of the LTFP is broken into the following key elements:

- A summary of all operating income and expenditure to highlight the Operating Surplus/(Deficit)
- Net outlays on existing assets after providing for depreciation and proceeds from any replacement asset sales
- Net outlays on new and upgraded assets after providing for grants received and proceeds from any surplus asset sales
- Details of the financial transactions relating to Council's Net Lending/borrowing Position to highlight Council's approach to funding services & infrastructure
- Key indexation forecasts and interest rate projections for borrowings and investments

What this means for the community

Rates

Increases above inflation are required to bring the Council into a financially sustainable position. The most material driver for these are the increases in construction costs which has impacted the costs of asset maintenance.

The proposed increase above CPI are 4% in 2025/26, 1.5% in the following three years and then a continuing level of increase of 0.5% for the remainder of the plan.

Services

This plan assumes that service levels across Council are generally maintained at their current level with some increases associated with new and upgraded capital works. Council may choose to review the service level and make changes. Any changes will most likely lead to changes in financial forecasts.

Asset management

The management of Councils portfolio of assets will continue in accordance with Councils adopted Infrastructure Asset Management Plans.

Planning ahead

Looking further into the future other key projects included in the plan include,

i)   Gumeracha Oval irrigation

ii) Town and Precinct planning & beautification framework.

iii) Replacement of external cladding at Coventry Library

iv) Development and implementation of renewal frameworks for,

    a. Play Spaces

    b. Toilets

v)   Development and implementation of a New and upgrade Footpath plan.

Unallocated funds

In the later years of the plan (years 5 to-10) there is allowance for funding of over $1.5m in unallocated operating budget per year and an average of $2.8m in capital budget. This budget could be forgone to reduce rate rises.

Risks & sensitivities

Underpinning the long term plan are multiple assumptions. Significant changes in interest rates, asset valuations, inflation amongst others can all change the financial forecasts.

Sensitivities to these assumptions can demonstrate the risks inherent in this plan.

The current LTFP forecast an average operating surplus of 1% over the first ten years.

If interest rates on Councils debt increases at 1% the additional cost in the early years is around $200k, but over the life of the plan it only decreases the surplus by 0.1%. Council's financial position is not highly sensitive to interest rates.

However, the value of Councils assets is assumed to increase on average 4% per year in the plan, this in turn increases the cost of renewing and replacing assets.

If these values increase on average 5% for ten years then Councils surplus is reduced to an average of 0.4%, and if revaluations reach an average of 6% then Councils surplus will become a small deficit. This demonstrates how sensitive Councils financial position is to the costs of asset management.

Major local, national and international events can impact significantly. Bushfires and the COVID Pandemic are obvious examples of this. Added to this is the ongoing review of Councils boundaries.

In recent years Council has had to invest heavily following major bushfires, but the financial impacts have been offset through State and Federal grants. However, if Council had to meet these costs itself there would be significant impact on its financial sustainability.

The impact on an additional $3m cost being incurred in year 5 of the plan would be to reduce Council forecast average surplus from 1% to 0.5% and increase its Net Financial Liabilities ratio in 2035 from 7% to 11%. These are significant but manageable.

It is important that Council acts so as to be in a strong financial position and takes a realistic and robust approach to developing all of its strategic plans.

Financial Statements 2026 - 2035

Income Statement

Adelaide Hills Council LTFP

$'000	Jun-23 Act	Jun-24 Act	Jun-25 Act	Jun-26 Bud	Jun-27 Proj	Jun-28 Proj	Jun-29 Proj	Jun-30 Proj	Jun-31 Proj	Jun-32 Proj	Jun-33 Proj	Jun-34 Proj	Jun-35 Proj
Income													
Rates	44,401	48,389	51,484	55,087	57,786	60,502	63,285	65,437	67,662	69,962	72,341	74,801	77,344
Statutory Charges	1,428	1,520	1,612	1,671	1,716	1,761	1,807	1,852	1,898	1,945	1,994	2,044	2,095
User Charges	901	934	1,048	1,105	1,135	1,164	1,195	1,224	1,255	1,286	1,319	1,352	1,385
Grants, Subsidies and Contributions - Capital	292	544	901	-	-	-	-	-	-	-	-	-	-
Grants, Subsidies and Contributions - Operating	6,090	4,081	7,790	5,801	6,168	6,398	6,564	6,728	6,897	7,069	7,246	7,427	7,613
Investment Income	37	35	34	25	26	26	27	28	28	29	30	31	31
Reimbursements	306	398	324	313	321	330	338	347	356	364	374	383	392
Other Income	821	512	524	651	669	686	704	721	739	758	777	796	816
Net Gain - Equity Accounted Council Businesses	169	142	55	105	108	110	113	116	119	122	125	128	131
Total Income	**54,445**	**56,555**	**63,772**	**64,758**	**67,928**	**70,978**	**74,033**	**76,454**	**78,954**	**81,537**	**84,205**	**86,961**	**89,808**
Expenses													
Employee Costs	20,693	21,915	22,651	25,584	27,089	27,861	28,655	29,443	30,252	31,084	31,939	32,818	33,720
Materials, Contracts & Other Expenses	21,273	25,886	25,345	28,335	28,426	29,072	28,853	29,725	30,543	31,383	32,246	33,132	34,044
Depreciation, Amortisation & Impairment	10,479	12,345	14,237	13,777	13,181	13,689	14,190	14,698	15,223	15,776	16,354	16,946	17,575
Finance Costs	551	758	921	1,228	994	1,285	1,330	1,226	1,043	833	538	196	(222)
Net Loss - Equity Accounted Council Businesses	19	79	26	-	-	-	-	-	-	-	-	-	-
Total Expenses	**53,015**	**60,983**	**63,180**	**68,924**	**69,689**	**71,907**	**73,028**	**75,092**	**77,061**	**79,076**	**81,077**	**83,092**	**85,117**
Operating Surplus / (Deficit)	**1,430**	**(4,428)**	**592**	**(4,166)**	**(1,761)**	**(929)**	**1,006**	**1,361**	**1,893**	**2,460**	**3,128**	**3,869**	**4,691**
Asset Disposal & Fair Value Adjustments	(1,300)	(2,307)	(2,651)	1,075	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	2,283	3,277	2,236	-	-	-	-	-	-	-	-	-	-
Physical Resources Received Free of Charge	551	1,106	1,486	-	-	-	-	-	-	-	-	-	-
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	**2,964**	**(2,352)**	**1,663**	**(3,091)**	**(1,761)**	**(929)**	**1,006**	**1,361**	**1,893**	**2,460**	**3,128**	**3,869**	**4,691**
Other Comprehensive Income													
Changes in Revaluation Surplus - I,PP&E	47,645	76,020	37,460	23,600	28,348	26,380	27,504	28,624	29,713	30,900	32,052	33,296	34,507
Share of Other Comprehensive Income - Equity Accounted Council Businesses	23	1,197	12	-	-	-	-	-	-	-	-	-	-
Movements in Other Reserves	43	(176)	(146)	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	**47,711**	**77,041**	**37,326**	**23,600**	**28,348**	**26,380**	**27,504**	**28,624**	**29,713**	**30,900**	**32,052**	**33,296**	**34,507**
Total Comprehensive Income	**50,675**	**74,689**	**38,989**	**20,509**	**26,587**	**25,451**	**28,509**	**29,986**	**31,606**	**33,361**	**35,180**	**37,165**	**39,198**

Cash Flow Statement
Adelaide Hills Council LTFP

$'000	Jun-26 Bud	Jun-27 Proj	Jun-28 Proj	Jun-29 Proj	Jun-30 Proj	Jun-31 Proj	Jun-32 Proj	Jun-33 Proj	Jun-34 Proj	Jun-35 Proj
Cash Flow from Operating Activities										
Receipts										
Rates	55,087	57,873	60,271	63,049	65,253	67,471	69,765	72,137	74,590	77,126
Statutory Charges	1,671	1,716	1,761	1,807	1,852	1,898	1,945	1,994	2,044	2,095
User Charges	1,105	1,135	1,164	1,195	1,224	1,255	1,286	1,319	1,352	1,385
Grants, Subsidies and Contributions - Operating	5,801	6,168	6,398	6,564	6,728	6,897	7,069	7,246	7,427	7,613
Investment Income	25	26	26	27	28	28	29	30	31	31
Reimbursements	313	321	330	338	347	356	364	374	383	392
Other Income	651	669	686	704	721	739	758	777	796	816
Payments										
Payments for Employees	(25,584)	(27,089)	(27,861)	(28,655)	(29,443)	(30,252)	(31,084)	(31,939)	(32,818)	(33,720)
Payments for Materials, Contracts & Other Expenses	(28,335)	(31,537)	(29,071)	(28,916)	(29,778)	(30,312)	(31,440)	(32,029)	(33,187)	(33,718)
Finance Payments	(1,228)	(994)	(1,285)	(1,330)	(1,226)	(1,043)	(833)	(538)	(196)	222
Net Cash Provided By (or Used In) Operating Activities	**9,505**	**8,288**	**12,420**	**14,783**	**15,707**	**17,037**	**17,860**	**19,370**	**20,421**	**22,243**
Cash Flow from Investing Activities										
Receipts										
Amounts Received Specifically for New / Updgraded Asset	-	-	-	-	-	-	-	-	-	-
Grants, Subsidies and Contributions - Capital	-	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	1,075	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
Payments										
Expenditure on Renewal / Replacement of Assets	(17,152)	(13,453)	(11,862)	(12,213)	(10,421)	(12,631)	(11,455)	(12,775)	(11,417)	(14,008)
Expenditure on New / Upgraded Assets	(2,583)	(2,846)	(3,809)	(2,912)	(3,192)	(2,977)	(2,619)	(3,072)	(2,874)	(3,337)
Net Cash Provided By (or Used In) Investing Activities	**(18,661)**	**(16,299)**	**(15,671)**	**(15,125)**	**(13,614)**	**(15,608)**	**(14,074)**	**(15,847)**	**(14,292)**	**(17,345)**
Cash Flow from Financing Activities										
Receipts										
Proceeds from Borrowings	9,051	78,349	80,011	84,593	89,478	97,900	103,824	112,927	119,751	131,040
Proceeds from Bonds and Deposits	-	-	-	-	-	-	-	-	-	-
Payments										
Repayment of Borrowings	-	(69,982)	(76,760)	(84,251)	(91,571)	(99,329)	(107,611)	(116,450)	(125,880)	(135,938)
Repayment of Lease Liabilities	-	-	-	-	-	-	-	-	-	-
Net Cash Provided By (or Used In) Financing Activities	**9,051**	**8,367**	**3,251**	**342**	**(2,093)**	**(1,429)**	**(3,786)**	**(3,523)**	**(6,129)**	**(4,898)**
Net Increase (Decrease) in Cash Held	**(105)**	**356**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash & Cash Equivalents at the Beginning of Period	249	144	500	500	500	500	500	500	500	500
Cash & Cash Equivalents at the End of Period	**144**	**500**	**500**	**500**	**500**	**500**	**500**	**500**	**500**	**500**

Balance Sheet

Adelaide Hills Council LTFP

$'000	Jun-26 Bud	Jun-27 Proj	Jun-28 Proj	Jun-29 Proj	Jun-30 Proj	Jun-31 Proj	Jun-32 Proj	Jun-33 Proj	Jun-34 Proj	Jun-35 Proj
Current Assets										
Cash and Cash Equivalents	144	500	500	500	500	500	500	500	500	500
Trade and Other Receivables	5,126	5,039	5,270	5,506	5,691	5,881	6,078	6,282	6,493	6,710
Inventories	18	18	18	18	18	18	18	18	18	18
Total Current Assets	5,288	5,557	5,788	6,024	6,209	6,399	6,596	6,800	7,011	7,228
Non-Current Assets										
Equity Accounted Investments in Council Businesses	4,346	4,454	4,564	4,677	4,793	4,913	5,035	5,160	5,288	5,419
Infrastructure, Property, Plant & Equipment	636,321	667,787	696,149	724,588	752,128	782,226	811,425	842,970	873,612	907,888
Other Non-Current Assets	247	247	247	247	247	247	247	247	247	247
Total Non-Current Assets	640,914	672,488	700,960	729,512	757,168	787,386	816,706	848,376	879,147	913,554
Total Assets	646,202	678,045	706,748	735,536	763,377	793,785	823,302	855,176	886,157	920,782
Current Liabilities										
Trade & Other Payables	6,787	3,676	3,678	3,615	3,562	3,793	3,736	3,953	3,898	4,224
Borrowings	10,281	-	-	-	-	-	-	-	-	-
Provisions	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,529	4,529
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	21,597	8,205	8,206	8,143	8,091	8,322	8,265	8,481	8,426	8,752
Non-Current Liabilities										
Borrowings	18,070	36,718	39,968	40,311	38,218	36,789	33,003	29,480	23,350	18,452
Provisions	607	607	607	607	607	607	607	607	607	607
Liability - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	18,677	37,325	40,575	40,918	38,825	37,396	33,610	30,087	23,957	19,059
Total Liabilities	40,273	45,529	48,781	49,061	46,915	45,718	41,874	38,568	32,384	27,811
Net Assets	605,929	632,516	657,966	686,476	716,461	748,067	781,428	816,608	853,773	892,971
Equity										
Accumulated Surplus	145,326	143,565	142,636	143,641	145,002	146,896	149,356	152,484	156,353	161,044
Asset Revaluation Reserves	460,506	488,854	515,234	542,738	571,362	601,075	631,975	664,027	697,323	731,830
Other Reserves	97	97	97	97	97	97	97	97	97	97
Total Equity	605,929	632,516	657,966	686,476	716,462	748,068	781,428	816,608	853,773	892,971

Uniform Presentation of Finances

Adelaide Hills Council LTFP

| $'000	Jun-26 Bud	Jun-27 Proj	Jun-28 Proj	Jun-29 Proj	Jun-30 Proj	Jun-31 Proj	Jun-32 Proj	Jun-33 Proj	Jun-34 Proj	Jun-35 Proj
Income										
Rates	55,087	57,786	60,502	63,285	65,437	67,662	69,962	72,341	74,801	77,344
Statutory Charges	1,671	1,716	1,761	1,807	1,852	1,898	1,945	1,994	2,044	2,095
User Charges	1,105	1,135	1,164	1,195	1,224	1,255	1,286	1,319	1,352	1,385
Grants, Subsidies and Contributions - Capital	-	-	-	-	-	-	-	-	-	-
Grants, Subsidies and Contributions - Operating	5,801	6,168	6,398	6,564	6,728	6,897	7,069	7,246	7,427	7,613
Investment Income	25	26	26	27	28	28	29	30	31	31
Reimbursements	313	321	330	338	347	356	364	374	383	392
Other Income	651	669	686	704	721	739	758	777	796	816
Net Gain - Equity Accounted Council Businesses	105	108	110	113	116	119	122	125	128	131
Total Income	**64,758**	**67,928**	**70,978**	**74,033**	**76,454**	**78,954**	**81,537**	**84,205**	**86,961**	**89,808**
Expenses										
Employee Costs	25,584	27,089	27,861	28,655	29,443	30,252	31,084	31,939	32,818	33,720
Materials, Contracts & Other Expenses	28,335	28,426	29,072	28,853	29,725	30,543	31,383	32,246	33,132	34,044
Depreciation, Amortisation & Impairment	13,777	13,181	13,689	14,190	14,698	15,223	15,776	16,354	16,946	17,575
Finance Costs	1,228	994	1,285	1,330	1,226	1,043	833	538	196	(222)
Net Loss - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Total Expenses	**68,924**	**69,689**	**71,907**	**73,028**	**75,092**	**77,061**	**79,076**	**81,077**	**83,092**	**85,117**
Operating Surplus / (Deficit)	**(4,166)**	**(1,761)**	**(929)**	**1,006**	**1,361**	**1,893**	**2,460**	**3,128**	**3,869**	**4,691**
Less: Grants, Subsidies and Contributions - Capital	-	-	-	-	-	-	-	-	-	-
Adjusted Operating Surplus / (Deficit)	**(4,166)**	**(1,761)**	**(929)**	**1,006**	**1,361**	**1,893**	**2,460**	**3,128**	**3,869**	**4,691**
Net Outlays on Existing Assets										
Capital Expenditure on renewal and replacement of Existing Assets	(17,152)	(13,453)	(11,862)	(12,213)	(10,421)	(12,631)	(11,455)	(12,775)	(11,417)	(14,008)
Depreciation, Amortisation and Impairment	13,777	13,181	13,689	14,190	14,698	15,223	15,776	16,354	16,946	17,575
Grants, Subsidies and Contributions - Capital Renewal	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Replaced Assets	1,075	-	-	-	-	-	-	-	-	-
	(2,300)	**(272)**	**1,827**	**1,976**	**4,277**	**2,591**	**4,321**	**3,579**	**5,528**	**3,568**
Net Outlays on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets	(2,583)	-	-	-	-	-	-	-	-	-
Grants, Subsidies and Contributions - Capital New / Upgraded	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New and Updgraded Assets	-	-	-	-	-	-	-	-	-	-
	(2,583)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Lending / (Borrowing) for Financial Year	**(9,049)**	**(2,033)**	**898**	**2,982**	**5,638**	**4,484**	**6,781**	**6,707**	**9,397**	**8,259**

Statement of Changes in Equity

Adelaide Hills Council LTFP

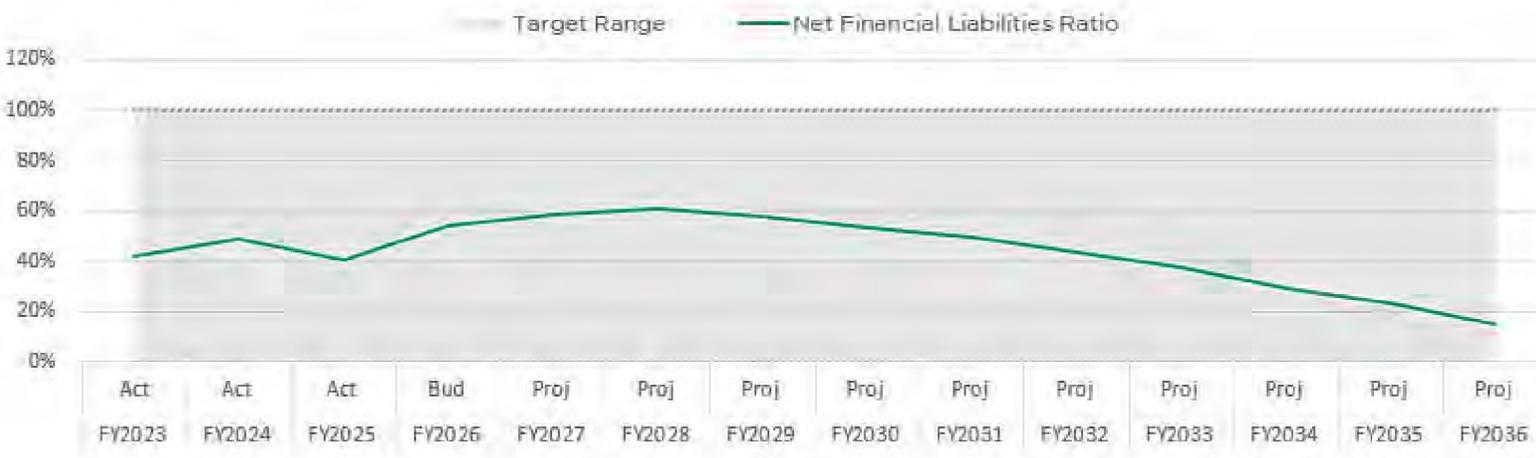| $'000	Jun-27 Proj	Jun-28 Proj	Jun-29 Proj	Jun-30 Proj	Jun-31 Proj	Jun-32 Proj	Jun-33 Proj	Jun-34 Proj	Jun-35 Proj
Accumulated Surplus									
Balance at the end of previous reporting period	145,326	143,565	142,636	143,641	145,002	146,896	149,356	152,484	156,353
Net result for the year	(1,761)	(929)	1,006	1,361	1,893	2,460	3,128	3,869	4,691
Transfers from other reserves	-	-	-	-	-	-	-	-	-
Balance at the end of the period	**143,565**	**142,636**	**143,641**	**145,002**	**146,896**	**149,356**	**152,484**	**156,353**	**161,044**
Asset Revaluation Reserve									
Balance at the end of previous reporting period	460,506	488,854	515,234	542,738	571,362	601,075	631,975	664,027	697,323
Gain (Loss) on Revaluation of I, PP&E	28,348	26,380	27,504	28,624	29,713	30,900	32,052	33,296	34,507
Balance at the end of period	**488,854**	**515,234**	**542,738**	**571,362**	**601,075**	**631,975**	**664,027**	**697,323**	**731,830**
Other Reserves									
Balance at the end of previous reporting period	97	97	97	97	97	97	97	97	97
Transfers from Accumulated Surplus	-	-	-	-	-	-	-	-	-
Balance at the end of period	**97**	**97**	**97**	**97**	**97**	**97**	**97**	**97**	**97**
Total Equity at end of reporting period	**632,516**	**657,966**	**686,476**	**716,462**	**748,068**	**781,428**	**816,608**	**853,773**	**892,971**

Financial Indicators
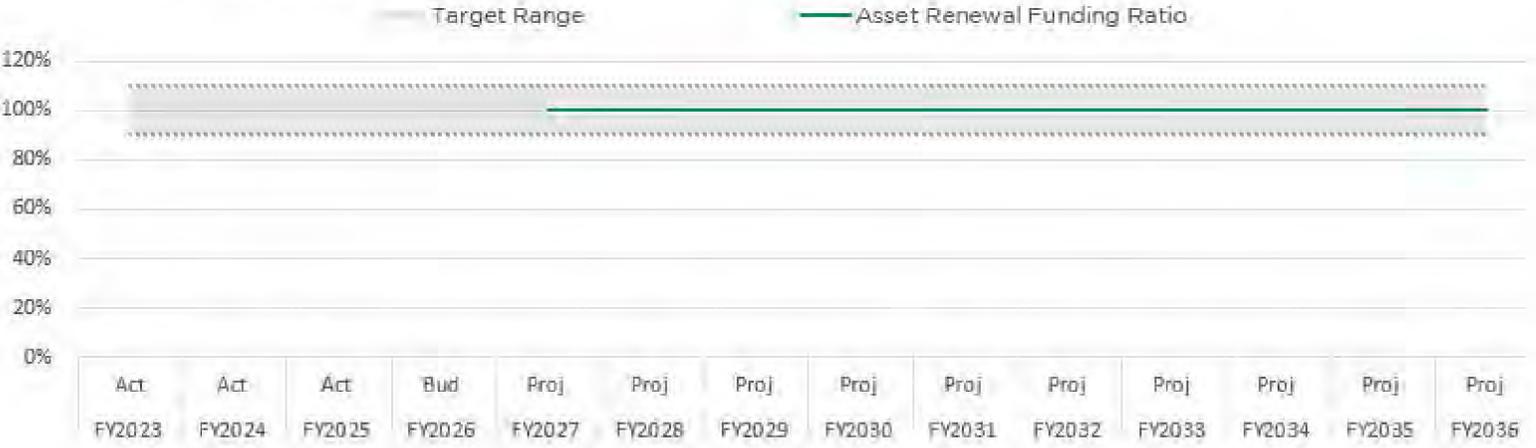## Adelaide Hills Council LTFP
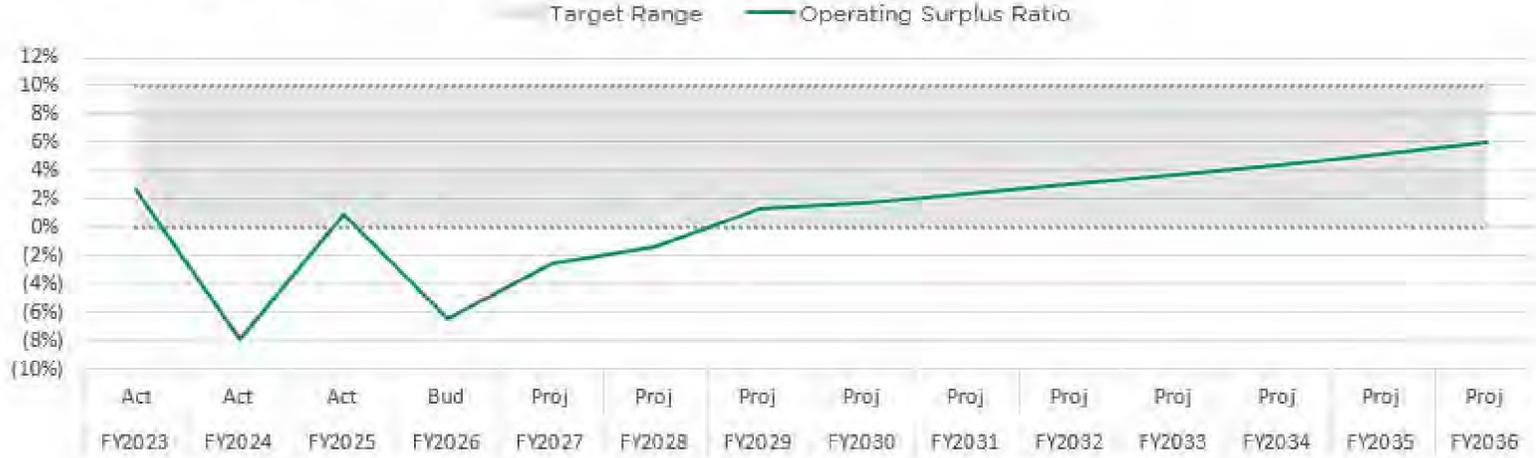
Operating Surplus Ratio
Net Financial Liabilities Ratio
Asset Renewal Funding Ratio

08 8408 0400
mail@ahc.sa.gov.au
ahc.sa.gov.au