MEMBERSHIP

Mr L Kozlovic (Chair)
Mr R Bria
Mr D Powell
Cr P Klobucar
Cr B Simpson (proxy)
Cr P Borda (proxy)

NOTICE OF AUDIT AND RISK COMMITTEE MEETING

TO THE CHAIR AND MEMBERS OF THE AUDIT AND RISK COMMITTEE

NOTICE is hereby given pursuant to Section 87(4) of the Local Government Act 1999 that the Audit and Risk Committee Meeting will be held in the Whyalla City Council Civic Building, 21 Grundel Street, Whyalla Norrie on Friday 9 October at 8.00 am.

The Audit and Risk Committee Meeting is open to the public to attend electronically via Microsoft Teams, Click here to join the meeting.

When attending the meeting via Microsoft Teams, participants are agreeing to Microsoft's *Terms and Conditions* – follow this link Microsoft Privacy Statement – Microsoft privacy to view Microsoft's *Privacy Statement.*

A copy of the Agenda for the above meeting is supplied as required.

JUSTIN COMMONS
CHIEF EXECUTIVE OFFICER

Dated: 1 October 2026

AGENDA

AUDIT AND RISK COMMITTEE MEETING
To be held in the Whyalla City Council Civic Building, 21 Grundel Street, Whyalla Norrie on Friday 9 October 2026 at 8.00 am

Members: Laurie Kozlovic (Chair), Roberto Bria, David Powell, Cr Peter Klobucar
In Attendance: Justin Commons (CEO), Sue King (General Manager Corporate Services), Paul Day (General Manager Infrastructure), Jodie Perone (General Manager City Growth), Ellisha Papoulis (Manager People and Culture), Sandra Vigar (Finance Co-ordinator)
Apologies:

ACKNOWLEDGEMENT OF COUNTRY

"We acknowledge the Barngarla and Kaurna people, the traditional owners of the land on which we meet today and pay our respects to the Elders past and present and extend that respect to other Aboriginal and Torres Strait Islander people who are present today."

1. STANDING ITEMS	**Action**	**Page**
1.1 Welcome and Apologies		
1.2 Declaration of Members Conflict of Interests		
1.3 Minutes from Previous Meeting – 28 August 2026	Adopt	3
1.4 Business Arising from Previous Meetings *(including progress against external/internal review recommendations)*	Note	20
1.5 Meet with External Auditor without Management Present		
1.6 Verbal Update on Council Business and City Developments - **Confidential**	Note	28

2. ITEMS FOR DECISION		
2.1 Review Annual Financial Statements	Recommend	30
2.2 Develop Work Program for Next 12 Months	Recommend	103
2.3 Audit and Risk Committee Annual Report to Council	Recommend	107
2.4 Review ABP&B Parameters and Process for Following Year	Recommend	113
2.5 Review Quarterly Budget Reports	Recommend	120
2.6 Review Budget vs Actual	Recommend	142
2.7 Review Draft Strategic Risks	Recommend	159
2.8 Receive and Consider Performance Assessment Report Including any Professional Development Needs	Recommend	201
2.9 Review the Committee's Terms of Reference	Recommend	242
2.10 Change of October 2027 Meeting Date	Recommend	251

3. ITEMS FOR NOTING		
3.1 Quarterly Procurement Report	Note	252
3.2 Review and Monitor the Program of Service Reviews	Note	258
3.3 People and Culture Metrics	Note	260
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4. CONFIDENTIAL ITEMS		
4.1 Update from Council Representative	Note	362
4.2 Meeting Review – Reflections and Comments	Note	366

5. MOTIONS WITH NOTICE – Nil

6. MOTIONS WITHOUT NOTICE

7. NEXT MEETING – TBA

8. CLOSE

1. STANDING ITEMS

1.3 Minutes of Audit and Risk Committee Meeting – 28 August 2026

Audit and Risk Committee Meeting:	9 October 2026		
Author's Title:	Lisette Symons - Executive Coordinator - Corporate	**File No.:**	0-159
Director:	Corporate		

Attachments

1 – Minutes of the Audit and Risk Committee Meeting held 28 August 2026

Officer Direct or Indirect Conflict of Interest: *In accordance with Local Government Act 1999, Section 120*		**Status:** *Information classified confidential under Section 90(2) of the Local Government Act*	
☐ **Yes**	☑ **No**	☐ **Yes**	☑ **No**

Reason –Nil

PURPOSE

The purpose of this item is to seek the Audit and Risk Committee's confirmation of minutes from previous meetings of the Committee.

BACKGROUND / DISCUSSION

The last meeting of Council's Audit and Risk Committee was held 28 August 2026. The confidential versions of the minutes were distributed to Committee Members on 14 September 2026 and now require confirmation

Should the Committee wish to include any additional information in the minutes, this can be facilitated during the meeting, including moving into confidence if needed.

RECOMMENDATION

The Audit and Risk Committee:

1. **Confirm the minutes of the Audit and Risk Committee meetings held on 28 August 2026 as a true and correct record of the meeting.**

MINUTES OF THE WHYALLA CITY COUNCIL AUDIT AND RISK COMMITTEE MEETING
FRIDAY 28 AUGUST 2026 AT 10.00 AM
HELD AT WHYALLA CITY COUNCIL, 21 GRUNDEL STREET, WHYALLA AND LOCAL GOVERNMENT FINANCE AUTHORITY BOARDROOM, SUITE 1205, 147 PIRIE STREET, ADELAIDE.

PRESENT:	Mr L Kozlovic (*chair*), Mr R Bria, Mr D Powell, Cr P Klobucar
OFFICERS IN ATTENDANCE:	Chief Executive Officer *(Mr J Commons)* General Manager Corporate Services *(Ms S King)* General Manager City Growth *(Mrs J Perone)* General Manager Infrastructure *(Mr P Day)* Manager People and Culture *(Mrs E Papoulis)* Finance Coordinator *(Mrs S Vigar)* Executive Co-Ordinator – Corporate *(Ms L Symons)* BRM Advisory *(Mr M Booth) For Item 4.1*
OBSERVERS:	Deputy Mayor T Pond

ACKNOWLEDGEMENT

The Chair acknowledged that the meeting was being held on Barngarla, Gadigal and Kaurna land and gave thanks for the use of this land.

1. STANDING ITEMS

1.1 Welcome and Apologies

Apologies – Mr R Bria, Mayor P Stone
Leave of Absence – Nil

1.2 Declaration of Members' Conflict of Interests

Nil

The Chair sought leave of the meeting to alter the order of the Agenda and bring forward Item 4.1
Leave of the meeting was granted.

4.1 Whyalla Early Learning Centre Business Unit Review – Confidential

Moved Mr D Powell, seconded Cr P Klobucar

AC641-2026

Pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999, the Audit and Risk Committee orders that all persons present, with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Jodie Perone; General Manager City Growth, Paul Day; General Manager Infrastructure, Ellisha Papoulis; Manager People and Culture, Mark Booth; BRM Advisory and Lisette Symons; Executive Coordinator – Corporate for Agenda Item 4.1 – *Whyalla Early Learning Centre Business Unit Review.*

The Council is satisfied that pursuant to Sections 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item:

a) could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business, or to prejudice the commercial position of Council; and

b) contains information provided on a confidential basis provided by another public authority.

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because on balance it would be contrary to the public interest as commercial information is to be discussed and disclosed.

Carried

Moved Mr D Powell, seconded Cr P Klobucar

AC642-2026

That the Audit and Risk Committee

1.

2. Having considered Agenda Item 4.1 – *Whyalla Early Learning Centre Business Unit Review* in confidence, under Sections 90(2) and (3)(b) of the Local Government Act 1999, the Audit and Risk Committee pursuant to Section 91(7) of the Act, orders that the Report, Annexures and Minutes pertaining to this item be kept confidential and not available for public inspection for a period of five years from the date of this Audit and Risk Committee Meeting, or until a decision is made on the future of the centre, whichever occurs first, on the basis that it contains information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is proposing to conduct business or to prejudice the commercial position of the Council and would, on balance, be contrary to the public interest. Notwithstanding that it will be reviewed annually in February of each year.

Carried

Mr M Booth left the meeting at 9.45am
Mrs J Perone left the meeting at 9.43am

1.3 Minutes of Previous Meeting – Friday 19 June 2026

Moved Mr D Powell, Cr P Klobucar

AC643-2026

That the Audit and Risk Committee confirm the minutes of the Audit and Risk Committee Meeting held on 19 June 2026 as a true and correct record of the meeting.

Carried

1.4 Business arising from Previous Meetings – as at 28 August 2026

Moved Cr P Klobucar, seconded Mr D Powell

AC644-2026

That the Audit and Risk Committee:
Note the progress of actions taken to address items of business arising from previous meetings of the Audit and Risk Committee as well as external reviews.

Carried

1.5 Committee Members/Staff/Auditors Discussion *(if required)*

Nil

1.6 Verbal Update on Council Business and City Developments – Confidential

Moved Mr D Powell, Cr P Klobucar

AC645–2026

Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all persons present, with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Paul Day; General Manager Infrastructure, Ellisha Papoulis; Manager People and Culture and Lisette Symons; Executive Coordinator – Corporate be excluded from the meeting as the Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the Committee will receive and consider matters that must be considered in confidence in order to ensure that the Committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.

Carried

Moved Mr D Powell, Cr P Klobucar

AC646-2026

1.

2. In accordance with Section 91(7) and (9) of the *Local Government Act 1999*, the Audit and Risk Committee orders that this report *Item 4.3 - Verbal Update on Council Business and City Developments,* the Appendix to this report and the minutes pertaining to this item having been considered in confidence under Section 90(2) and (3)(g) of the Act be kept confidential and not available for public inspection to ensure that the committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty. This order is to remain in force for until February 2032 notwithstanding that it will be reviewed annually in February of each year.

Carried

2. ITEMS FOR DECISION

2.1 Entertainment and Hospitality Policy Review

Moved Mr D Powell, seconded Cr P Klobucar

AC647-2026

That the Audit and Risk Committee recommends the updated Entertainment and Hospitality Policy to Council for adoption.

Carried

2.2 Review Council Investments and Loans

Moved Cr P Klobucar, seconded Mr D Powell

AC648-2026

The Audit and Risk Committee note the Investment and Loan Performance Report for 2025/26

Carried

2.3 Review Performance Assessment Methodology

Moved Cr P Klobucar, seconded Mr D Powell

AC649-2026

The Audit and Risk Committee:

1. approves the survey questions to be used for their 2025/26 performance assessment; and
2. notes the process to be used for the development of their 2025/26 Annual Report

Carried

2.4 Set Annual Schedule of Meetings

Moved Cr P Klobucar, seconded Mr D Powell

AC650-2026

The Audit and Risk Committee:

1. Sets the 2027 schedule of ordinary meetings for the Audit and Risk Committee to be held at 9.00am at the Council's Civic Building, Grundel Street on:

    - Friday 12 February 2027
    - Friday 23 February 2027
    - Friday 21 May 2027
    - Friday 16 July 2027
    - Friday 22 October 2027 (to coincide with a joint workshop with Council to be confirmed)

Carried

2.5 October Meeting and Workshop

Moved Moved Mr D Powell, seconded Cr P Klobucar

AC651-2026

The Audit and Risk Committee endorse the change of date of the October Audit and Risk Committee Meeting and Joint Workshop with Council to Thursday October 7 and/or Friday October 8, 2026.

Carried

3.0 ITEMS FOR NOTING

3.1 Quarterly Procurement Report

Moved Mr D Powell, seconded Cr P Klobucar

AC652-2026

The Audit and Risk Committee receive and note the Quarterly Report – Procurement for the period 1 April to 30 June 2026.

Carried

3.2 Receive and Consider Internal Audit Report on Council's Systems of Control on Ethical Standards

Moved Mr D Powell, seconded Cr P Klobucar

AC653-2026

That the Audit and Risk Committee note the systems currently in place against ethics, integrity and culture.

Carried

3.3 Service Review Program

Moved Mr D Powell, seconded Cr P Klobucar

AC654-2026

That the Audit and Risk Committee notes Council's engagement of Placegov to establish a structured Service Review Framework across the organisation.

Carried

3.4 Information or Annual Report on Council Insurance Claims

The General Manager Corporate introduced this item advising that the escalation in claims is mainly due to the break-in of the Civic Building around 12 months ago, several car windscreens and two lengthy Workcover claims – one of which was accepted and backdated 2 years, and the other which was rejected.

The Committee was assured that extensive work has occurred regarding psychosocial injuries and this will continue to roll out. Similarly, a lot of work has been done around organisational culture so this will also help mitigate the risk of further claims of this nature. Access to the EAP is also provided to all staff.

Moved Cr P Klobucar, seconded Mr D Powell

AC655-2026

That the Audit and Risk Committee note the Annual Report on Council Insurance Claims 2025/26 Report.

Carried

3.5 Internal Audit HR Planning and Management

The Manager People and Culture introduced this item advising that following the June Audit and Risk Committee meeting, a further review has been undertaken based on their feedback. Comparisons were made between BDO's rating methodology against Council's own Risk Framework. While Strategic Workforce Planning was rated as 'high', Council has been able to demonstrate sufficient controls in this area and no critical failures, moving the risk to 'moderate'. Other findings included acceptance of a moderate risk on the basis of council acknowledged improvements are required and they cannot be meeting the threshold of low or high because there's no evidence to support that. There is no current organisational exposure or significance.

BDO have recommended that moderate risks should be closed out between 6-9 months however a different timeframe has been set in line with current capacity. August due items around the PDP Policy and Procedure Guidelines are completed and the Health and Wellbeing Framework is well on track for November.

Moved Mr D Powell, Cr P Klobucar

AC656-2026

The Audit and Risk Committee note the final BDO Report.

Carried

3.6 Airport Update

Moved Cr P Klobucar, seconded Mr D Powell

AC657-2026

That the Audit and Risk Committee notes the following updates:

1. Airport Water Mains Upgrade
2. Distribution Board Upgrade Project
3. Installation of New Airside Fenceline

Carried

3.7 2027 Local Government Elections Schedule

Moved Mr D Powell, seconded Cr P Klobucar

AC658-2026

The Audit and Risk Committee

1. notes the legislative changes to the Local Government Election timetable.
2. notes the key election milestones and governance considerations associated with the 2027 Local Government Elections.
3. notes the risks and operational implications for Council during the caretaker period.

Carried

4. CONFIDENTIAL ITEMS

4.2 Cyber Security Review Report – Confidential

Moved Mr D Powell, seconded Cr P Klobucar

AC659-2026

Pursuant to Section 90(2) and 3(e) of the Local Government Act 1999, the Audit and Risk Committee orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Jodie Perone; General Manager City Growth, Paul Day; General Manager Infrastructure, Ellisha Papoulis; Manager People & Culture, Sandra Vigar; Finance Coordinator and Lisette Symons; Executive Coordinator – Corporate for Agenda Item 4.2 – *2026 Cyber Security Assessment.*

The Audit and Risk Committee considers that the principle that the meeting be conducted in a place open to the public has been outweighed in circumstances where the Committee will receive and consider a report containing matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person.

Carried

Moved Mr D Powell, Cr P Klobucar

AC660-2026

The Audit and Risk Committee:

1.
2. having considered Agenda Item 4.2 – *2026 Cyber Security Assessment* in confidence under Section 90(2) and (3)(e) of the Local Government Act 1999, the Audit and Risk Committee pursuant to Section 91(7) of the Act orders that this Report be kept confidential and not available for public inspection for a period of five (5) years, on the basis that it contains matters affecting the security of the council, notwithstanding that it will be reviewed annually in February of each year.

Carried

4.3 Enterprise Resource Planning (ERP) Considerations - Confidential

Moved Mr D Powell, seconded Cr P Klobucar

AC661-2026

Pursuant to Section 90(2) and 3(b) of the Local Government Act 1999, the Audit and Risk Committee orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Paul Day; General Manager Infrastructure, Ellisha Papoulis; Acting Manager People and Culture and Lisette Symons; Executive Coordinator – Corporate for Agenda Item 4.3 – *Enterprise Resource Planning Considerations.*

The Audit and Risk Committee considers that the principle that the meeting be conducted in a place open to the public has been outweighed in circumstances where the Committee will receive and consider a report containing information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council and would, on balance, be contrary to the public interest.

Carried

Moved Mr D Powell, seconded Cr P Klobucar

AC662-2026

1.

2. having considered Agenda Item 4.3 – *Enterprise Resource Planning Considerations* in confidence under Section 90(2) and (3)(b) of the Local Government Act 1999, the Audit and Risk Committee pursuant to Section 91(7) of the Act orders that this Report, the Annexures and Minutes be kept confidential and not available for public inspection for a period of two (2) years, on the basis that it contains information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is proposing to conduct business.

Carried

4.4 Verbal Update on Confidential Council Business – Confidential

This item was covered in Item 1.6

4.5 Update from Council Representative – Confidential

Moved Cr P Klobucar, seconded Mr D Powell

AC663-2026

That Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all persons present, with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Jodie Perone; General Manager City Growth, Paul Day; General Manager Infrastructure, Ellisha Papoulis; Manager People and Culture, Sandra Vigar; Finance Coordinator and Lisette Symons; Executive Coordinator - Corporate be excluded from the meeting as the committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the committee will receive and consider matters that must be considered in confidence in order to ensure that the committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.

Carried

Moved C P Klobucar, seconded Mr D Powell

AC664-2026

That the Audit and Risk Committee:

1.
2. In accordance with Section 91(7) and (9) of the *Local Government Act 1999*, Council orders that this report *Item 4.4 - Update from Council Representative,* the Appendix to this report and the minutes pertaining to this item having been considered in confidence under Section 90(2) and (3)(g) of the Act be kept confidential and not available for public inspection to ensure that the committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty. This order is to remain in force for until February 2032 notwithstanding that it will be reviewed annually in February of each year.

Carried

4.6 Meeting Review – Reflections and Comments – Confidential

Moved Mr D Powell, seconded Cr P Klobucar

AC665-2026

That Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all persons present, with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Jodie Perone; General Manager City Growth, Paul Day; General Manager Infrastructure, Ellisha Papoulis; Manager People and Culture, Sandra Vigar; Finance Coordinator and Lisette Symons; Executive Coordinator - Corporate be excluded from the meeting as the committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the committee will receive and consider matters that must be considered in confidence in order to ensure that the committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.

Carried

Moved Cr P Klobucar, seconded Mr D Powell

AC666-2026

That the Audit and Risk Committee:

1.

2. In accordance with Section 91(7) and (9) of the *Local Government Act 1999*, the Audit and Risk Committee orders that this report *Item 4.5 - Meeting Review,* the Appendix to this report and the minutes pertaining to this item having been considered in confidence under Section 90(2) and (3)(g) of the Act be kept confidential and not available for public inspection to ensure that the committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty. This order is to remain in force for until February 2032 notwithstanding that it will be reviewed annually in February of each year.

Carried

5. MOTIONS WITH NOTICE

Nil

6. MOTIONS WITHOUT NOTICE

Nil

7. DATE OF NEXT MEETING – 8/9 October 2026

8. CLOSE – Meeting closed at 11.02am

Confirmed: ……
Presiding Member – October 2026

1. STANDING ITEMS

1.4 Business Arising from Previous Meetings – as at 9 October 2026

Audit and Risk Committee Meeting:	9 October 2026		
Author's Title:	Lisette Symons - Executive Coordinator - Corporate	**File No.:**	0-159
Director:	Corporate		

Attachments

1 – Business Arising from Previous Meetings
2 – Meeting Schedule
3 – Work Program
4 – Policies Register

Officer Direct or Indirect Conflict of Interest: *In accordance with Local Government Act 1999, Section 120*		**Status:** *Information classified confidential under Section 90(2) of the Local Government Act*	
☐ **Yes**	☑ **No**	☐ **Yes**	☑ **No**

PURPOSE

The purpose of this item is to bring to the Audit and Risk Committee's attention, Business Arising from previous meetings of the Audit and Risk Committee and internal/external reviews that remain outstanding.

BACKGROUND / DISCUSSION

Business arising for the Audit and Risk Committee has two sources:

- from previous meetings of the Audit and Risk Committee; and
- matters outstanding from internal/external reviews.

Also attached are:

- the Committee's Meeting Schedule, Work Program and
- Council's Policies and Procedures Register.

RECOMMENDATION

The Audit and Risk Committee:

1. **Note the progress of actions taken to address items of business arising from previous meetings of the Audit and Risk Committee as well as external reviews.**

Attachment 1

WHYALLA CITY COUNCIL

BUSINESS ARISING FROM AUDIT COMMITTEE MEETINGS

AS AT OCTOBER 2026

	Date of Meeting	Item	Responsible	Due Date	Status	Completed
1.	28 August 2026	***4.1 Whyalla Early Learning Centre Business Unit Review – Confidential*** *To be added to the Work Program: Compliance report to the A&RC on a six-monthly basis advising on risk management governance and any notifiable event.*	General Manager City Growth	9/10/26	Added to proposed 2027 Work Program (10.4) – See Agenda Item 2.2	100%
2.	28 August 2026	***4.2 Cyber Security Review Report - Confidential*** *Report to be provided regarding actions taken or proposed to address issues identified in the Report*	General Manager Finance and Information Knowledge	9/10/26	Annexure D (Remediation Timeline) from Item 4.2 was emailed to the Committee on 3/9/26 with a follow up email on 16/9/26. No feedback received.	100%
3.	28 August 2026	***4.3 Enterprise Resource Planning (ERP) Considerations - Confidential*** *Undertake further due diligence prior to submitting recommendations for the A&RC and Council's consideration*		9/10/26	Workshop Agenda Item 8/10/26	100%

* Completed items to be removed are shaded

WHYALLA CITY COUNCIL
AUDIT AND RISK COMMITTEE

INDICATIVE MEETING SCHEDULE – 2026 (amended)

Schedule of Meetings	
Friday 20 February 2026 at 9.00am	
Friday 10 April 2026 at 9.00am	Special Meeting for ABP&B
Friday 19 June 2026 at 9.00am	
Friday 28 August 2026 at 9.00am	
Friday 9 October 2026 at 9.00am	Including Joint Workshop with Council Members

AUDIT AND RISK COMMITTEE WORK PROGRAM - 2026

ToR Ref.	Deliverables derived from the Committee's Terms of Reference	Feb 26	Apr 26	May 26	July 26	Oct 26	Action
5.4	Communication						
	Updates on relevant Council considerations since the last meeting	As required					Note
7.	Meetings						
7.8	Set annual schedule of meetings					Aug	Endorse
7.8	Annual joint workshop with Council – topics tbd					X	Endorse
7.10	Review Committee meeting procedures	X					Endorse
7.8	Develop Work Program for next 12 months	X				2.2	Endorse
9.3	Reporting						
	Audit and Risk Committee annual report to Council					2.3	Endorse
10.1	Strategic Management						
	Review ABP&B parameters and process for following year					2.4	Recommend
	Review draft ABP&B		X				Recommend
	Review ESCOSA material	Due 2027					Note
10.2	Financial and Prudential Management						
	Review annual financial statements					2.1	Recommend
	Review quarterly budget reports	X		X		2.5	Recommend
	Review budget vs actual					2.6	Recommend
	Review application for new loan	As required					Recommend
	Review council investments and loans					Aug	Recommend
	Review any prudential report	As required					Recommend
	Review any business case/unsolicited proposal	As required					Recommend
	Review financial/prudential policies:						
	-Asset Accounting	Due 2027					Recommend
	-Budget Management and Review			X			Recommend
	-Corporate Credit Card	Due 2027					Recommend
	-Entertainment and Hospitality				X		Recommend
	-Financial Hardship				X		Recommend
	-Financial Hardship – Retail Water Customers	X					Recommend
	-Disposal of Land and Other Assets	Due 2027					Recommend
	-Financial Internal Control	Due 2028					Recommend
	-Procurement Policy	Due 2027					Recommend
	-Prudential Management	Due 2027					Recommend
	-Rating Policy		X				Recommend
	-Retail Water – Pricing	X					Recommend
	-Treasury Management			X			Recommend
	-Unsolicited Proposals	Due 2027					Recommend
	-Water Connection and Billing	X					Recommend
	Quarterly Procurement Report	X		X	X	3.1	Note

AUDIT AND RISK COMMITTEE WORK PROGRAM - 2026

ToR Ref.	Deliverables derived from the Committee's Terms of Reference	Feb 26	Apr 26	May 26	July 26	Oct 26	Action
10.3	External Audit						
	Oversee any tender process undertaken and recommend to Council the appointment of the external auditor	Due 2030					Recommend
	Review annual audit plan	X					Recommend
	Receive interim management report			X			Note
	Receive end of year audit completion report					2.1	Note
	Meet with external auditor without management present					1.5	Note
10.4	Risk Management						
	Review Risk Management Policy, framework, appetite statements, strategic risk profile					2.7	Recommend
	Review emergency management and business continuity policies and plans					2.10	Recommend
	Cyber security review report				X		Note
	Information or annual report on Council insurances, claims					Aug	Note
	Monitor management's responses to and progress against any risk reports	As required					Note
10.5	Internal Audit, Internal Controls and Service Reviews						
	Review and monitor the program of service reviews			X		3.2	Note
	Review and monitor the program of internal audit assignments						
	• Budget Establishment, Monitoring and Management	Completed					Note
	• Strategic and Business Planning Process	Completed					Note
	• Asset Management	X					Note
	• Human Resource Planning and Management	X		X			Note
	• External Stakeholder Relationship Management			X		Feb	Note
	• Governance and Compliance	Due 2027					Note
	• ICT Infrastructure	Due 2027					Note
	Review internal financial controls – self assessment	X					Recommend
	Meet with service review and internal audit service provider without management present			X		Feb	Note
	Monitor management's responses to and progress against service review and internal audit reports	As required					Note

AUDIT AND RISK COMMITTEE WORK PROGRAM - 2026

ToR Ref.	Deliverables derived from the Committee's Terms of Reference	Feb 26	Apr 26	May 26	July 26	Oct 26	Action
11.1	Performance Assessment, Induction and Professional Development						
	Review performance assessment methodology				X		Endorse
	Receive and consider performance assessment report including any professional development needs					2.8	Endorse
	Review the Committee's Terms of Reference					2.9	Recommend
11.2	Ethics, Integrity and Culture						
	Receive and consider internal audit report on council's systems of control on ethical standards etc.				X		Recommend or note
	Organisational Leadership and Performance			X		X	Recommend
	People and Culture Metrics			X		3.3	Note
	Review Council's key controls/policies that go towards good public administration including (note that these policies are on a 4-year cycle of review)						
	-Behaviour Management	Due 2027					Recommend
	-Fraud and Corruption	Due 2027					Recommend
	-Complaints Handling	Due 2029					Recommend
	-Public Interest Disclosure	Due 2029					Recommend
	-Review of Council Decisions	Due 2029					Recommend
	-Code of Practice for Access to Meetings	Due 2027					Recommend
	-Privacy	Due 2027					Recommend
	-Council Members – Allowances and Benefits Reimbursement	Due 2027					Recommend
	Review CEO's annual report on the effectiveness of the organisation's culture					3.4	Note
	Review any reports received that go towards good public administration	As required					Recommend or note
	Other						
11.3	Propose and review the exercise of powers under section 130A of the Local Government Act 1999	As required					Recommend

Whyalla City Council **POLICIES** as of 29/09/2026 14:01

Policy Name	Policy type	Department Responsible for Review	Review cycle	Date last approved	Next review date	Date review to commence	Legislation or Policy Source	Comments	Audit and Risk Committee Review	ACTION
Asset Accounting	Discretionary	Finance	2 yearly	1-Aug-25	Aug-27		LG Act, s125		Yes	
Asset Management Policy	Discretionary	Governance	4 yearly within the term of council	16-Mar-26	Mar-29		Local Government Act 1999 Work Health and Safety Act 2012		Yes	
Behavioural Management	Mandatory	Governance	Within 12 months of council election	28-Nov-22	By November 2027		LG Act, s262B	repealed Complaints Handling Policy under the Council Members Code of Conduct, adopted Behavioural Management Policy 28.11.22	Yes	
Behavioural Support Policy	Discretionary	Governance	Within 6 months of council election	19-Jun-23	Feb-27		LG Act, s75F		No	
Budget Management & Review	Mandatory	Finance	2 yearly	1-Jul-26	Jul-28		LG Act, s123		Yes	
Building & Swimming Pool Inspection	Mandatory	City Growth	4 yearly	1-Oct-25	Oct-29		PDI Act		No	
Caretaker Policy	Mandatory	Governance	4 yearly	20-Apr-26	Mar-30		LG (Elections) Act, s91A		No	
Cemetery Operations & Administration	Discretionary	Infrastructure	4 yearly	Oct-25	Nov-29		Burial & Cremations Act & Regulations		No	
Code of Practice – Access to Council and Committee Meeting Documents Policy	Mandatory	Governance	Within 12 months of council election	Jun-23	Apr-27		LG Act s92		No	
Code of Practice for Meeting Procedures	Discretionary	Governance	Once every financial year. Can only be made or altered by a vote of a two thirds majority of council.	30-Dec-23	30-Dec-27		Local Government (Procedures of Meetings) Regs, reg 6		No	
Code of Conduct - Volunteers	Discretionary	City Growth	3 Yearly	1-Oct-19	Nov-27		Local Government Act 1999		No	
Complaints Handling Policy and Procedure	Mandatory	Corporate Services	4 Yearly	10-Jun-26	10-Jun-30		Local Government Act 1999		No	
Corporate Credit Card Policy	Discretionary	Finance	3 yearly	1-Aug-24	Aug-27		LG Act, s125		Yes	
Corporate Credit Card Procedure	Discretionary	Finance	3 yearly	1-Aug-24	Aug-27		LG Act, s125		Yes	
Council Member Access to Information	Discretionary	Governance	4 yearly	1-Nov-25	Nov-29		LG Act, s61		No	
Council Member Professional Development Policy	Mandatory	Corporate Services	Within 12 months of council election	19-Jun-23	Jun-27		LG Act, s80A	Previously called Council Member Training & Development Policy	No	
Council Members – Allowances and Benefits Reimbursements	Discretionary	Governance	Within 12 months of council election	28-Nov-22	Nov-26		LG Act, s77(1)(b)		Yes	
Disposal of Land & Other Assets	Mandatory	Infrastructure	4 yearly	Jun-23	Mar-27		LG Act		Yes	
Election of Deputy Mayor	Discretionary	CEO	Within 12 months of council election	1-Nov-22	Nov-26		LG Act, s51(4)		No	
Emergency Management Policy	Discretionary	Corporate	4 yearly	3-Feb-26	Feb-30		LG Act		No	
Enforcement	Discretionary	Governance	4 yearly in each term of council	1-Jan-26	Jun-30		Regulatory Services		No	
Entertainment and Hospitality	Discretionary	Finance	3 yearly	21-Sep-26	Sep-29		LG Act, s125		Yes	
Financial Hardship	Mandatory	Finance	2 yearly	1-Jul-26	Jul-28		LG Act, s182		Yes	
Financial Hardship Policy – Retail Water Customers	Mandatory	Finance	Determined by Minister or 4 years, whichever is earlier	16-Mar-26	Mar-30		Water Industry Act, s37		Yes	
Financial Internal Control	Mandatory	Finance	2 yearly	1-Feb-24	Feb-28		LG Act, s125		Yes	
Fraud, Corruption, Misconduct & Maladministration Prevention	Discretionary	Governance	2-yearly	1-May-25	May-27		LG Act, s270	under review, to go to July 2023 Audit meeting then to Council for adoption	Yes	
Interaction between Council Members and Council Employees Policy	Discretionary	CEO	4 yearly	15-May-23	May-27		LG Act, s61, s62		No	
Internal Review of Council Decisions	Mandatory	Governance	4 yearly in each term of council	16-Mar-26	Jun-30		LG Act, s270		No	
Kerbside Collection Policy	Discretionary	Infrastructure	5 yearly	15-Aug-22	Mar-27		Infrastructure		No	
Library Customer Conditions of Use Policy	Discretionary	City Growth	4 yearly	1-Oct-23	Oct-27		City Growth		No	
Memorials Policy	Discretionary	City Growth	4 yearly	1-Jun-26	Jun-30		City Growth		No	
Mobile Vendors	Discretionary	Governance	4 yearly	May-26	May-30		Local Government Act, s 222		No	
							Local Government Land and Roads By-laws		No	
Order Making	Mandatory	Corporate Services	4 yearly in each term of council	16-Mar-26	Mar-30		LG Act, s259		No	
Outdoor Dining	Discretionary	Governance	4 yearly	1-Nov-25	Nov-29		Roads By-law		No	

Policy Management Framework	Discretionary	Governance	4 yearly	20-Feb-26	Nov-26				
Privacy Policy	Discretionary	Governance	4 yearly	15-May-23	May-27		State Records Act 1997, LG Act 1999, Freedom of Information Act 1991		Yes
Procurement & Contractor Management	Mandatory	Finance	4 yearly within 12 months of council election	Mar-25	Feb-27		Local Government Act, s 49	to sit alongside previous procurement policy for 6 months (updated policy is the only version on website)	Yes
Prudential Management	Mandatory	Finance	4 yearly within 12 months of council election	Aug-23	Aug-27		LG Act, s48		Yes
Public Consultation	Mandatory	Governance	Once within every term of Council and within 12 months after a general election	Apr-20	By November 2027		LG Act, s50	community engagement reforms have not yet been proclaimed for commencement, strong possibility that further extension until 31/12/23 will be required	No
Public Interest Disclosure Policy	Mandatory	Governance	4 yearly within the term of council	31-May-25	May-29		Public Interest Disclosure Act, s12(4)	replaces Whistleblower policy	Yes
Public Interest Disclosure Procedure	Mandatory	CEO	4 yearly in each term of council	31-May-25	May-29		Public Interest Disclosure Act, s12(4)	replaces Whistleblower procedure	Yes
Public Question Time	Discretionary	CEO	4 yearly	1-May-26	May-30		Local Government Act 1999		No
Rating	Mandatory	Finance	Annually	1-Jun-26	Jun-27		LG Act, Chapter 10		Yes
Records Management Policy	Discretionary	Corporate	4 yearly	1-Jul-26	Jul-30		State Records Act 1997, LG Act 1999, Freedom of Information Act 1991		No
Requests for Services Policy and Procedure	Mandatory	CEO	4 yearly in each term of council	1-Nov-25	Dec-29		LG Act, s s270		No
Retail Water – Pricing	Mandatory	Finance	4 yearly	16-Mar-26	Mar-30		Water Industry Act, Escosa's Regulatory Determination		Yes
Risk Management Policy	Mandatory	Corporate	2 yearly	23-Oct-25	Oct-27		Local Government Act 1999, Work Health and Safety Act 2012, Work Health and Safety Regulations 2011, Civil Liabilities Act 1936, State Records Act 1997		Yes
Risk Management Procedure	Mandatory	Corporate	2 yearly	22-Oct-25	Oct-27		Local Government Act 1999, Local Government (Financial Management Regulations) 2011, Work Health and Safety Act 2012, Work Health and Safety Regulations 2011, Civil Liabilities Act 1936, State Records Act 1997, Commonwealth Privacy Act 1988, Freedom of Information Act 1991		Yes
Roads and Public Place Naming	Mandatory	Infrastructure	4 yearly in each term of council	3-Feb-25	Feb-29		LG Act, s 219		No
Safe Environment Policy	Mandatory	City Growth	4 yearly	1-Feb-26	Feb-30		Child and Young People (Safety) Act 2017		No
Social Media Policy - Council Members	Discretionary	Executive	2 yearly	16-Mar-26	Mar-28		LG Act 1999		No
Supplementary Elections	Discretionary	CEO	4 yearly within 12 months of council election	15-May-23	By November 2027		LG Elections Act, s6(2)(b)(iv)		No
Treasury Management	Mandatory	Finance	2 yearly	Jul-26	Jul-28		LG Act, Chapter 8, Parts 2, 3 & 4		Yes
Unreasonable Customer Conduct Policy	Discretionary	CEO	2 yearly	Jun-25	Jun-27		LG Act 1999, WHS Act 2012, FoI Act 1991, ICAC Act 2012, Ombudsman Act 1972, PID Act 2018, Disability Inclusion Act 2018, Equal Opportunity Act 1984		No
Unsolicited Proposals Policy	Discretionary	Finance	4 yearly within 12 months of council election	Feb-23	Feb-27		LG Act, s49		Yes
Water Connection & Billing	Mandatory	Finance	4 yearly	16-Mar-26	Mar-30		Water Industry Act, Ministerial Direction		Yes
WELC - Enrolment Policy	Discretionary	City Growth	1 yearly	1-Nov-25	Nov-26		Child Care Centre		No
WELC – Payment of Fees Policy	Discretionary	City Growth	2 yearly	15-Sep-25	Sep-27		Child Care Centre		No

1. STANDING ITEMS

1.6 Verbal Update on Council Business and City Developments - Confidential

Audit and Risk Committee Meeting:	9 October 2026		
Author's Title:	Lisette Symons – Executive Coordinator – Corporate	**File No.:**	0-159
Directorate:	Executive		

Attachments:

Officer Direct or Indirect Conflict of Interest:
In accordance with Local Government Act 1999, Section 120

☐ **Yes** ☑ **No**

Status:
Information classified confidential under Section 90(2) of the Local Government Act

☑ **Yes** ☐ **No**

Reason – N/A

RECOMMENDATION

Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all persons present, with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manage Corporate Services, Paul Day; General Manager Infrastructure, Jodie Perone; General Manager City Growth, Ellisha Papoulis; Manager People and Culture and Lisette Symons; Executive Coordinator – Corporate be excluded from the meeting as the Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the Committee will receive and consider matters that must be considered in order to ensure that the Committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation nor duty.

2.0 ITEMS FOR DECISION

2.1 2025/26 Draft Financial Statements

Audit and Risk Committee: 9 October 2026
Author's Title: Sandra Vigar, Finance Coordinator **File No.:** 0-159, 0-209
Directorate: Corporate

Attachments:

1 – General Purpose Financial Statements
2 – Management Representation Letter
3 – Audit Completion Report

Officer Direct or Indirect Conflict of Interest:
In accordance with Local Government Act 1999, Section 120

Status:
Information classified confidential under Section 90(2) of the Local Government Act

☐ **Yes**	☑ **No**	☐ **Yes**	☑ **No**

Reason – Not applicable

PURPOSE

To review the draft financial statements for the 2025/26 financial year, to ensure that they fairly present the affairs of the Council.

SUMMARY

The Audit and Risk Committee advise Council and Council's Auditor that it has reviewed the draft Annual Financial Statements of the Council for the financial year ended 30 June 2026 and is satisfied that they present fairly the state of affairs of Council.

RECOMMENDATION

The Audit and Risk Committee:

1. **in accordance with Section 126(4) of the Local Government Act 1999, advise that it has reviewed the draft Annual Financial Statements of the Council for the financial year ended 30 June 2026 and is satisfied that they present fairly the state of affairs of Council;**
2. **advise Council's Auditor that it has reviewed the Annual Financial Statements of the Council for the financial year ended 30 June 2026 and is satisfied that they present fairly the state of affairs of Council; and**
3. **note the Audit Completion Report from Galpins for the financial year ended 30 June 2026.**

2.1 2025/26 Draft Financial Statements

REPORT

BACKGROUND

The preparation of the financial statements of a Council must be in accordance with the requirements set out in the Local government Act 1999 and Model Financial Statements. The Audit and Risk Committee is required to review the draft financial statements to ensure that they present fairly the affairs of the Council.

Refer **Attachment 1** – General Purpose Financial Statements (for the year ended 30 June 2026).

DISCUSSION

The draft financial statements have been prepared for submission to the Audit and Risk Committee. The audit completion report has been presented (**Attachment 3**) and has not identified any areas of concern. During the Audit and Risk Committee meeting it is proposed that staff leave the meeting to allow the Audit and Risk Committee the opportunity to ask the auditors questions in relation to the 30 June 2026 external audit.

The Management Representation Letter provided to Council's auditors, Galpins, is included at **Attachment 2.** The letter indicates that, in Management's opinion, the Financial Statements present fairly the affairs of the Council.

Financial Implications

Council's key financial sustainability performance targets assist in ensuring the long term financial sustainability of the Council, covering the maintenance and development of the community's assets as well as providing appropriate services.

Key Financial Indicators	Target	2026 Year End	2025 Year end	2024 Year End	3 Year Average
Operating Surplus Ratio - %	(2) – 1%	0.8	0.8	(27.0)	(8.5)
Adjusted Operating Surplus Ratio - %		(6.8)	(7.1)	(9.2)	(7.7)
Net Financial Liabilities Ratio - %	< 80%	10	18	71	33
Adjusted Net Financial Liabilities Ratio - %		25	28	61	38
Asset Renewal Funding Ratio - %	90-110%	152	79	95	109

Operating Surplus Ratio

The timing difference of Financial Assistance Grants has resulted in this ratio displaying a positive result for the year. The Adjusted Operating Surplus Ratio, which removes the effects of receiving the Financial Assistance grants in advance, provides a better measure of Council's underlying result for the financial year.

Net Financial Liabilities Ratio

This ratio is also impacted by the timing difference of Financial Assistance Grants and displays a positive result at the end of the financial year. The Adjusted Net Financial Liabilities Ratio, which removes the effects of receiving the Financial Assistance grants in advance, provides a better measure of Council's underlying debt at the end of the financial year.

Council had one fixed loan as at 30 June 2026.

Asset Renewal Funding Ratio

This ratio is higher than the targeted ratio of 90-110% and is due to the completion of renewal works that were deferred from previous years.

Legislation

Section 126(4) of the *Local Government Act 1999*, the function of the Audit and Risk Committee is to review the annual financial statements to ensure that they present fairly the state of affairs of the Council.

Officer Direct or Indirect Interest – Nil

Risk Assessment

In assessing Council risk associated with legislative compliance and the consequence of the Audit and Risk Committee not reviewing the financial statements, it is considered a moderate risk as Council would be in breach of legislation and receive adverse criticism.

Social Considerations – Not applicable

Community Engagement – Nil

Environmental Implications – Not applicable

Communication – Not applicable

Conclusion

The Audit and Risk Committee review the draft financial statements for the 2025/26 financial year, to ensure that they fairly present the affairs of the Council.



THE CORPORATION OF THE CITY OF WHYALLA

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2026

The Corporation of the City of Whyalla

General Purpose Financial Statements

for the year ended 30 June 2026

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The Corporation of the City of Whyalla

General Purpose Financial Statements

for the year ended 30 June 2026

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2026 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

DRAFT

Justin Commons
Chief Executive Officer

09 October 2026

Phillip Stone
Mayor

09 October 2026

The Corporation of the City of Whyalla

Statement of Comprehensive Income

for the year ended 30 June 2026

	Notes	2026 $ '000	2025 $ '000
Income			
Rates	4a	28,106	27,247
Statutory charges	4b	489	461
User charges	4c	5,871	5,105
Grants, subsidies and contributions - operating	4g	10,159	10,249
Grants, subsidies and contributions - capital	4g	912	595
Investment income	4d	66	68
Reimbursements	4e	16	75
Other income	4f	1,325	1,615
Total income		46,944	45,415
Expenses			
Employee costs	5a	15,690	14,712
Materials, contracts and other expenses	5b	20,487	20,218
Depreciation, amortisation and impairment	5c	10,089	9,323
Finance costs	5d	300	816
Total expenses		46,566	45,069
Operating surplus / (deficit)		378	346
Physical resources received free of charge	4i	–	45
Amounts received specifically for new or upgraded assets	4g	6,031	23,946
Asset disposal and fair value adjustments	6	(1,098)	6,605
Net surplus / (deficit)		5,311	30,942
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	11a	12,683	21,076
Total other comprehensive income		12,683	21,076
Total comprehensive income		17,994	52,018

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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The Corporation of the City of Whyalla

Statement of Financial Position

as at 30 June 2026

	Notes	2026 $ '000	2025 $ '000
ASSETS			
Current assets			
Cash and cash equivalent assets	7a	390	8,099
Trade and other receivables	7b	6,034	3,790
Inventories	7c	2,534	2,548
Total current assets		8,958	14,437
Non-current assets			
Other non-current assets	8	1,284	2,364
Infrastructure, property, plant and equipment	9	431,923	416,287
Total non-current assets		433,207	418,651
TOTAL ASSETS		442,165	433,088
LIABILITIES			
Current liabilities			
Trade and other payables	10a	5,067	11,995
Borrowings	10b	2,500	2,000
Provisions	10c	2,525	2,503
Total current liabilities		10,092	16,498
Non-current liabilities			
Borrowings	10b	–	2,500
Provisions	10c	1,233	1,244
Total non-current liabilities		1,233	3,744
TOTAL LIABILITIES		11,325	20,242
Net assets		430,840	412,846
EQUITY			
Accumulated surplus		72,533	65,300
Asset revaluation reserves	11a	356,675	343,992
Other reserves	11b	1,632	3,554
Total equity		430,840	412,846

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

DRAFT

The Corporation of the City of Whyalla

Statement of Changes in Equity

for the year ended 30 June 2026

$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2026					
Balance at the end of previous reporting period		65,300	343,992	3,554	412,846
Net surplus / (deficit) for year		5,311	–	–	5,311
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	9a	–	12,683	–	12,683
Total comprehensive income		5,311	12,683	–	17,994
Transfers between reserves		1,922	–	(1,922)	–
Balance at the end of period		72,533	356,675	1,632	430,840
2025					
Balance at the end of previous reporting period		37,680	322,916	232	360,828
Net surplus / (deficit) for year		30,942	–	–	30,942
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	9a	–	21,076	–	21,076
Total comprehensive income		30,942	21,076	–	52,018
Transfers between reserves		(3,322)	–	3,322	–
Balance at the end of period		65,300	343,992	3,554	412,846

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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The Corporation of the City of Whyalla

Statement of Cash Flows

for the year ended 30 June 2026

	Notes	2026 $ '000	2025 $ '000
Cash flows from operating activities			
Receipts			
Rates receipts		28,066	26,926
Statutory charges		507	478
User charges		6,253	5,439
Grants, subsidies and contributions (operating purpose)		10,200	10,265
Investment receipts		66	68
Reimbursements		18	82
Other receipts		1,783	9,900
Payments			
Payments to employees		(16,298)	(14,566)
Payments for materials, contracts and other expenses		(28,032)	(20,262)
Finance payments		(364)	(924)
Net cash provided by (or used in) operating activities	13b	2,199	17,406
Cash flows from investing activities			
Receipts			
Amounts received specifically for new or upgraded assets		4,221	24,290
Grants utilised for capital purposes		912	595
Sale of real estate developments		–	885
Sale of replaced assets		171	165
Sale of surplus assets		1	12,554
Payments			
Expenditure on renewal/replacement of assets		(7,341)	(9,189)
Expenditure on new/upgraded assets		(5,891)	(22,331)
Net cash provided (or used in) investing activities		(7,927)	6,969
Cash flows from financing activities			
Receipts			
Proceeds from borrowings		14,425	34,700
Proceeds from bonds and deposits		96	39
Payments			
Repayment of bonds and deposits		(77)	(120)
Repayments of borrowings		(16,425)	(51,000)
Net cash provided by (or used in) financing activities		(1,981)	(16,381)
Net increase (decrease) in cash held		(7,709)	7,994
plus: cash & cash equivalents at beginning of period		8,099	105
Cash and cash equivalents held at end of period	13a	390	8,099

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 15 of the *Local Government (Financial Management) Regulations 2026* dated 09 October 2026

1.2 Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

Particular areas involving a high degree of judgement or complexity include the estimation of future payments and timing in relation to landfill restoration. Further information in relation to the estimation of these liabilities are given in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars ($'000).

(2) The local government reporting entity

The Corporation of the City of Whyalla is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at Grundel street, Whyalla Norrie. These financial statements include the Council's operations.

(3) Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

$'000	Cash Payment Received	Annual Allocation	Annual Net Timing Difference	Cumulative Net Timing Difference
2023/24	$509	$6,113	-$5,604	$0
2024/25	$9,810	$6,464	+$3,346	+$3,346
2025/26	$ 9,314	$ 6,872	+$ 2,442	+$5,788

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

continued on next page ...

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

The Adjusted Operating Surplus Ratio disclosed in Note 2 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

(4) Cash, cash equivalents and other financial instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 14.

(5) Inventories

5.1 Real estate assets developments

Real Estate Assets developments have been classified as Inventory in accordance with *AASB 102 Inventories* and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

5.2 Other real estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the *Local Government Act 1999* but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

(6) Infrastructure, property, plant and equipment

6.1 Initial recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and other overhead cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner by management.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

Examples of capitalisation thresholds applied during the year are given below (or in Note 9). No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	$5,000
Other Plant & Equipment	$5,000
Buildings - New Construction/Extensions	$10,000
Open Space Structures	$10,000
Street Furniture & Playground Equipment	$5,000
Road Construction & Reconstruction	$10,000
Paving & Footpaths, Kerbs & Gutters	$5,000
Drains & Culverts	$5,000
Reticulation Extensions	$5,000
Sidelines & Household Connections	$5,000
Irrigation	$5,000

6.3 Subsequent recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 9.

6.4 Depreciation of non-current assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-Making Equipment	5 to 8 years
Other Plant and Equipment	5 to 15 years
Street Furniture	10 to 20 years

Building & Other Structures

Buildings – Masonry (overall)	50 to 100 years
Buildings – Other Construction	20 to 40 years
Buildings – Roofing	40 to 60 years
Buildings – Services	10 to 100 years
Buildings – Interior	20 to 40 years
Buildings – Sub-Structure	50 to 120 years
Buildings – Super Structure	50 to 100 years
Open Space Structures – Masonry and Engineered Structures	50 to 100 years
Open Space Structures – Other Construction	20 to 40 years
Playground Equipment	5 to 20 years

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

Infrastructure

Sealed Roads – Surface	15 to 30 years
Sealed Roads – Lower Surface / Single Layer	45 to 100 years
Sealed Roads – Carparks	30 to 50 years
Sealed Roads – Pavement Base	65 to 100 years
Sealed Roads – Pavement Sub-Base	400 to 750 years
Unsealed Roads	10 to 20 years
Paving & Footpaths, Kerbs & Gutters - Surface	25 to 75 years
Paving & Footpaths, Kerbs & Gutters - Sub-Surface	100 to 300 years
Traffic Signals & School Crossings	25 years
Stormwater - Drains	70 to 100 years
Stormwater - Culverts	70 to 100 years
Stormwater - Flood Control Structures	70 to 100 years
Stormwater - Dams and Reservoirs	70 to 100 years
Stormwater - Reticulation Pipes	70 to 120 years
Irrigation - Primary Supply Lines	80 years
Irrigation - Secondary Supply Lines	50 years
Irrigation - Sub-Surface Supply Lines (Tertiary)	25 years
Irrigation - Pump Stations & Controls	10 to 20 years
Irrigation - Sprinklers, Drippers and Valves	15 to 20 years
Irrigation - Miscellaneous	25 to 50 years

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6.6 Borrowing costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with *AASB 123 Borrowing Costs*. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 5, and the amount (if any) of interest revenue offset against borrowing costs in Note 4.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

(7) Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

(8) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of “Payables”.

(9) Employee benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees’ entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for unused sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme and other superannuation funds. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council’s involvement with the schemes are reported in Note 17.

(10) Provisions for reinstatement, restoration and rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change.

Given there is no air space remaining in the Landfill, all adjustments made to the provision for the capping of landfill cell obligations in future years are recognised through the Statement of Comprehensive Income for the life of the Provision.

As the future cash outflows are estimates that can materially impact the value of the provision, they will be externally verified once every 5 years. In the intervening years the costs are indexed. The last external review was undertaken by Waste and Management Services as at 30 June 2025, with the next review due by 30 June 2030.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

(11) Leases

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

11.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(12) GST implications

In accordance with UIG Abstract 1031 "*Accounting for the Goods & Services Tax*"

- Receivables and creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

(13) New accounting standards and UIG interpretations

Standards issued by the AASB not yet effective

The AASB has issued new and amended Australian Accounting Standards and Interpretations that are not yet effective as of 30 June 2026. These standards have not yet been adopted by Council and will be incorporated into the financial statements upon their effective dates. The following list identifies all applicable new and amended Australian Accounting Standards and Interpretations that were issued but are not yet effective as of 30 June 2026.

AASB 2024-2: Amendments to the Classification and Measurement of Financial Instruments

AASB 2024-2 amends AASB 9 Financial Instruments and AASB 7 Financial Instruments: Disclosures to clarify how the contractual cash flows from financial assets should be assessed when determining their classification. The amendment also clarifies the derecognition requirements of financial liabilities that are settled through electronic payment systems.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

This standard is effective for annual reporting periods beginning on or after 1 January 2026.

The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 18: Presentation and Disclosure in Financial Statements (Not-for-Profit Entities)

AASB 18 replaces AASB 101 *Presentation of Financial Statements* and sets out requirements for the presentation and disclosure of information in general purpose financial statements. Amongst other changes, the standard introduces management-defined performance measures, requires items in the statement of profit or loss to be classified into one of five categories (operating, investing, financing, income taxes and discontinued operations), and enhances the requirements for the aggregation and disaggregation of information.

This standard is effective for annual reporting periods beginning on or after 1 January 2028.

Council is currently assessing the impact the standard will have on the financial statements once adopted.

Australian Sustainability Reporting Standards (AASB S1 and AASB S2)

The Australian Sustainability Reporting Standards comprise AASB S1 G*eneral Requirements for Disclosure of Sustainability-related Financial Information* and AASB S2 *Climate-related Disclosures*. These standards establish a framework for reporting sustainability-related and climate-related financial information.

As at 30 June 2026, AASB S1 and AASB S2 are not mandatory for local government entities. Sustainability reporting requirements for public sector entities continue to evolve in Australia. Any further application of these standards to local government will depend on the requirements adopted by the relevant legislative or regulatory authorities. Council will continue to monitor developments and assess any potential implications for future financial reporting.

(14) Comparative figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(15) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 2. Financial indicators

	Indicator 2026	Indicators 2025	2024
Financial Indicators overview *These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.*			
1. Operating Surplus Ratio Operating surplus / Total operating income *This ratio expresses the operating surplus as a percentage of total operating revenue.*	**0.8%**	0.8%	(27.0)%
2. Net Financial Liabilities Ratio Net financial liabilities / Total operating income *Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.*	**10%**	18%	71%
Adjustments to Ratios *In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.*			
Adjusted Operating Surplus Ratio Operating surplus / Total operating income	**(6.8)%**	(7.1)%	(9.2)%
Adjusted Net Financial Liabilities Ratio Net financial liabilities / Total operating income	**25%**	28%	61%
3. Asset Renewal Funding Ratio Asset renewals / Infrastructure and Asset Management Plan required expenditure *Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.*	**152%**	79%	95%

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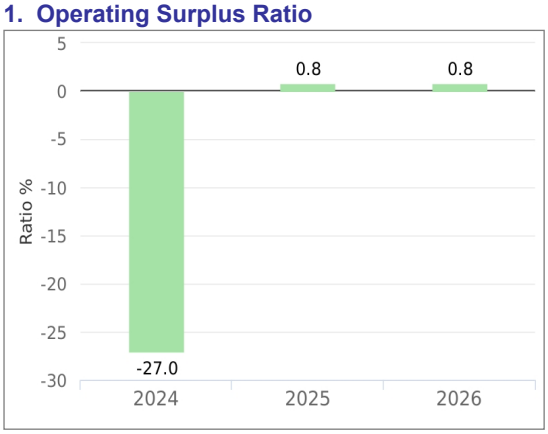
Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 2. Financial indicators (continued)

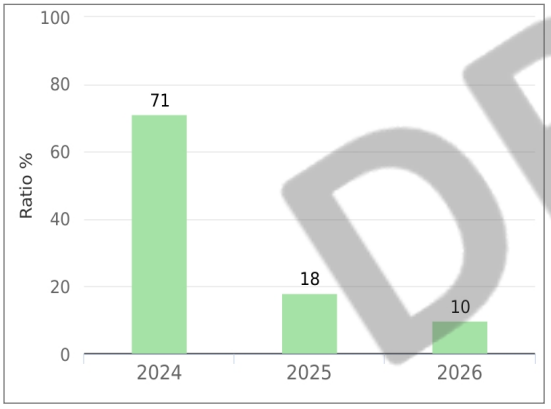
Financial indicators - graphs

1. Operating Surplus Ratio



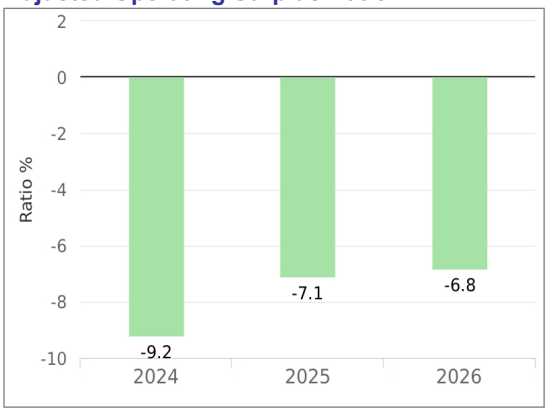
Purpose of operating surplus ratio	Commentary on 2025/26 result
	2025/26 ratio 0.8%
This indicator is to determine the percentage the operating revenue varies from operating expenditure	The timing difference of Financial Assistance Grants has culminated in the ratio displaying a positive result for the year. The Adjusted Operating Surplus Ratio provides a better measure of Council's underlying result.

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio	Commentary on 2025/26 result
	2025/26 ratio 10%
This indicator shows the significance of the net amount owed to others, compared to operating revenue	This ratio is impacted by the timing difference of Financial Assistance Grants being lower than it otherwise would be. The adjusted Net Financial Liabilities Ratio provides a better measure of Council's underlying debt.

Adjusted Operating Surplus Ratio



Purpose of adjusted operating surplus ratio	Commentary on 2025/26 result
	2025/26 ratio (6.8)%
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure	While the ratio shows a deficit result, this is aligned with the original budget position. The result shows that Council continues to move back towards a breakeven result, which will occur over the coming years.

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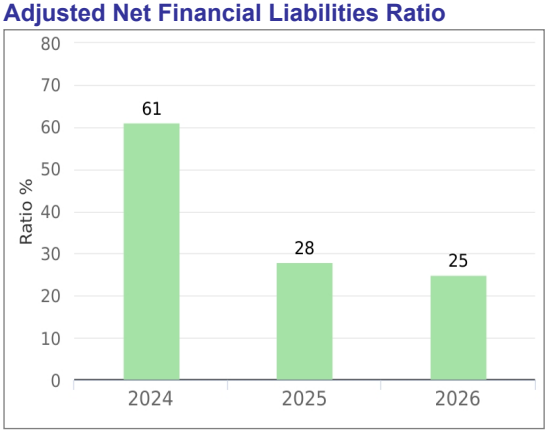
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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

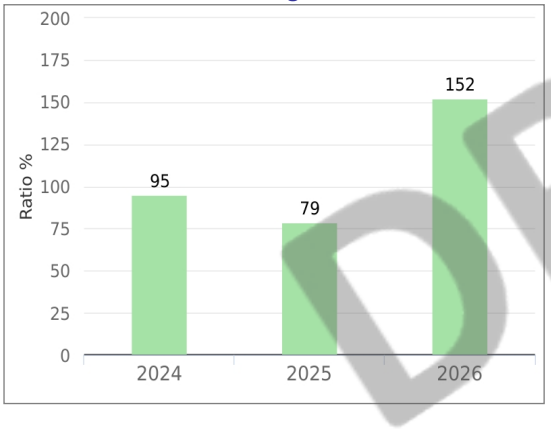
Note 2. Financial indicators (continued)

Adjusted Net Financial Liabilities Ratio



Purpose of adjusted net financial liabilities ratio	Commentary on 2025/26 result
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure	2025/26 ratio 25% This ratio shows that Council's debt levels are relatively low when compared to overall revenue, meaning that current borrowing levels are not of concern. This ratio is expected to drop slowly over time.

3. Asset Renewal Funding Ratio



Purpose of asset renewal funding ratio	Commentary on 2025/26 result
This indicator aims to determine if assets are being renewed and replaced in an optimal way	2025/26 ratio 152% The high level of this ratio this year is due to the completion of renewal works that were deferred from earlier years and offsets the lower results that were achieved over the previous few financial years.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 3. Uniform presentation of finances

	2026 $ '000	2025 $ '000
The following is a high-level summary of both operating and capital investment activities of the Council prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income		
Rates	28,106	27,247
Statutory charges	489	461
User charges	5,871	5,105
Grants, subsidies and contributions - capital	912	595
Grants, subsidies and contributions - operating	10,159	10,249
Investment income	66	68
Reimbursements	16	75
Other income	1,325	1,615
Total Income	46,944	45,415
Expenses		
Employee costs	(15,690)	(14,712)
Materials, contracts and other expenses	(20,487)	(20,218)
Depreciation, amortisation and impairment	(10,089)	(9,323)
Finance costs	(300)	(816)
Total Expenses	(46,566)	(45,069)
Operating surplus / (deficit)	378	346
Net timing adjustment for general purpose grant funding	(2,442)	(3,346)
Less: grants, subsidies and contributions - capital	(912)	(595)
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(7,341)	(9,189)
Add back depreciation, amortisation and impairment	10,089	9,323
Add back proceeds from sale of replaced assets	171	165
	2,919	299
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(5,891)	(22,331)
Add back grants, subsidies and contributions - capital new/upgraded	912	595
Add back amounts received specifically for new and upgraded assets	4,221	24,290
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	1	13,439
	(757)	15,993
Adjusted annual net impact to financing activities (surplus/(deficit))	(814)	12,697

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 4. Income

	2026 $ '000	2025 $ '000
(a) Rates		
General rates		
General rates	22,960	22,864
Less: mandatory rebates	(374)	(386)
Less: discretionary rebates, remissions and write-offs	(346)	(925)
Total general rates	22,240	21,553
Other rates (including service charges)		
Landscape levy	1,099	1,071
Waste collection	4,808	4,674
Less: discretionary rebates, remissions and write-offs	(277)	(274)
Total other rates (including service charges)	5,630	5,471
Other charges		
Penalties for late payment	236	223
Total other charges	236	223
Total rates	28,106	27,247
(b) Statutory charges		
Planning, Development and Infrastructure Act fees	115	108
Town planning fees	52	49
Health and septic tank inspection fees	2	12
Animal registration fees and fines	241	220
Parking fines / expiation fees	21	14
Other licences, fees and fines	58	58
Total statutory charges	489	461
(c) User charges		
Cemetery/crematoria fees	341	312
Hall and equipment hire	37	22
Property lease	455	351
Sales - general	136	145
Subsidies received on behalf of users	1,498	1,287
Sundry	350	337
Airport Charges	2,319	2,038
Marina Fees	64	68
Child Care Centre	553	478
Waste Fees	118	67
Total user charges	5,871	5,105

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 4. Income (continued)

	2026 $ '000	2025 $ '000
(d) Investment income		
Interest on Investments		
- Local Government Finance Authority	52	44
- Banks and other	14	24
Total investment income	66	68
(e) Reimbursements		
Roadworks	2	–
Private works	6	1
Other	8	74
Total reimbursements	16	75
(f) Other income		
Rebates received	944	900
Sundry	256	582
Management Other Income	11	15
Finance Debt Collection	84	56
Quarry Income	30	62
Total other income	1,325	1,615
(g) Grants, subsidies and contributions		
Capital grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	6,031	23,946
Total amounts received for new or upgraded assets	6,031	23,946
Other grants, subsidies and contributions - capital		
Untied - Local roads and community	912	595
Total Other grants, subsidies and contributions - capital	912	595
Operating grants, subsidies and contributions		
Untied - Financial Assistance Grant	9,314	9,810
Library and communications	144	159
Sundry	701	280
Total other grants, subsidies and contributions - operating	10,159	10,249
Total grants, subsidies and contributions	17,102	34,790

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 4. Income (continued)

	2026 $ '000	2025 $ '000
(i) Sources of grants		
Commonwealth Government	1,326	622
State Government	15,688	34,100
Other	88	68
Total	17,102	34,790

(h) Conditions over grants and contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, and are required to be repaid to the funding body if not expended, are as follows:

Unexpended at the close of the previous reporting period	3,554	232
Less:		
Expended during the current period from revenues recognised in previous reporting periods		
Roads infrastructure	(2,311)	(7)
Heritage and cultural services	(54)	(23)
Other	(1,189)	(137)
Subtotal	(3,554)	(167)
Plus:		
Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Roads infrastructure	183	2,311
Heritage and cultural services	3	5
Other	1,446	1,173
Subtotal	1,632	3,489
Unexpended at the close of this reporting period	1,632	3,554
Net increase (decrease) in assets subject to conditions in the current reporting period	(1,922)	3,322

(i) Physical resources received free of charge

Other	–	45
Total physical resources received free of charge	–	45

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 5. Expenses

	Notes	2026 $ '000	2025 $ '000
(a) Employee costs			
Salaries and wages		11,996	11,209
Employee leave expense		1,921	1,998
Superannuation - defined contribution plan contributions	17	1,397	1,241
Superannuation - defined benefit plan contributions	17	165	176
Workers' compensation insurance		305	293
Less: capitalised and distributed costs		(94)	(205)
Total operating employee costs		15,690	14,712
Total number of employees (full time equivalent at end of reporting period)		139	137
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		19	18
Bad and doubtful debts		(1)	24
Elected members' expenses		313	316
Election expenses		8	8
Subtotal - prescribed expenses		339	366
(ii) Other materials, contracts and expenses			
Contractors		10,008	8,590
Energy		1,560	1,579
Water		1,483	1,344
Insurance		580	551
Maintenance		235	354
Legal expenses		82	290
Levies paid to Government - Landscape levy		1,097	1,071
Levies - other		45	54
Parts, accessories and consumables		1,302	1,301
Professional services		850	991
Subscriptions, Licences and Memberships		1,372	1,301
Transfer from Works in Progress		–	344
Sundry		1,534	2,082
Subtotal - Other material, contracts and expenses		20,148	19,852
Total materials, contracts and other expenses		20,487	20,218

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 5. Expenses (continued)

	2026 $ '000	2025 $ '000
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Land improvements	1,082	923
Buildings and other structures	1,744	1,713
Infrastructure		
- Stormwater drainage	722	707
- Irrigation Systems	341	334
- Playgrounds	177	136
- Roads & Footpaths	4,153	4,068
- Runway Assets	664	240
Plant and equipment	734	715
Furniture and fittings	198	191
Street Furniture	81	81
Other assets	193	215
Total depreciation, amortisation and impairment	10,089	9,323
(d) Finance costs		
Interest on overdraft and short-term drawdown	300	816
Total finance costs	300	816

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 6. Asset disposal and fair value adjustments

	2026 $ '000	2025 $ '000
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	171	165
Less: carrying amount of assets sold	(1,269)	(3,561)
Gain (loss) on disposal	(1,098)	(3,396)
(ii) Assets surplus to requirements		
Proceeds from disposal	1	12,554
Less: carrying amount of assets sold	(1)	(3,140)
Gain (loss) on disposal	–	9,414
Real estate development assets		
Proceeds from disposal	–	885
Less: carrying amount of assets sold	–	(298)
Gain (loss) on disposal	–	587
Net Gain (Loss) on Disposal	(1,098)	6,605

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 7. Current assets

		2026 $ '000	2025 $ '000
(a) Cash and cash equivalent assets			
Cash on hand and at bank		90	8,099
Short term deposits and bills, etc.		300	–
Total cash and cash equivalent assets		390	8,099
(b) Trade and other receivables			
Rates - general and other		2,264	2,233
Council rates postponement scheme		49	40
Accrued revenues		2,200	89
Debtors - general		705	693
GST recoupment		303	272
Prepayments		520	485
Sundry		9	10
Subtotal		6,050	3,822
Less: provision for expected credit losses		(16)	(32)
Total trade and other receivables		6,034	3,790
(c) Inventories			
Stores and materials		77	114
Trading stock		129	106
Real estate developments	8	2,328	2,328
Total inventories		2,534	2,548

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 8. Non-current assets

	2026 $ '000	2025 $ '000
Other non-current assets		
Other		
Capital work in progress	1,284	2,364
Total other non-current assets	1,284	2,364
Other disclosures		
Real estate developments - current and non-current		
(Valued at the lower of cost and net realisable value)		
Industrial and commercial	2,328	2,328
Total real estate for resale	2,328	2,328
Represented by:		
Acquisition costs	414	414
Development costs	1,782	1,782
Finance costs	132	132
Subtotal	2,328	2,328
Total real estate for resale	2,328	2,328
Apportionment of real estate developments		
Current assets	2,328	2,328

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 9. Infrastructure, Property, Plant & Equipment

Valuation of infrastructure, property, plant & equipment and investment property

Valuation of assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 9(a) for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on valuations

Fair value hierarchy level 2 valuations - Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of land - Valuations of crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets -There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Other information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to *AASB 1.D5* to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with *AASB 13 Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 9. Infrastructure, Property, Plant & Equipment (continued)

Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Land, Land Improvements & Playgrounds

- Basis of valuation: Fair Value
- Date of condition audit and full revaluation: 30 June 2025
- Date of indexation: 30 June 2026
- Valuer: Public Private Property and Sproutt

Council applies indexation to the depreciated replacement cost between comprehensive revaluations, based on the Local Government Price Index, with the most recent indexation applied as at 30 June 2026.

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads and water has not been recognised in these reports. Land acquired for road or marine purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

No capitalisation threshold is applied to the acquisition of land or interests in land.

Level 3 classified land and land improvements assets relate to properties where there is an inability or restriction on Council to sell this asset in the open market.

Depreciation for 2026/27 is projected to increase by $280,000, or 22%.

Buildings & Other Structures

- Basis of valuation: Fair Value / Market Value
- Date of condition audit and full revaluation: 30 June 2025
- Date of indexation: 30 June 2026
- Valuer: Public Private Property and Sproutt

Council applies indexation to the unit rates between comprehensive revaluations, based on the Local Government Price Index, with the most recent indexation applied as at 30 June 2026.

Buildings have been disclosed as either Fair Value Hierarchy Level 2 valuations or as Fair Value Hierarchy Level 3 valuations, in accordance with AASB 13 Fair Value Measurement.

Building valuations, disclosed as Level 2, are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Building valuations, disclosed as Level 3 have been determined to have no known market for these assets and they are valued at depreciated current replacement cost. This method involves the determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate. This method has significant inherent uncertainties, relaying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Depreciation for 2026/27 is projected to increase by $81,000, or 5%.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 9. Infrastructure, Property, Plant & Equipment (continued)

Infrastructure

Roads, Footpaths and Runway Assets

- Written down current replacement cost
- Date of condition audit and full revaluation: 30 June 2023
- Date of indexation: 30 June 2026
- Valuer: Tonkin Consulting Pty Ltd

Council applies indexation to the unit rates between comprehensive revaluations, based on the Local Government Price Index, with the most recent indexation applied as at 30 June 2026.

Depreciation for 2026/27 is projected to increase by $153,000, or 3%.

Stormwater Drainage

- Written down current replacement cost
- Date of condition audit and full revaluation: 30 June 2024
- Date of indexation: 30 June 2026
- Valuer: Tonkin Consulting Pty Ltd

Council applies indexation to the unit rates between comprehensive revaluations, based on the Local Government Price Index, with the most recent indexation applied as at 30 June 2026.

Depreciation for 2026/27 is projected to increase by $20,000, or 3%.

Irrigation

- Written down current replacement cost
- Date of condition audit and full revaluation: 30 June 2026
- Valuer: Know-Ledge Asset Management Pty Ltd and Modelve

Depreciation for 2026/27 is projected to increase by $32,000, or 9%.

Plant & Equipment

These assets are recognised at cost.

All other Assets

These assets are recognised at cost.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 10. Liabilities

	2026 Current $ '000	2026 Non Current $ '000	2025 Current $ '000	2025 Non Current $ '000
(a) Trade and other payables				
Goods and services	2,000	–	6,469	–
Payments received in advance	2,602	–	4,412	–
Accrued expenses - employee entitlements	265	–	853	–
Accrued expenses - finance costs	107	–	171	–
Accrued expenses - other	43	–	59	–
Deposits, retentions and bonds	50	–	31	–
Total trade and other payables	5,067	–	11,995	–
(b) Borrowings				
Loans	2,500	–	2,000	2,500
Total Borrowings	2,500	–	2,000	2,500
(c) Provisions				
Employee entitlements (including oncosts)	2,525	119	2,503	130
Landfill Capping and Closure	–	1,114	–	1,114
Total provisions	2,525	1,233	2,503	1,244

All interest bearing liabilities are secured over the future revenues of the Council

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 11. Reserves

	as at 30/06/25 Opening Balance $ '000	Increments (Decrements) $ '000	Transfers $ '000	Impairments $ '000	as at 30/06/26 Closing Balance $ '000
(a) Asset revaluation reserve					
Land	29,521	1,155	–	–	30,676
Land improvements	8,135	948	–	–	9,083
Buildings and other structures	38,685	2,029	–	–	40,714
Infrastructure					
- Stormwater drainage	41,134	1,095	–	–	42,229
- Irrigation Systems	1,733	926	–	–	2,659
- Playgrounds	1,934	95	–	–	2,029
- Roads & Footpaths	210,721	5,337	–	–	216,058
- Runway Assets	12,129	1,098	–	–	13,227
Total asset revaluation reserve	343,992	12,683	–	–	356,675
Comparatives	322,916	21,076	–	–	343,992

	as at 30/06/25 Opening Balance $ '000	Tfrs to Reserve $ '000	Tfrs from Reserve $ '000	Other Movements $ '000	as at 30/06/26 Closing Balance $ '000
(b) Other reserves					
Committed Funds Reserve	3,554	1,632	(3,554)	–	1,632
Total other reserves	3,554	1,632	(3,554)	–	1,632
Comparatives	232	3,489	(167)	–	3,554

Purposes of reserves

Asset revaluation reserves
The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Committed Funds Reserve
The committed funds reserve is used to record amounts committed for brought forward projects, unexpended grant funds and developer contributions.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 12. Assets subject to restrictions

	2026 $ '000	2025 $ '000
The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.		
Cash and financial assets		
Other Contributions	11	1
Federal Government	67	48
State Government	1,554	3,505
Total cash and financial assets	1,632	3,554
Total assets subject to externally imposed restrictions	1,632	3,554

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 13. Reconciliation to Statement of Cash Flows

	Notes	2026 $ '000	2025 $ '000

(a) Reconciliation of cash

Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Total cash and equivalent assets	7a	390	8,099
Balances per Statement of Cash Flows		390	8,099

(b) Reconciliation of Operating Result

Net surplus/(deficit)	5,311	30,942
Non-cash items in income statements		
Depreciation, amortisation and impairment	10,089	9,323
Non-cash asset acquisitions	–	(45)
Grants for capital acquisitions treated as investing activity	(6,944)	(24,541)
Net (gain)/loss on disposals	1,098	(6,605)
	9,554	9,074
Add (less): changes in net current assets		
Net (increase)/decrease in receivables	(2,228)	(80)
Change in allowances for under-recovery of receivables	(16)	(3)
Net (increase)/decrease in inventories	13	(45)
Net (increase)/decrease in other assets	1	–
Net increase/(decrease) in trade and other payables	(5,136)	8,284
Net increase/(decrease) in unpaid employee benefits	11	(8)
Net increase/(decrease) in other provisions	–	184
Net cash provided by (or used in) operations	2,199	17,406

(c) Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:		
Bank overdrafts	500	500
Corporate credit cards	37	37
LGFA cash advance debenture facility	26,000	26,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Council also has immediate access to a short-term draw-down facility, and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 14. Financial instruments

Recognised financial instruments

Bank, deposits at call, short term deposits

Accounting Policy:
Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:
Deposits are returning fixed interest rates between 4.15% and 4.65% (2025: 0.05% and 4.15%). Short term deposits have an average maturity of 1 day and an average interest rate of 4.26% (2025: 1 day and 2.96%).

Carrying Amount:
Approximates fair value due to the short term to maturity.

Receivables - rates and associated charges (including legals and penalties for late payment)

Accounting Policy:
Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:
Secured over the subject land, arrears attract interest of 8.50% (2025: 9.15%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:
Approximates fair value (after deduction of any allowance).

Receivables - fees and other charges

Accounting policy:
Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms and conditions:
Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying amount:
Approximates fair value (after deduction of any allowance).

Receivables - other levels of government

Accounting policy:
Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms and conditions:
Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying amount:
Approximates fair value.

Liabilities - creditors and accruals

Accounting policy:
Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 14. Financial instruments (continued)

Terms and conditions:
Liabilities are normally settled on 30 day terms.

Carrying amount:
Approximates fair value.

Liabilities - interest bearing borrowings

Accounting Policy:
Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:
Secured over future revenues, borrowings are repayable and interest is charged at fixed and variable rates between 5.60% and 5.85% (2025: 1.90% and 5.60%).

Carrying Amount:
Approximates fair value.

Liabilities - leases

Accounting policy:
Accounted for in accordance with AASB 16 as stated in Note 16.

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	Due < 1 year $ '000	Due > 1 year and ≤ 5 years $ '000	Due > 5 years $ '000	Total Contractual Cash Flows $ '000	Carrying Values $ '000
2026					
Financial assets					
Cash and cash equivalents	390	–	–	390	390
Receivables	5,514	–	–	5,514	5,514
Total financial assets	5,904	–	–	5,904	5,904
Financial liabilities					
Payables	2,200	–	–	2,200	2,200
Current borrowings	2,500	–	–	2,500	2,500
Non-current borrowings	–	–	–	–	–
Total financial liabilities	4,700	–	–	4,700	4,700
2025					
Financial assets					
Cash and cash equivalents	8,099	–	–	8,099	8,099
Receivables	3,822	–	–	3,822	3,305
Total financial assets	11,921	–	–	11,921	11,404
Financial liabilities					
Payables	6,730	–	–	6,730	6,730
Current borrowings	2,002	–	–	2,002	2,000
Non-current borrowings	140	2,507	–	2,647	2,500
Total financial liabilities	8,872	2,507	–	11,379	11,230

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 14. Financial instruments (continued)

The following interest rates were applicable to Council's borrowings at balance date:

	2026		2025	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
	$ '000	$ '000	$ '000	$ '000
Overdraft	10.72%	–	10.57%	–
Fixed interest rates	5.60%	2,500	3.96%	4,500
		2,500		4,500

Net fair value
All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 7 and 8 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 14. Financial instruments (continued)

Expected credit losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

Set out below is the movement in the allowance for expected credit losses:

	2026 $ '000	2025 $ '000
As at 1 July	32	35
Provisions	(4)	16
Write-off	(12)	(16)
Less reversals	–	(1)
Other movements	–	(2)
As at 30 June	16	32

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 15. Capital expenditure and investment property commitments

	2026 $ '000	2025 $ '000
(a) Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land Improvements	7,455	2,734
Buildings	781	127
Infrastructure	5,909	8,495
	14,145	11,356
These expenditures are payable:		
Not later than one year	11,685	11,356
Later than one year and not later than 5 years	2,460	–
	14,145	11,356
(b) Other expenditure commitments		
Other non-capital expenditure commitments at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	101	93
Waste Management Services	4,542	4,484
Other Maintenance Contracts	2,829	2,210
Other	6,733	4,822
	14,205	11,609
These expenditures are payable:		
Not later than one year	7,472	7,390
Later than one year and not later than 5 years	6,733	4,219
	14,205	11,609

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 16. Leases

(i) Council as a lessee

Council leases a former high school site from the State Government to be used as its principal offices, while investigating what site will form the best long term option for this purpose. Council is dependent on this arrangement in the short to medium term to be able to continue delivering services to the community. The initial lease term is for 4 years with approximately 1 year remaining on this term. The lease payment is $1 per annum (if requested). The lease covers the formal high school building and the surrounding grounds. Council can only use the building for civic purposes and all sub-leasing must be approved by the Education Department and must be on similar terms as Council's lease. It should be noted that Council is responsible for all ground maintenance of the site, costing approximately $190,000 per annum, which forms part of the consideration for Council having use of the site. Council has commenced the process to enter into a new longer term lease of the site.

(ii) Council as a lessor

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 4.

Investment property
Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 4. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

	2026 $ '000	2025 $ '000
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	291	317
Later than one year and not later than 5 years	719	913
Later than 5 years	606	1,979
	1,616	3,209

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 17. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (12.00% in 2025/26; 11.50% in 2024/25). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2024/25) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2023. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to other superannuation schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

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The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 18. Contingencies and assets/liabilities not recognised in the balance sheet

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. Land under roads and water

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads and water has not been recognised in the reports. Land acquired for road or marine purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 353 km of road reserves, of average width 20 metres and one land parcel under water, containing the Whyalla Jetty.

2. Potential insurance losses

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductable "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. Bank guarantees

Council has no bank guarantees.

4. Legal expenses

Council is the planning consent authority for its area under the *Planning, Development and Infrastructure Act 2016*. Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of any appeals against planning decisions made prior to reporting date.

Council is responsible for the operations of the Mount Laura and, previously, the Newton Street landfill sites. The cost of Councils' obligations in relation to the Mount Laura site has been included in Note 10. The Newton Street site is monitored and costs are expensed on an annual basis. Requirements for future restorations have not been identified as at 30 June 2026. If applicable, once identified, the amount will be included and amortised on an annual basis.

Note 19. Events after the balance sheet date

Events that occur after the reporting date of 30 June 2026, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date the financial report was authorised for issue by certificate under regulation 15 of the *Local Government (Financial Management) Regulations 2026* as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Council is not aware of any "non adjusting events" that merit disclosure.

DRAFT

The Corporation of the City of Whyalla

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 20. Related party transactions

Key management personnel

Transactions with key management personnel

The key management personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999 . In all 39 persons were paid the following total compensation

	2026 $ '000	2025 $ '000
The compensation paid to key management personnel comprises:		
Short-term employee benefits	3,983	3,866
Post-employment benefits	408	380
Long-term benefits	371	345
Termination benefits	81	18
Total	4,843	4,609
Rentals for Council property	13	–
Total	13	–

Seven key management personnel and relatives own or are employed by retail businesses from which various supplies were purchased as required either for cash or on 30 day account. The total amount purchased from these businesses for the 2025/26 financial year was $3,723,961 with aggregate purchases from four of these individual businesses exceeding $5,000 during the year. The majority of this cost relates to council's waste management contract.

All purchases were made in accordance with council's procurement policy and were entered into on arms-length terms. Any KMPs with a conflict of interest were not involved in the procurement decisions.

Four close family members of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the Local Government Act 1999.

Two key management personnel or close family members (including related parties) lodged a total of two planning and building applications during the year. In accordance with the Local Government Act 1999, these persons declared conflicts of interest and took no part in the assessment or approval processes for these applications.

Two planning and building approvals without conditions were granted during the year. Total fees for these applications (all of which are payable on lodgement) amounted to $229.

One property owned by council is rented to an employee at market rates.

DRAFT

The Corporation of the City of Whyalla

General Purpose Financial Statements

for the year ended 30 June 2026

Independent Auditor's Report - Financial Statements

DRAFT

The Corporation of the City of Whyalla

General Purpose Financial Statements

for the year ended 30 June 2026

Independent Auditor's Report - Internal Controls

DRAFT

The Corporation of the City of Whyalla

General Purpose Financial Statements

for the year ended 30 June 2026

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Corporation of the City of Whyalla for the year ended 30 June 2026, the Council's Auditor, Galpins Accountants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011.*

Justin Commons
Chief Executive Officer

Laurie Kozlovic
Presiding Member, Audit and Risk Committee

Date: 09 October 2026

DRAFT

THE CORPORATION OF THE CITY OF WHYALLA

GENERAL PURPOSE FINANCIAL STATEMENTS
For the year ended 30 June 2026

Statement by Auditor

I confirm that, for the audit of the financial statements of the Corporation of the City of Whyalla for the year ended 30 June 2026, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (Including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulation 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

DRAFT

Tim Muhlhausler CA, Registered Company Auditor

Partner

11 September 2026

Galpins
Accountants, Auditors & Business Consultants

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Climate Active Carbon Neutral ORGANISATION



UNEARTH WHYALLA

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9 October 2026

Mr Tim Muhlhausler
Partner
Galpins Accountants Auditors and Business Consultants
PO Box 4067
Norwood South SA 5067

Dear Tim,

This representation letter is provided in connection with your audit of the financial report of The Corporation of the City of Whyalla (the Council) for the year ended 30 June 2026 for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

We confirm that *(to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves):*

A. FINANCIAL REPORT

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial report in accordance with Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*; in particular the financial report presents fairly in accordance therewith.

2. We acknowledge our responsibility for the design, implementation and maintenance of internal control for the preparation of the financial report in accordance with Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

3. Significant accounting policies adopted in the preparation of the financial report are fully and fairly described in the financial report.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards. Such transactions with related parties may include:

    - sales, purchases, loans, transfers of assets / liabilities/ services, leasing arrangements, guarantees etc.

    - all balances due to or from related party at year end.

6. All events subsequent of the date of the financial report for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.

7. There are no identifiable misstatements, both individually and in the aggregate, within the financial report.

B. OWNERSHIP

1. The Council has good title (or lease interest) in all assets recorded in the accounts.

C. VALUATION

1. We have no plans and intentions that may affect materially the carrying value, or classification, of Council's assets and liabilities.

2. The fair value of land and buildings as determined by the external valuer is reasonable.

3. Adequate provisions have been recorded in the accounts for all anticipated losses.

4. Depreciation rates for capital and other assets have been reviewed having regard to such factors as asset usage and obsolescence. Any adjustment to reflect the most recent assessment of the useful lives of all capital and other assets has been recognised and disclosed in the financial report.

5. The carrying amount of capital and other assets does not materially differ from its fair value at the reporting date.

D. Information Provided

1. We have provided you with:

   - access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;

   - additional information that you have requested from us for the purpose of the audit; and

   - unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.

2. All transactions have been recorded in accounting records and are reflected in the financial report.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

4. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.

5. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:

   - management;

   - employees who have significant roles in internal control; or

   - others where the fraud could have a material effect on the financial report.

6. We have disclosed to you all information in relation to allegations of fraud, suspected fraud, affecting the Council's financial report communicated by employees, former employees, analysts, regulators or others.

7. We have disclosed to you all known instances of non-compliance or suspected non-compliances with laws and regulations including all covenants, conditions or other requirements of outstanding debts, whose effects should be considered when preparing the financial report.

8. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial report; and accounted for and disclosed in accordance with the applicable financial reporting framework.

9. We have disclosed to you all known unusual commitments or contractual obligations that were not in the ordinary course of business whose effects should be considered when preparing the financial report.

10. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.

E. COMPLETENESS

1. All assets owned or controlled by the Council have been recorded in the accounts.

2. All services rendered prior to the year-end have been recorded in the correct financial year.

3. Inventory does not include items not paid for and for which no liability has been recorded in the accounts at year-end.

4. All charges to capital assets (and additions under capital leases) during the year represent actual additions and no expenditure of a capital nature have been charged to expenses during the year.

5. All capital assets sold or dismantled during the year have been properly accounted for in the accounts.

6. Capital and other assets with a limited life are being depreciated, amortised, or otherwise written off as a charge to income over their estimated useful lives in a systematic and rational manner.

7. All liabilities of the Council at year-end have been recorded in the accounts (including provisions for such items as salaries and wages, employee benefits, professional services and long term debts).

F. ELECTRONIC PUBLICATION OF FINANCIAL REPORT

1. We acknowledge our responsibility for the electronic presentation of the audited financial report and independent auditor's report on the internet is identical to the signed hard copy version.

2. We acknowledge our responsibility to clearly differentiate between audited and unaudited information in the construction of the Council's website as we understand the risk of potential misrepresentation.

3. We acknowledge our responsibility for the design, implementation and internal control to ensure the security and integrity of the data published on the internet.

4. We acknowledge our responsibility to only publish the independent auditor's report when the full financial report is presented on the website.

G. OTHER

1. Minute book provided to you contains complete and authentic minutes of all meetings and committees held throughout the year to the most recent meetings.

2. We believe that the Council will be able to meet its financial commitments when they fall due.

Yours Sincerely,

Justin Commons
Chief Executive Officer

Galpins

Accountants, Auditors & Business Consultants

2025/26 Audit Completion Report

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EXECUTIVE SUMMARY

To the members of the audit and risk committee of the Corporation of the City of Whyalla

We are pleased to present our Audit Completion Report for the financial year ended 30 June 2026. The purpose of this document is to summarise the key accounting and audit matters that have arisen during the engagement and our audit conclusions.

We intend to issue the following opinions (subject to the satisfactory completion of the items described in section 1 – *Status of our Audit Work* of this document):

Intended opinions	Type of opinion	Proposed Auditor's Report
Opinion on the Financial Statements	Unmodified	Refer to Appendix 1 of this report.
Controls Opinion	Unmodified	Refer to Appendix 2 of this report.

We have included in this report the following information to ensure that councillors, management and audit & risk committee members are aware of all significant matters relating to the audit.

Matters	Sections
Status of our audit work	Section 1
Key Audit Matters	Section 2
Internal Controls Opinion and Recommendations	Section 3
Immaterial Uncorrected Misstatements	Section 4
Final Management Letter	Section 5
Proposed Independent Auditor's Report on the Financial Report	Appendix 1
Proposed Independent Auditor's Report on the Internal Controls	Appendix 2

We have also signed the statement by auditor regarding our independence, and confirmed that for the audit of the year ended 30 June 2026 we have maintained our independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

Yours faithfully



Tim Muhlhausler CA Registered Company Auditor
Date: 9 September 2026

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1. Status of Our Audit Work

Below is a summary of the status of audit activities and key documents related to the completion of our final audit.

Activities/Documents	Responsibility	Status
Final draft of the financial report	Management	**Completed**
Final audit visit	Audit	**Completed**
Final substantive procedures	Audit	**Completed**
Audit verification of the final draft of the financial report	Audit	**Completed**
Final draft of the financial report after audit verification	Management	**Completed**
Audit Completion Report	Audit	**Completed**
Final audited financial statements from the Council's subsidiaries	Management	**Completed**
Signed certification of auditor independence	Management	**Note 1**
Final financial report after considerations from the audit & risk committee	Management	**Note 1**
Signed certification of financial statements	Management	**Note 1**
Signed management representation letter	Management	**Note 1**
Final Independent Auditor's Report on the Internal Controls	Audit	**Note 2**
Final Independent Auditor's Report on the Financial Report	Audit	**Note 2**

Note 1 To be provided after the audit & risk committee meeting.

Note 2 To be provided by audit on receipt of both the:

- final financial report containing the signed certification of financial statements and the signed certification of auditor independence, and
- signed management representation letter.

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2. Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial report. We address these matters in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

2.1 Valuation of Infrastructure assets

Why the matter is significant	How the matter was addressed
Infrastructure assets are valued at fair value. The fair values of these assets were based on depreciated current replacement costs which is comprised by the gross replacement cost less accumulated depreciation. Council values the gross replacement cost using the estimated average cost (unit cost) at which it could construct a substitute asset of comparable quality in the normal course of business. There was inherent subjectivity involved in making judgments in relation to assumptions used to estimate unit rates which also involved determining the: ▪ components of assets that are replaced at different times in the asset lifecycle ▪ costs required to replace these components using current prices for materials, labour, and plant costs ▪ indices for measuring subsequent changes in unit rates. The useful lives of assets and the measurement of accumulated depreciation are determined by external valuers. Significant judgement is used to determine the different useful lives for different components of assets and to calculate the depreciation that would have accumulated since original construction using these estimated useful lives. The significant professional judgments used to estimate the gross replacement cost and the accumulated depreciation are also relevant to the calculation of the annual depreciation expense of these assets.	Our audit included but was not limited to the following activities: ▪ reconciled closing balances to the asset registers ▪ reconciled the movements in note 7 to the asset register ▪ reviewed the basis for valuation used by external valuers ▪ assessed the competence of external valuers (experts) in accordance with Australian Accounting Standards ▪ reviewed the fair value hierarchy provided in note 7 for each category of asset ▪ reconciled the useful lives used to calculate the accumulated depreciation and the depreciation for the period to the revaluation reports ▪ reviewed the useful lives mentioned above for different components and compared them to other local government entities ▪ performed a recalculation of depreciation ▪ reviewed the methodology used by Council to perform componentisation of infrastructure assets and compared the methodology used to Council's actual asset management practices and to other local government entities ▪ reconciled the unit rates used for different components of infrastructure assets to the unit rates provided in the valuer's report ▪ reviewed the unit rates mentioned above and compared them to different local government entities ▪ assessed the adequacy of disclosures in the financial report.

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2.2 Valuation of Land and Buildings

Why the matter is significant	How the matter was addressed
Land and buildings are valued at fair value. The basis of valuation to be used for these assets depends on a number of factors such as the nature of the asset, purpose of their use, the highest and best use of the asset, potential restrictions to the disposal of these assets among other factors. Valuation of land depends on whether the land is classified as Crown land or community land. Community land and Crown land are valued using unobservable (level 3) inputs as the allowance for the restriction on sale (requiring Ministerial consent) is usually an unobservable input, and is likely to have a significant effect on valuation. Land, where Council has an unfettered right to sell them, is usually valued at current market value based on their highest and best use. Level 2 inputs are primarily used for land during the valuation process. Valuation of buildings depends on the nature of these assets. Some Council buildings have no active market due to the specialised nature of the assets and the services they provide. For such buildings fair value is usually determined on the basis of replacement with a new building having similar service potential. Valuation techniques used to measure fair value of these buildings include significant unobservable inputs (level 3). For buildings that have an active market, buildings are assessed on market value principles which is deemed to be their fair value based on level 2 inputs. The most significant input into this valuation approach is sales transactions of comparable properties within the City, adjusted for any pertinent differences. The significant professional judgments used to estimate the value of buildings are also relevant to the calculation of the annual depreciation expense of these assets.	Our audit included but was not limited to the following activities: ▪ reconciled closing balances to the asset registers ▪ reconciled the movements in note 7 to the asset registers ▪ reviewed the basis for valuation used by external valuers ▪ assessed the competence of external valuers (experts) in accordance with Australian Accounting Standards ▪ analysed the nature of the land building assets and concluded whether the fair value hierarchy provided in note 7 for each category of asset was reasonable ▪ reconciled the useful lives used to calculate the accumulated depreciation and the depreciation for the period to the revaluation reports ▪ reviewed the useful lives mentioned above for different components and compared them to other local government entities ▪ performed a recalculation of depreciation; and ▪ assessed the adequacy of disclosures in the financial report.

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2.3 Accounting treatment of capitalisation of assets

Why the matter is significant	How the matter was addressed
Councils are asset intensive and highly dependent on multiple assets to deliver services to customers. Hence, there is a high volume of transactions and significant amounts involved in relation to capitalisation of assets. Due to the unique characteristics of Council's assets a number of considerations are taken into account when an expenditure is capitalised which include: ▪ whether Council is incurring capital expenditure on physical resources that are controlled by Council. Control is the most difficult of the characteristics of an asset to be defined as the concept goes beyond the legal ownership; ▪ Inclusions and exclusions of costs at initial recognition of an asset in accordance with AASB 116; ▪ Cost involved in dismantling and removing the asset and/or restoring the site under AASB 137; ▪ Borrowing costs to be capitalised into the cost of IPPE where the asset is a "qualifying asset" as per AASB 123; and ▪ accounting for subsequent costs and defining the nature of these costs as being capital or maintenance expenditure.	Our audit included but was not limited to the following activities: ▪ performed analytical procedures to define whether the amounts capitalised for the FY was in accordance with our expectation and our understanding of the entity; ▪ reviewed internal controls in place for capitalisation of assets; ▪ selected a sample of additions and performed an assessment of the nature of the addition and concluded whether the addition was recognised in accordance with Australian Accounting Standards; ▪ reviewed the WIP schedule and selected a sample of transfers out to ensure that the asset was appropriately valued and capitalised in the right account; and ▪ reviewed the WIP schedule in order to identify projects that should have been capitalised but were not.

2.4 Revenue Recognition

Why the matter is significant	How the matter will be addressed
AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities provide the framework for determining the timing of revenue recognition for councils. Income from capital and other specific purpose grants may require recognition over time as performance obligations are met (where these obligations are sufficiently specific and arise from enforceable contracts), and a liability recognised for unspent monies. Analysis of funding agreements and some level of professional judgement is required in making such determinations.	Our audit includes but is not limited to the following activities: ▪ performing analytical procedures to identify any variance that would represent a risk or incorrect application of AASB 15 and/or AASB 1058 ▪ reviewing a sample of grant agreements and assessing whether agreements contain sufficiently specific performance obligations ▪ evaluating the accounting policies used by Council to account for grants in accordance with AASB 15 and AAB 1058 ▪ testing a sample of financial transactions for compliance with Australian Accounting Standards.

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2.5 Management Override of Controls

Why the matter is significant	How the matter was addressed
Management is inherently in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare a fraudulent report by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, the risk of material misstatement due to fraud is, by default, considered a significant audit risk.	Our audit included but was not limited to the following activities: ▪ tested the appropriateness of journal entries recorded in the general ledger ▪ reviewed accounting estimates for biases ▪ performed final analytical procedures to conclude as to whether the financial report is consistent with our understanding of the entity ▪ requested written representation from Management ▪ reviewed IT access controls rights processes in place ▪ reviewed processes in place to ensure independent reviews of exception reports generated by Council ▪ reviewed processes in place to ensure independent reviews of audit trails of changes to master files. ▪

2.6 Other High and Moderate Risk Areas

The other high and moderate risk areas described in this section are account balances and/or audit areas that are not subject to a high degree of professional judgement, however we assessed their inherent risks as being high or moderate due to the materiality of the account balances, the high volume of transactions involved and other reasons outlined below:

Account balance	Why the risk is High/Moderate	Overall audit response
Rates and charges	- largest revenue item - often used as a reference point for analysing expenditure decisions - politically sensitive - reputational risk involved if rates are raised incorrectly.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - comparison of total capital values from the VG report to the total capital value recorded in the rates system - reconciliation of the rates modelling to the rates system and to the general ledger - recalculation of rates for a sample of rate payers.
Employee costs	- one of the largest expense items - high volume of transactions / data – subject to error - errors impact individuals financially.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of employee files (contracts, awards, EBs) - inspection of timesheets - recalculation of a sample of individual payments.
Materials, Contracts & Other expenses	- one of the largest expense items - high volume of transactions, inherently higher risk of error - fraud risk area (procurement, payments and credit cards)	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of supporting documents (contracts, invoices, purchase orders,

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Account balance	Why the risk is High/Moderate	Overall audit response
	- procurement and contracting are key focus areas for ICAC and the Auditor-General's Department.	subsequent payments, etc) for a sample of expenses.
Cash and cash equivalents	- material balance - fraud risk - if there is any instance of errors and/or fraud it will be indicative of broader errors - poor attitude to cash controls may be indicative of overall culture related to the entity's controls environment - public money.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - bank confirmation - inspection of bank statements - verification of outstanding reconciling items - reperformance of bank reconciliations.
Trade and other payables	- one of the largest liabilities - material balance - opportunity for understatements - poor use of accrual basis of accounting may be indicative of poor culture related to financial reporting - payments represent an opportunity for fraud.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - reconciliation between subsidiary ledgers and the general ledger - inspection of subsequent payments for a sample of creditors - inspection of a sample of subsequent payments for completeness test.

2.7 Intended Opinion on the Financial Report

We have completed our final risk of material misstatements assessment and concluded that the audit procedures performed were sufficient to reduce the audit risk to an acceptable level. We have evaluated the results of our audit testing and determined that no further adjustments to the financial statements are required.

In our opinion, subject to the satisfactory completion of the items described in section 1 of this report, ***the financial report prepared by Council presents fairly***, in all material respects, the Council's financial position as at the end of the current financial year and its financial performance for the year ended on that date (refer to our proposed Independent Auditor's Report on the Financial Report included in Appendix 1 of this report).

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3. Internal Controls Opinion and Recommendations

We have performed an extensive review of the Council's financial controls for the purpose of forming our control opinion as required by section 129 of the *Local Government Act 1999* based on council's obligations under s125 of that Act.

Our controls opinion is restricted per s129 of the Act to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively					2026 Findings			
		2030	2029	2028	2027	2026	H	M	L	BP
General Ledger	4	TBC*	TBC*	TBC*	TBC*	3	-	-	1	-
Fixed Assets	5	TBC*	TBC*	TBC*	TBC*	3	-	1	1	-
Purc & Proc/Contr	3	TBC*	TBC*	TBC*	TBC*	3	-	-	-	-
Accounts Payable	4	TBC*	TBC*	TBC*	TBC*	4	-	-	-	-
Rates	4	TBC*	TBC*	TBC*	TBC*	3	-	-	1	-
Banking	3	TBC*	TBC*	TBC*	TBC*	3	-	-	-	-
Credit Cards	4	TBC*	TBC*	TBC*	TBC*	4	-	-	-	-
Payroll	5	TBC*	TBC*	TBC*	TBC*	5	-	-	-	-
Debtors	3	TBC*	TBC*	TBC*	TBC*	2	-	-	1	-
Total	**35**					**30**	**-**	**1**	**4**	**-**

*TBC – To be confirmed in future audits for benchmarking and comparison purposes.

Overall the Council demonstrated a **high level of compliance** with the implementation of an internal control framework consistent with the principles within the Better Practice Model.

During our interim audit visit we found that the majority of key internal controls reviewed were in place and were operating effectively (30 out 35 core controls reviewed). Risks were rated based on an assessment of the risk of non-compliance with s125 of *the Local Government Act 1999* as described in Appendix 3 – Risk Ratings.

An interim audit management letter was issued and presented to the audit & risk committee containing our overall assessment of the council's internal controls and all the controls weaknesses identified during our review of the Council's financial controls.

Council has an action plan in place to address the finding related to the control that was not operating effectively as indicated in Management responses to our interim management letter issued in March 2026.

In our opinion, subject to the satisfactory completion of the items described in section 1 of this report, ***the Council has complied, in all material respects, with Section 125 of the Local Government Act 1999*** in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities.

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4. Immaterial Uncorrected Misstatements

There are no immaterial uncorrected misstatements to report. All misstatements identified during our audit have been adjusted in the financial report.

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5. Final Management Letter

We have identified the following additional performance improvement observations when performing our substantive procedures during our final audit:

	Risk
5.2. Employees with excessive annual leave balances	**Low**
Finding	Audit identified 4 employees with annual leave balances in excess of 300 hours (approximately 2 years of entitlement).
Risk	Leave balances exceeding the allowable balances under the relevant EB. Staff not taking leave has financial implications as leave is paid at higher rates than it was accrued, and may lead to health, safety and welfare issues. Regular taking of leave also acts as a fraud prevention control.
Recommendation	Implement strategies to systematically reduce excessive leave balances, and prevent employees from accumulating excessive balances.

Risks were rated based on an assessment of the risk of non-compliance with s125 of the Local Government Act 1999 as described in Appendix 3 – Risk Ratings.

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Appendix 1 – Proposed Independent Auditor's Report on the Financial Report

To the members of City of the Corporation of the City of Whyalla

Opinion
We have audited the accompanying financial report of the Corporation of the City of Whyalla (the Council), which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the Corporation of the City of Whyalla.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2026, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's Responsibility for the Financial Report
Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

Date:

Appendix 2 – Proposed Independent Auditor's Report on the Internal Controls

To the members of the Corporation of the City of Whyalla

Independent Assurance Report on the Internal Controls of the Corporation of the City of Whyalla

Opinion
We have audited the compliance of the Corporation of the City of Whyalla (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2025 to 30 June 2026 have been conducted properly and in accordance with the law.

In our opinion, the Corporation of the City of Whyalla has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2025 to 30 June 2026.

Basis for Opinion
We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2025 to 30 June 2026. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Council's Responsibility for Internal Controls
The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the Local Government Act 1999 to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law.

Our Independence and Quality Control
We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQM 1 *Quality Management for Firms that Performs Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this assurance engagement.

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Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with the law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2025 to 30 June 2026. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Limitation of Use

This report has been prepared for the members of the Council in accordance with section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

Date:

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Appendix 3 – Risk Ratings

The audit findings identified during our interim audit documented in our interim management letter and in section 3 of this report were rated as follows:

Category	Description
Potential Material Weaknesses	The issue described could lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the council's financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

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2.0 ITEMS FOR DECISION

2.2 Audit and Risk Committee Work Program 2027

Audit and Risk Committee Meeting:	9 October 2026		
Author's Title:	Lisette Symons – Executive Coordinator - Corporate	**File No.:**	0-159
Directorate:	Corporate		

Attachments:

1 – Audit and Risk Committee Indicative Work Program

Officer Direct or Indirect Conflict of Interest: *In accordance with Local Government Act 1999, Section 120*		**Status:** *Information classified confidential under Section 90(2) of the Local Government Act*	
☐ **Yes**	☑ **No**	☐ **Yes**	☑ **No**

Reason – Nil

PURPOSE

The purpose of this item is to seek the Audit and Risk Committee's review of a proposed Indicative Work Program for 2027.

BACKGROUND / DISCUSSION

Annual Work Program

Setting an annual work program helps to ensure the Audit and Risk Committee addresses the scope of activities identified in the *Local Government Act 1999* and the Committee's Terms of Reference. It ensures the workload of the Committee is planned, managed and resourced.

Attachment 1 outlines an indicative work program over the next 12 months. The Committee's feedback on the program is now sought.

RECOMMENDATION

That the Audit and Risk Committee approves the indicative work program for 2027

AUDIT AND RISK COMMITTEE WORK PROGRAM - 2027

ToR Ref.	Deliverables derived from the Committee's Terms of Reference	Feb 27	Apr 27	May 27	July 27	Oct 27	Action
5.4	Communication						
	Updates on relevant Council considerations since the last meeting	As required					Note
7.	Meetings						
7.8	Set annual schedule of meetings					X	Endorse
7.8	Annual joint workshop with Council – topics tbd					X	Endorse
7.10	Review Committee meeting procedures	X					Endorse
7.8	Develop Work Program for next 12 months	X				X	Endorse
9.3	Reporting						
	Audit and Risk Committee annual report to Council					X	Endorse
10.1	Strategic Management						
	Review ABP&B parameters and process for following year					X	Recommend
	Review draft ABP&B		X				Recommend
	Review ESCOSA material	Due 2028					Note
10.2	Financial and Prudential Management						
	Review annual financial statements					X	Recommend
	Review quarterly budget reports	X		X		X	Recommend
	Review budget vs actual					X	Recommend
	Review application for new loan	As required					Recommend
	Review council investments and loans				X		Recommend
	Review any prudential report	As required					Recommend
	Review any business case/unsolicited proposal	As required					Recommend
	Review financial/prudential policies:						
	-Asset Accounting				X		Recommend
	-Budget Management and Review	Due 2028					Recommend
	-Corporate Credit Card				X		Recommend
	-Entertainment and Hospitality	Due 2029					Recommend
	-Financial Hardship	Due 2028					Recommend
	-Financial Hardship – Retail Water Customers	Due 2030					Recommend
	-Disposal of Land and Other Assets	X					Recommend
	-Financial Internal Control	Due 2028					Recommend
	-Procurement & Contractor Management	X					Recommend
	-Prudential Management				X		Recommend
	-Rating Policy		X				Recommend
	-Retail Water – Pricing	Due 2030					Recommend
	-Treasury Management	Due 2028					Recommend
	-Unsolicited Proposals	X					Recommend
	-Water Connection and Billing	Due 2030					Recommend
	Quarterly Procurement Report	X		X	X	X	Note

AUDIT AND RISK COMMITTEE WORK PROGRAM - 2027

ToR Ref.	Deliverables derived from the Committee's Terms of Reference	Feb 27	Apr 27	May 27	July 27	Oct 27	Action
10.3	External Audit						
	Oversee any tender process undertaken and recommend to Council the appointment of the external auditor	Due 2030					Recommend
	Review annual audit plan	X					Recommend
	Receive interim management report			X			Note
	Receive end of year audit completion report					X	Note
	Meet with external auditor without management present					X	Note
10.4	Risk Management						
	Review Risk Management Policy, framework, appetite statements, strategic risk profile					X	Recommend
	Review emergency management and business continuity policies and plans	X					Recommend
	Cyber security review report				X		Note
	Information or annual report on Council insurances, claims					X	Note
	Monitor management's responses to and progress against any risk reports	As required					Note
	Compliance report on risk management governance and notifiable events - WELC	X				X	Note
10.5	Internal Audit, Internal Controls and Service Reviews						
	Review and monitor the program of service reviews			X		X	Note
	Review and monitor the program of internal audit assignments						
	• Budget Establishment, Monitoring and Management	Completed					Note
	• Strategic and Business Planning Process	Completed					Note
	• Asset Management	Completed					Note
	• Human Resource Planning and Management	Completed					Note
	• External Stakeholder Relationship Management	X					Note
	• Governance and Compliance				X		Note
	• ICT Infrastructure					X	Note
	Review internal financial controls – self assessment	X					Recommend
	Meet with internal audit service providers without management present	X		X			Note
	Monitor management's responses to and progress against service review and internal audit reports	As required					Note

AUDIT AND RISK COMMITTEE WORK PROGRAM - 2027

ToR Ref.	Deliverables derived from the Committee's Terms of Reference	Feb 27	Apr 27	May 27	July 27	Oct 27	Action
11.1	Performance Assessment, Induction and Professional Development						
	Review performance assessment methodology				X		Endorse
	Receive and consider performance assessment report including any professional development needs					X	Endorse
	Review the Committee's Terms of Reference					X	Recommend
11.2	Ethics, Integrity and Culture						
	Receive and consider internal audit report on council's systems of control on ethical standards etc.				X		Recommend or note
	Organisational Leadership and Performance			X		X	Note
	People and Culture Metrics			X		X	Note
	Review Council's key controls/policies that go towards good public administration including (note that these policies are on a 4-year cycle of review)						
	-Behaviour Management					X	Recommend
	-Fraud and Corruption			X			Recommend
	-Complaints Handling	Due 2030					Recommend
	-Public Interest Disclosure	Due 2029					Recommend
	-Internal Review of Council Decisions	Due 2030					Recommend
	-Code of Practice for Access to Meetings					X	Recommend
	-Privacy			X			Recommend
	-Council Members – Allowances and Benefits Reimbursement				X		Recommend
	Review CEO's annual report on the effectiveness of the organisation's culture					X	Note
	Review any reports received that go towards good public administration	As required					Recommend or note
	Other						
11.3	Propose and review the exercise of powers under section 130A of the Local Government Act 1999	As required					Recommend

2. ITEMS FOR DECISION

2.3 Audit and Risk Committee Annual Report to Council

Audit and Risk Committee	9 October 2025		
Author's Title:	Sue King – General Manager Corporate	**File No.:**	0-159
Directorate:	Corporate		

Attachment 1 Draft 2025/2026 Audit and Risk Committee Annual Report to Council

Officer Direct or Indirect Conflict of Interest: *In accordance with Local Government Act 1999, Section 120*		**Status:** *Information classified confidential under Section 90(2) of the Local Government Act*	
☐ **Yes**	☑ **No**	☐ **Yes**	☑ **No**

Reason – Not applicable

PURPOSE

To provide a draft 'Audit and Risk Committee Annual Report to Council' for Committee Member's feedback prior to its presentation to Council at the 19 October 2026 Ordinary Council meeting.

DISCUSSION

In line with Clause 9.3 of the Committee's Terms of Reference, this report provides an outline for the Audit and Risk Committee's Annual Report to Council (**Attachment 1**) detailing the Committee's activities for the last twelve months.

After reviewing the Committee's operations during the 2025/2026 financial year, it is noted that the Committee's operations were in alignment with its Terms of Reference and the requirements of the *Local Government Act 1999*.

Feedback will be sought from Committee Members during the meeting as to the content of the report, following which it is recommended that the Committee's Chair be authorised to finalise the report on the Committee's behalf. The Report will then be submitted to Council for consideration at their 19 October 2026 meeting.

RECOMMENDATION

That the Audit and Risk Committee:

1. **Provide feedback on the outline and content to be included in the 2026 Audit and Risk Committee Annual Report to Council provided at Attachment 1 to this report.**

2. **Requests the Chair of the Audit and Risk Committee to finalise the Annual Report on the Committee's behalf considering the feedback received and when finalised refer the report '2026 Audit Committee Annual Report' to Council at the 19 October 2026 Ordinary Council Meeting.**

AUDIT AND RISK COMMITTEE ANNUAL REPORT TO THE WHYALLA CITY COUNCIL 2025/2026

INTRODUCTION

Clause 9.3 of the Audit and Risk Committee Terms of Reference provides that the Committee shall report annually to the Council summarising the activities of the Committee during the previous year.

This report provides an overview of the Committee's operations in 2025/2026 as provided for under the *Local Government Act 1999*. To provide context, a summary of the Committee's role as per Clause 2.3 of the Terms of Reference is:

- Oversight of relevant activities to facilitate achieving City of Whyalla's objectives.
- Enhancing the credibility and objectivity of internal and external financial reporting.
- Effective management of risk and the protection of Council assets.
- Compliance with laws and regulations as well as use of best practice guidelines.
- The effectiveness of internal audit and maintaining a reliable system of internal control.
- The provision of an effective means of communication between the external auditor, any internal audit function, management/administration, and Council.
- The continuous development and review of Council's ethical practices.

In preparing this report, it is noted that:

- The composition of the Audit and Risk Committee is one (1) Council Member, two (2) proxy Council Members and three (3) independent members, one of whom will be the Presiding Member. The Committee (when considered as a whole) will have skills, knowledge and experience in financial management, risk management and governance.
- In August 2025, Mr David Powell was appointed by Council as an Independent Member.
- In October 2025, Ms Pat Christie completed her term as Independent Member.
- In February 2026, Mr Roberto Bria was appointed as an Independent Member to fill the vacancy left by Ms Christie.
- In March 2026, Crs Simpon and Borda were appointed as proxies until the next Local Government Election.
- This report covers the period 1 July 2025 to 30 June 2026.

COMMITTEE ACTIVITIES

This section outlines significant items brought before the Committee for consideration during the year.

Strategic Management

There were no major reviews of Council's Strategic Management Plans undertaken during 2025/26, as this process was undertaken in 2023/24 and is only required once in each 4-year election cycle. Annually, the Long-Term Financial Plan receives a minor review each time that a Budget or Budget Review is presented for adoption. The Asset Management Strategy is also reviewed during the development of the budget.

The Committee's comments relating to these plans are reflected in the following section relating to financial management.

Financial and Prudential Management and External Audit

The following is a summary of work progressed by the Committee during 2025/26 in the key focus area of financial and prudential management and external audit:

- The Committee met with the former External Auditor for a final audit review before handing over to the new Auditors and undertook a high-level review of the 24/25 Annual Financial Statements, including the Management Representative Letter, Valuations, Estimates and Assumptions, Accounting Standards, Operating Surplus, Grants, Subsidies and Contributions and Other Reserves. After receiving satisfactory responses, the Committee recommended to Council the adoption of the financial statements.
- The Committee reviewed and recommended to Council the process and parameters to be used for the development of the draft 2025/26 Annual Business Plan and Budget. The Committee recommends that the draft ABP&B be presented to the community with transparency that reflects rate impacts, accounts for rising operating costs such as fuel, and continues to address the airport's impact on Council's financial position, balanced against the community feedback on the need to increase support for City Amenity improvements.
- Quarterly budget reviews – The Audit and Risk Committee recommended all three 2025/26 quarterly budget reviews to Council, recognising Management's efforts to maintain a neutral budget position. However, the Committee expressed concern about the continuing trend of actual financial results performing below budget, highlighting the $2.149 million operating deficit and the need for greater project prioritisation, financial discipline, service re-engineering, and remedial actions. The Committee requested Management present options to reduce the projected deficit and improve Council's long-term financial sustainability.
- The Committee reviewed a number of Finance policies and recommended them to Council for adoption, including the Prudential Management Policy, Asset Accounting Policy, Financial Hardship – Retail Water Customers, Rating Policy, Retail Water- Pricing Policy, and Unsolicited Proposals Policy. The Committee also reviewed and made recommendations to Council on the Public Interest Disclosure Policy and Procedure and the Hybrid Working Arrangements audit conducted by BDO.
- The Committee reviewed the Code of Practice for meeting procedures to include the option for the Committee to have "open debate, free-flowing conversation and possible amendment or variation and final voting by the members present and entitled to vote".
- The Committee considered the first Interim Management Report issued by Council's newly appointed external auditor Galpins, on Council's internal controls.

- Received the 2025/26 External Audit Plan from Galpins.
- Reviewed Council's Quarterly Procurement reports, outlining local vs non-local spending and any procurement that was exempted from Council's normal processes.
- Reviewed a report on the performance of Council's loan and investment portfolio.
- Other one-off items:
    - New External Auditor for the next 5-year period was appointed.
    - Considered a report outlining proposed strategies to improve Council's ability to operate within budget over the next few years.
    - Considered a report relating to three (3) audits relating to playgrounds, Whyalla Landfill and Refuse Station and Contractor Management.
    - Endorsed the updated approach to delivering Service Reviews internally as they arise.
    - Comparative data provided on recycled water charges.
    - Noted the three additional Airport projects funded from the savings associated with the State and Federal Government funding for the runway upgrade.

From an overall perspective, during the course of 2025/2026, the Committee expressed its concern regarding the financial sustainability of the Council, and particularly the impact that the Whyalla Airport has on the financial position of Council.

Risk Management

The following is a summary of work progressed by the Committee during 2025/26 in the key focus area of risk management:

- Received and provided the Risk Management Policy and Procedure and Risk Maturity Roadmap.
- Received and provided feedback on the Risk Management, Business Continuity and Emergency Management Plan. Noting that any extreme or high risks are to be reported to the Committee.
- Noted the outcomes of Council's Cyber Security Review
- Noted the Audit report on playgrounds and successful mitigation of all extreme and high risks.
- Noted the internal scope for Asset Management Review.

Internal Audit and Service Review Program

The following is a summary of work progressed by the Committee during 2025/26 in the key focus area of financial and prudential management and internal audit:

- Considered two reports from Council's Internal Auditor, the first relating to Budget Establishment, Monitoring and Management, and the second to the Strategic and Business Planning Process. Neither report highlighted any areas of concern, only suggested areas of improvement.
- Received updates on the Service Review undertaken for Open Space.
- Other one-off items:

- Considered the scope for a review of Hybrid Working Arrangements by the Internal Auditor but noted that the work had started before they had a chance to provide feedback.
- Recommended that Council cease undertaking Service Reviews with BDO and consider other options for delivery of this program.
- Noted the Human Resources, Planning and Management Review to be conducted by BDO to look into HR Planning and Management Processes.

Ethics, Integrity and Culture

The Committee received:

- the annual CEO report on the effectiveness of the organisation's culture;
- report on the 2023/24 workers compensation claims which will now be incorporated into one report comprising workers compensation, asset, and public liability insurance matters;
- report on the 2024/25 regulatory notifications, with agreement that all notifiable incidents are advised to the Committee.

Details of Meetings Held

During the 2025/26 financial year, a total of six (6) Audit and Risk Committee meetings were held on the following dates:

- Friday 8 August 2025
- Wednesday 1 October 2025
- Friday 20 February 2026
- Friday 10 April 2026
- Friday 19 June 2026

- In addition, a workshop with Elected Members was held on Wednesday 1 October 2025.

Audit and Risk Committee attendance at meetings during the year 2025/2026 were:

MEMBER	NUMBER OF MEETINGS ATTENDED
Ms Pat Christie (Independent Member)	2
Mr Laurie Kozlovic (Independent Member and Chair)	5
Mr Roberto Bria (Independent Member)	3
Mr David Powell (Independent Member)	3
Cr Peter Klobucar (Council Member)	4
Cr Bill Simpson (Council Member Proxy)	1
Cr Peter Borda (Council Member Proxy)	0

2026/2027 Work Program

Major items for the Committee to review and provide comment and feedback on during 2026/27 will be:

- Reviewing and monitoring the program and outcomes of internal audit assignments
    - External Stakeholder Relationship Management
    - Governance and Compliance
    - ICT Infrastructure
- Annual Business Plan and Budget, including a review of the assumptions underpinning the Plan and Budget and monitoring Management's progress in addressing Council's financial position
- Liaising with the Council's external auditor on the end-of-year financial statements
- Review of Council's Risk Management Framework, Appetite Statements and Profile
- Review of the Audit and Risk Committee's performance and operations
- Review of finance and governance policies
- Review of unsolicited proposals received from external parties.
- Review of the service review program.

……. ___ / _____/ 2026.

Laurie Koslovic
Chair and Independent Member
Whyalla City Council, Audit and Risk Committee

2.0 ITEMS FOR DECISION

2.4 2027/28 Annual Business Plan and Budget Process and Parameters – <u>For Endorsement</u>

Audit and Risk Committee: 9 October 2026
Author's Title: Grant Jennings, Manager Finance & Knowledge Management **File No.:** 0-216
Directorate: Corporate

Annexures
Nil

Officer Direct or Indirect Conflict of Interest:
In accordance with Local Government Act 1999, Section 120

☐ **Yes** ☑ **No**

Status:
Information classified confidential under Section 90(2) of the Local Government Act

☐ **Yes** ☑ **No**

Reason – Not applicable

PURPOSE

To provide the Audit and Risk Committee with information on the proposed process for the development of the 2026/27 Annual Business Plan and Budget and the parameters that will guide this.

SUMMARY

It is proposed that three workshops will be held with Council Members to formulate the draft 2027/28 Annual Business Plan and Budget (ABP&B) for public consultation. These will be held in early to mid-February 2027. The preparation has been brought forward by almost a month from a normal year, to allow for the consultation version of the budget to be endorsed by the current council before the election.

The draft ABP&B will be reviewed by the Audit and Risk Committee before consultation is undertaken in April and May. A Special Council Meeting will be held in late May, to allow the outcomes of public consultation to be incorporated into the final draft to be prepared for adoption at the June Council Meeting.

The budget is not developed in isolation but instead should bring together information from a number of relevant sources to ensure that Council allocates its limited resources in the most effective and efficient manner.
RECOMMENDATION

The Audit and Risk Committee:

- **recommends to Council the proposed process and parameters for the development of the 2027/28 budget process.**
- **notes that if the development of the 2027/28 budget process including revised timelines is adopted by Council, the Audit and Risk Committee meeting normally held in April will be brought forward by 1 month to occur on Friday 5 May 2027 and the Audit and Risk Committee Meeting Schedule will be adjusted accordingly.**

2.4 2027/28 Annual Business Plan and Budget Process and Parameters – For Endorsement

REPORT

BACKGROUND

The 2027/28 budget process has been designed to be consistent with the process used over the past few years. Council goes above and beyond the level of public consultation required by the *Local Government Act 1999* (the Act) and has increased the use of storytelling to help the community understand the context that Council and the City are operating in, and the extra difficulty that this places on budgeting decisions.

To ensure that the budget is developed in a manner consistent with Council's priorities and needs, it is vital to agree on a set of underlying parameters, so that everyone is working towards the same goals.

The extra complication for the current cycle is the timing of the Local Government Elections in early April 2027. It is proposed to bring the preparation and endorsement for consultation forward by a month, to allow this to occur before the end of the current term. The consultation period will commence after the election period is over, to remove the budget as a potential electioneering tool. It is important to remember that a newly elected body will need to adopt the budget within the first few months of its term and that this has the potential to delay the process.

DISCUSSION

Adopting a process and timeline for the development of Council's 2027/28 ABP&B is an important step in ensuring adequate deliberation by both Council and the community in setting priorities and associated budgets for the 2027/28 year.

Based on legislative requirements as well as good practice, the following is a proposed process and timeline.

Three workshops will be held with Council Members, allowing in-depth discussion to assist with the formulation of the draft 2027/28 ABP&B. They will occur on the following dates, with 1 of these dates aligning with the current briefing schedule:

- Monday 1 February 2027 – Capital Program
- Monday 8 February 2027 – Operating Budget
- Monday 22 February 2027 – Rating Policy

This is in line with the workshop schedule for the previous budget cycle, although being held approximately 1 month earlier. While each of the workshops will have a different primary focus as shown, any budget topics can be touched upon during any of the sessions.

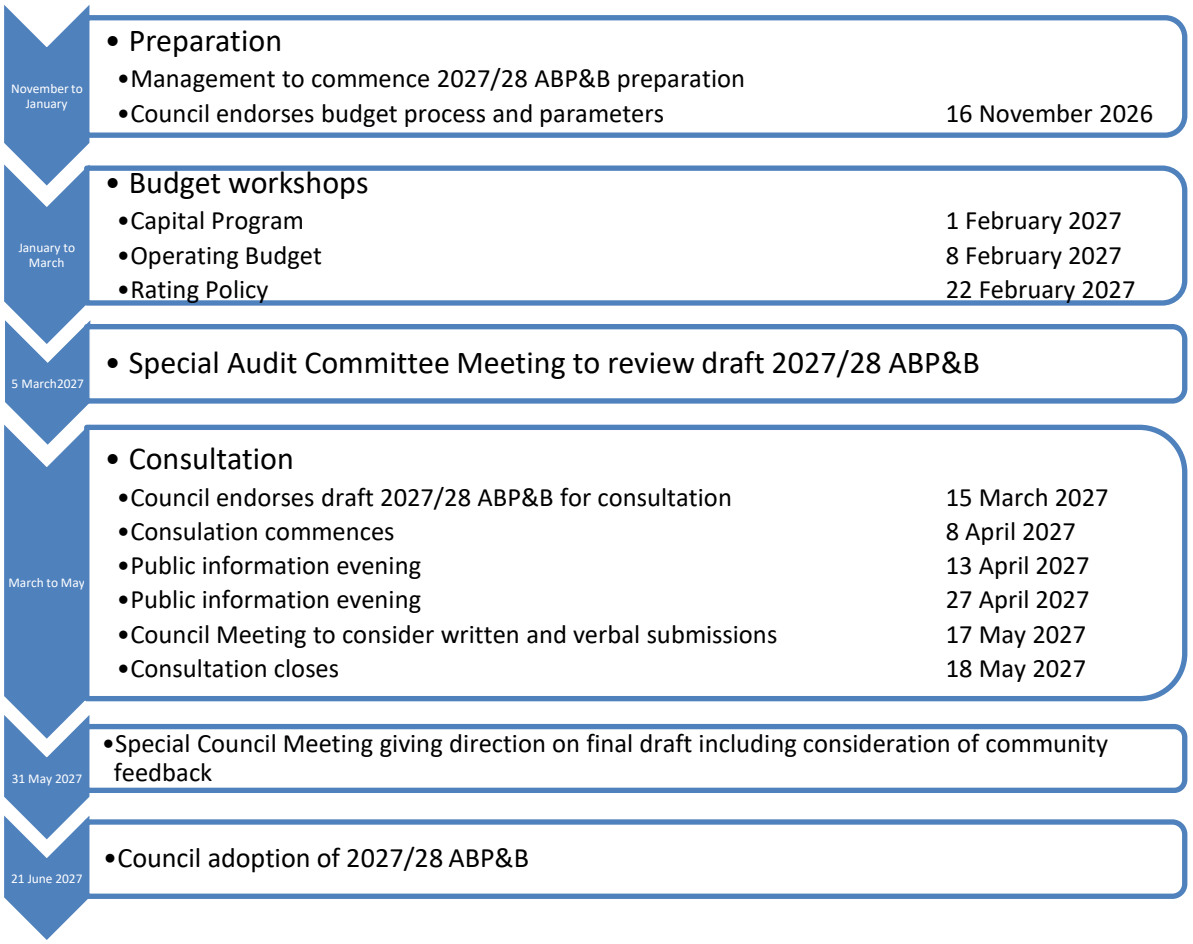
The draft 2027/28 ABP&B will be presented to the Audit and Risk Committee at a Special Meeting proposed for Friday 5 March 2027. This is different timing compared to the current meeting schedule, so will need to be confirmed. The draft will then be presented to Council at their March meeting, with consultation to run from Thursday 8 April to Tuesday 18 May 2027. Endorsing a draft budget for public consultation is not restricted during the caretaker period.

The gap between the Council Meeting and the start of consultation is longer than usual, as it is proposed to not undertake consultation until after voting for the election has closed on 7 April 2027, to remove the budget as a potential electioneering tool. It is also proposed to have a longer period of consultation, to allow for verbal submissions at the May Council Meeting, rather than the April Council Meeting, which will be the first after the election.

As in previous years, two informal information evenings are proposed. It is proposed that they occur on Tuesday 13 April 2027 and Tuesday 27 April 2027. As per last year, they would be held at the Mount Laura Homestead Museum.

The public will be able to make verbal representations or submit questions for the Council meeting on Monday 17 May 2027.

A Special Council Meeting is proposed for Monday 31 May 2027, to allow for Council to give directions to administration on the final draft version of the 2027/28 ABP&B, to prepare for adoption at the Council Meeting on Monday 21 June 2027. The final report on public consultation will be presented at this meeting. It is envisioned that Council would suspend meeting procedures during the Special Meeting to allow for an in-depth discussion on how the feedback from public consultation can be incorporated into the adopted plan.



In addition to the external budget process, processes are run internally for the development of the initial budget. Each Business Unit will develop workplans that take into account things such as legislative requirements, process improvement and upcoming opportunities, as well as the delivery of adopted Council plans and the 4-year delivery plan. This assists each Business Unit to articulate and report on how they are supporting the delivery of Council's strategy.

The ABP&B is a key document that outlines how Council will deliver on its strategic direction and operational requirements for the coming year. The budget is not developed in isolation but instead should bring together information from a number of relevant sources to ensure that Council allocates its limited resources in the most effective and efficient manner.

Some of the key areas that will be integral in the development of the ABP&B are discussed further below. The budget parameters include either direct or indirect reference to these key considerations.

Strategic Management Plans

The ABP&B should be viewed as a one year "slice" of Council's overall delivery of its strategic direction. For this reason, the ABP&B is developed to be consistent with Council's Strategic Plan, Asset Management Strategy and Long-Term Financial Plan (LTFP). In line with the review of the ABP&B, all LTFP projections will also be updated and presented to Council, to ensure that this consistency remains in place.

Key Performance Indicators

Each year as part of the ABP&B process, Council adopts a suite of Key Performance Indicators (KPIs) to hold itself accountable to the Community. These are set at a high level, identifying the areas that the organisation should be focusing effort on. They are a subset of the KPIs that are set for the Chief Executive Officer, to ensure the alignment of resource allocation is consistent.

External Environment

A detailed scan of the external environment will be undertaken by Council Members and Senior Management, to identify key threats and opportunities that Council need to be aware of and assign resources towards. The areas of focus are:

- Customers
- Relationships
- Economy
- Government & Regulation
- Technology
- Natural Environment

Assumptions

Council's LTFP is built on a number of assumptions, which then flow into the development of the ABP&B. These assumptions need to be tested on an annual basis to ensure they are still appropriate and to update based on the most recent information available. The key assumptions include:

- Service Levels
- Rate Increase
- Wage Increase
- Consumer Price Index
- Interest Rates
- Capital Costs
- Ongoing Savings
- Other Income

Budget Parameters

After taking all of these considerations into account, the following parameters are proposed to form the basis for the development of the 2027/28 ABP&B:

- Support the achievement of the City of Whyalla's Strategic Plan.
- Address issues arising, and opportunities identified, from organisational effectiveness assessments/reviews.
- Maintain an operating surplus position for Council excluding Airport.
- Reach an operating deficit position for Council including the Airport equal to less than 50% of airport depreciation, by 2028/29 or earlier.
- Continue to improve the whole of life focus on assets in accordance with Council's Asset Management Strategy, with a priority on:
  - maintenance to ensure assets reach end of life; and
  - 100% funding of renewal at end of life except where a service level change has been specified, or where renewal would be inconsistent with an adopted Council plan or resolution.
- Review existing services and assets to ensure they meet prioritised community needs.
- Council only approve New/Upgrade Capital Projects where it has identified:
  - borrowing capacity to fund upfront cost; and
  - operating capacity to fund ongoing costs.
- Maintain predictability and stability in rating increases, in line with the LTFP.

These parameters are the same as those that were adopted in the previous year, as would normally be expected.

Financial Implications

The direct costs of developing the budget and undertaking public consultation are minor, such as advertising and can be accommodated within the current budget.

The financial implications of the draft budget on Council's long term financial sustainability will be discussed in depth throughout the budget process and presented to Council at the time of commencing public consultation and again at adoption.

Strategic Plan

The development of the Annual Business Plan and Budget is a key process in ensuring the delivery of Council's Strategic Plan and so touches on all parts of this plan.

Legislation

Council will prepare and consult on the draft 2027/28 Annual Business Plan and Budget in accordance with the following:

- *Local Government Act 1999;*
- *Local Government (Financial Management) Regulations 2026*; and
- Council's Public Consultation Policy.

Officer Direct or Indirect Interest – Nil

Risk Assessment

The outlined process ensures that Council exceeds all legislative requirements, allocating sufficient time to consider something as important as the annual budget. This will assist the decision-making process and reduce risk to Council.

Ensuring that the ABP&B is developed within a mutually agreed framework from the very beginning reduces the risk to Council, as it allows more time within the process to have detailed discussion around strategic priorities.

Financial risk will be considered as part of the outcomes of the budget process.

Early discussion on key budgeting processes, assumptions and management strategies with the Audit and Risk Committee will highlight key risks for Council, which can be managed throughout the process.

The timeline for adopting the budget being so close to the finalisation of the election increases the risk that adoption may be delayed.

Social Considerations – Not applicable

Community Engagement

Council will conduct consultation on its draft 2027/28 Annual Business Plan and Budget in accordance with Section 123 of the *Local Government Act 1999*.

The public consultation period commences on Thursday 8 April 2027 and ends on Tuesday 18 May 2027. This will be communicated via Council's website, Facebook and a public notice in the local newspaper.

Work will be undertaken to ensure that the reasons for the proposed rate increase are clearly articulated to the community.

Environmental Implications – Not applicable

Communication – Not applicable

Conclusion

The budget process is the same as the overall structure from last year, with feedback received that the process worked well and achieved good consultation outcomes.

The key areas considered in developing the budget parameters include Council's Strategic Management Plans, adopted Key Performance Indicators, a comprehensive scan of Council's external & internal environments and the underlying assumptions. This ensures that the ABP&B is developed in a manner consistent with Council's priorities and needs.

2. ITEMS FOR DECISION

2.5 Budget Review 2026/27 Quarter 1 incorporating Financial Results 2025/26

Audit and Risk Committee:	9 October 2026		
Author's Title:	Grant Jennings Manager Finance & Knowledge Management	**File No.:**	0-159
Directorate:	Corporate		

Attachments:

Attachment 1 – Budget Review 2026/27 Quarter 1
Attachment 2 – Long Term Financial Plan – Updated Tables

Officer Direct or Indirect Conflict of Interest: *In accordance with Local Government Act 1999, Section 120*		**Status:** *Information classified confidential under Section 90(2) of the Local Government Act*	
☐ **Yes**	☑ **No**	☐ **Yes**	☑ **No**

Reason – Not applicable

PURPOSE

To incorporate Council's financial results for the year ending 30 June 2026 and provide an updated projection of Council's operating and capital budgets for the 2026/27 financial year, identifying any variations sought to Council's original budget and the cumulative financial implications.

SUMMARY

The Quarter 1 Budget Review primarily reflects the incorporation of the Financial Results 2025/26 and the impact this has on the 2026/27 budget and Long-Term Financial Plan. The primary changes relate to carry forward of unspent capital funds and increases in depreciation projections.

RECOMMENDATION

The Audit and Risk Committee:

1. **recommend the Budget Review incorporating the Financial Results 2025/26, identifying an operating deficit of $1,605,000 and an estimated cash position at end of reporting period of $253,000, be submitted to Council for adoption; and**
2. **recommend that the 2026/27 Annual Business Plan and Budget and Long-Term Financial Plan be amended to reflect the variances.**

2.5 Budget Review 2025/26 Quarter 1 incorporating Financial Results 2025/265

REPORT

BACKGROUND

Regulation 9(1)(a) of the *Local Government (Financial Management) Regulations 2011*, requires a budget update report to include a revised forecast of the Councils' operating and capital investment activities compared with estimates set out in the budget.

DISCUSSION

This report considers the impact that the financial results from the year ending 30 June 2026 will have on Council's 2026/27 Budget and ongoing financial sustainability.

The Budget Update comprises the following statements:

1. key financial indicators;
2. explanation of material variances;
3. uniform presentation of finances; and
4. financial statements.

Refer **Attachment 1 – Budget Review 2026/27 Quarter 1**

Council's Long Term Financial Plan has been updated to reflect the impact of the Quarter 1 Budget Review, with a full set of the updated tables included for information.

Refer **Attachment 2 – Long Term Financial Plan – Updated Tables**

The Quarter 1 Budget Review primarily reflects the incorporation of the Financial Results 2025/26 and the impact this has on the 2026/27 Budget and Long-Term Financial Plan. This includes operating projects of $119,000 and capital projects of $1.79 million being retimed, as they were not completed in 2025/26. These carry forward figures are net of any grant income.

In addition, the 2025/26 year end result has caused the depreciation for 2026/27 to increase from original forecasts by $172,000, the majority of which relates to increased depreciation for the airport runway, due to the capitalisation of the last portion of the project, which ended up with a total value of $29 million. The increase in depreciation for Council excluding the Airport was $13,000.

As the depreciation increase relates to the airport, it is important to remember that only 50% needs to be funded in the long term, as per the adopted parameter.

Council also received an ongoing increase in Financial Assistance Grant allocation of $154,000. Similar to the last few years, this increased allocation has been used to assist with funding ongoing budget pressures. The cost of maintaining the current Civic Building site was not fully comprehended before Council moved in and has never been fully budgeted, with this now rectified.

Financial Implications

Budget 2026/27 Impact

If approved by Council, these amendments will:

- increase Council's operating deficit by $291,000 to a projected $1.61 million;
- leave Council's Adjusted Operating Deficit Ratio unchanged at (3%);
- decrease Council's Net Financial Liabilities Ratio from 24% to 18%;
- increase Council's Asset Renewal Funding Ratio from 160% to 192%; and
- leave Council's Modified Operating Deficit Ratio unchanged at (2%);

Council is outside target range for the Operating Ratio. This was already the case for the original budget. The increase in deficit is due to the increase in depreciation caused by the airport runway, as well as timing differences for operating projects.

The Asset Renewal Funding Ratio is above target range, as a number of Renewal projects were retimed from 2025/26.

The Net Financial Liabilities Ratio is within target range.

Long Term Financial Plan (LTFP) Impact

Council's operating results in future years are negatively impacted by $170,000 due to increased depreciation. As the main impact in future years is on airport depreciation, the negative impact on the modified operating result is much lower at $90,000.

Council, including the Aiport still returns to a modified breakeven position in 2028/29, in line with the adopted parameters.

The Net Financial Liabilities Ratio is estimated to peak at 19% in 2027/28, previously projected to peak at 24%. Borrowings are now estimated to peak at $10.5 million in 2027/28, previously this was projected at $10.6 million. In the medium-term borrowings are slightly below previous projections.

Council (excluding Airport)

The operating position for council excluding the airport is decreased by $132,000. This primarily relates to operating projects not completed in 2025/26.

Ongoing operating results for council excluding the airport are projected to deteriorate by approximately $10,000 per annum compared to previous projections, due to minor depreciation adjustments.

Airport

The operating position for the airport for the current year has deteriorated by $159,000, due to increased depreciation expenses for the runway.

Ongoing operating results for the airport are projected to deteriorate by approximately $160,000 per annum compared to previous projections, for the same reason, with the modified operating result deteriorating by $80,000 per annum.

Assumptions

The key assumptions in the Long-Term Financial Plan are included as the last page of the updated projections in Annexure B.

Strategic Plan

Objective 4.1 – Whyalla Council Members commit to serving the Community.

Strategy 4.1.2 – We will make decisions based on facts, not emotions.

Legislation

The Budget Update has been prepared in accordance with S 9(1)(a) of *the Local Government (Financial Management) Regulations 2011*.

Officer Direct or Indirect Interest – Nil

Risk Assessment

Legislative risk is minimised as Council will have reviewed its budget in line with the Local Government Act 1999 and Local Government (Financial Management) Regulations.

As the only recurrent budget impact caused by this review relates to depreciation, there are no negative impacts on Council's forecast cashflows.

Social Considerations – Not applicable

Community Engagement – Nil

Environmental Implications – Not applicable

Communication – Not applicable

Conclusion

The Quarter 1 Budget Review primarily reflects the incorporation of the Financial Results 2025/26 and the impact this has on the 2026/27 budget and Long-Term Financial Plan. This includes operating projects of $119,000 and capital projects of $1.79 million being retimed, as they were not completed in 2025/26. These carry forward figures are net of any grant income.

In addition, the 2025/26 year end result has caused the depreciation for 2026/27 to increase from original forecasts by $172,000, the majority of which relates to increased depreciation for the airport runway, due to the capitalisation of the last portion of the project, which ended up with a total value of $29 million. The increase in depreciation for Council excluding the Airport was $13,000.

WHYALLA

BUDGET REVIEW 2026-27 1st Quarter

KEY FINANCIAL INDICATORS	Target	Note	Original Budget 2026-27	Approved Amendments 2026-27	Current Budget 2026-27	Proposed Amendments 2026-27	Projected Total 2026-27	Note	Estimated Budget 2027-28	Estimated Budget 2028-29	Estimated Budget 2029-30
Council (including Airport)		1						2			
Operating Surplus/(Deficit) - $'000			(1,314)	-	(1,314)	(291)	**(1,605)**		(1,151)	(800)	(470)
Operating Surplus/(Deficit) Ratio	(2)% - 1%		(3%)	-	(3%)	-	**(3%)**		(2%)	(2%)	(1%)
Net Financial Liabilities Ratio	< 80%		24%	-	24%	(6%)	**18%**		19%	15%	9%
Asset Renewal Funding Ratio	90 - 110%		160%	-	160%	32%	**192%**		108%	114%	113%
Modified Operating Surplus/(Deficit) Ratio	0% - 3%		(2%)	-	(2%)	-	**(2%)**		(1%)	0%	0%
Council (excluding Airport)		9									
Operating Surplus/(Deficit) - $'000			142	-	142	(132)	**10**		403	720	921
Operating Surplus/(Deficit) Ratio	(2)% - 1%		0%	-	0%	-	**0%**		1%	2%	2%
Net Financial Liabilities Ratio - %	< 80%		3%	-	3%	(5%)	**(2%)**		(2%)	(3%)	(3%)
Asset Renewal Funding Ratio - %	90 - 110%		160%	-	160%	32%	**192%**		108%	114%	113%
Whyalla Airport											
Operating Surplus/(Deficit) - $'000		10	(1,456)	-	(1,456)	(159)	**(1,615)**		(1,554)	(1,520)	(1,391)
Operating Surplus/(Deficit) Ratio - %	1% - 6%		(51%)	-	(51%)	(6%)	**(57%)**		(51%)	(47%)	(41%)
Net Financial Liabilities Ratio - %	< 250%		345%	-	345%	(13%)	**332%**		318%	278%	189%
Modified Operating Surplus/(Deficit) Ratio	1% - 6%		(33%)	-	(33%)	(3%)	**(36%)**		(31%)	(28%)	(23%)

KEY

In target range | Above target | Below target

WHYALLA CITY COUNCIL

BUDGET REVIEW 2026-27 1st Quarter

UNIFORM PRESENTATION OF FINANCES	Note	Original Budget 2026-27 $000	Approved Amendments 2026-27 $000	Current Budget 2026-27 $000	Proposed Amendments 2026-27 $000	Projected Total 2026-27 $000	Note	Estimated Budget* 2027-28 $000	Estimated Budget* 2028-29 $000	Estimated Budget* 2029-30 $000
Income	3									
Rates		29,454	-	29,454	-	**29,454**		30,516	31,524	32,489
Statutory Charges		476	-	476	-	**476**		489	501	513
User Charges		6,434	-	6,434	-	**6,434**		6,813	7,049	7,294
Grants, subsidies and contributions - capital		732	-	732	-	**732**		771	771	771
Grants, subsidies and contributions - operating		7,661	-	7,661	465	**8,126**		7,917	8,115	8,318
Investment Income		12	-	12	-	**12**		12	12	12
Reimbursements		10	-	10	-	**10**		10	10	10
Other Income		1,280	-	1,280	65	**1,345**		1,325	1,366	1,407
Expenses	4									
Employee Costs		(16,851)	-	(16,851)	(315)	**(17,166)**		(17,333)	(17,819)	(18,318)
Materials, contracts & other expenses		(19,758)	-	(19,758)	(334)	**(20,092)**		(20,142)	(20,638)	(21,200)
Depreciation, amortisation & impairments		(10,323)	-	(10,323)	(172)	**(10,495)**		(10,973)	(11,174)	(11,342)
Finance Costs		(441)	-	(441)	-	**(441)**		(556)	(517)	(424)
Operating Surplus/ (Deficit)		**(1,314)**	**-**	**(1,314)**	**(291)**	**(1,605)**		**(1,151)**	**(800)**	**(470)**
Net Outlays on Existing Assets										
Capital Expense on renewal and replacement of Existing	5	(8,972)	-	(8,972)	(1,816)	**(10,788)**		(6,577)	(6,912)	(7,172)
add back Depreciation, Amortisation and Impairment		10,323	-	10,323	172	**10,495**		10,973	11,174	11,342
add back Proceeds from Sale of Replaced Assets		184	-	184	-	**184**		188	172	114
Net Outlays on Existing Assets		**1,535**	**-**	**1,535**	**(1,644)**	**(109)**		**4,584**	**4,434**	**4,284**
Net Outlay on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets	6	(13,642)	-	(13,642)	(1,280)	**(14,922)**		(5,287)	(1,355)	(1,390)
add back Amounts received specifically for New and Upg	7	7,152	-	7,152	1,302	**8,454**		2,858	126	130
Net Outlays on New and Upgraded Assets		**(6,490)**	**-**	**(6,490)**	**22**	**(6,468)**		**(2,429)**	**(1,229)**	**(1,260)**
Net Lending/ (Borrowing) for Financial Year		**(6,269)**	**-**	**(6,269)**	**(1,913)**	**(8,182)**		**1,004**	**2,405**	**2,554**
Financing transactions associated with the above net overall deficit, or applying the overall net funding surplus are as follows:										
New Borrowings		1,600	-	1,600	6,000	**7,600**		400	-	-
Repayment of Principal		-	-	-	-	**-**		-	(1,500)	(2,600)
(Increase)/Decrease in Cash and Investments		94	-	94	43	**137**		21	20	(29)
Net Balance Sheet funding (debtors & creditors etc)		4,575	-	4,575	(4,130)	**445**		(1,425)	(925)	75
Financing Transactions	8	**6,269**	**-**	**6,269**	**1,913**	**8,182**		**(1,004)**	**(2,405)**	**(2,554)**

Note Explanations – 2026/27 Quarter 1:

1. The operating deficit is expected to increase by $291,000 to $1.61 million. The Operating Deficit Ratio remains at (3%). The Net Financial Liabilities Ratio decreases by 6% from 24% to 18%, due to a portion of 26/27 FA Grants being received in advance. The Asset Renewal Funding Ratio increases by 32% from 160% to 192%, due to carry forward renewal projects.

2. Council's operating results in future years are negatively impacted by approximately $170,000, due to increased depreciation. The Net Financial Liabilities Ratio is estimated to peak in 2028 at 19%, and then reduce overtime, reaching 0% by 2033. Borrowings are now estimated to be $10.1 million in 2027 and will reduce to zero by 2034.

3. Operating income is expected to increase by $530,000, which is attributed to:
   - the childcare worker retention grant valued at $220,000, used to lift wage levels for a set period;
   - Financial Assistance grant funding from the Federal Government being $154,000 higher than projected;
   - childcare flying start program funds of $114,000, to fund programs and staff training;
   - $65,000 of income from the Eyre Peninsula Local Government Association to cover the costs of hosting an officer to develop the Regional Waste Strategy;
   - $17,000 of additional minor grants received; offset by
   - a reduction of $40,000 in grant funding for the Active Communities Program, due to the program being ceased earlier than planned.

4. Operating expenditure is expected to increase by $821,000, this can be attributed to:
   - An increase in employee costs of $315,000, which is attributed to:
     - $220,000 for increased labour rates for childcare funded by the worker retention grant;
     - $65,000 related to hosting an officer to develop the Regional Waste Strategy; and
     - $30,000 for a temporary Asset Audit Officer, funded from existing contracting budget.
   - An increase in contract, material and other costs of $334,000 due to:
     - $154,000 of costs to maintain the current civic building site, with these costs not fully understood when Council took out the lease;
     - $131,000 of program costs covered by grant income received;
     - the re-budgeting of $119,000 on operating projects that will were not completed in 2025/26, made up of the irrigation revaluation, building demolition and waste education; offset by
     - $30,000 of asset management project funding transferred to labour costs; and
     - a reduction of $40,000 for the Active Communities Program in line with reduced grant funding.
   - An increase in depreciation expense of $172,000, the majority of which relates to increased depreciation for the airport runway, due to the capitalisation of the last portion of the project, which ended up with a total value of $29 million.

5. An increase of $1.82 million in the outlay on existing assets due to carry forward projects from 2025/26, including $457,000 for transport renewal including sealed and unsealed roads, footpaths, kerbs and school crossings, $379,000 for marina renewal works, $294,000 for lighthouse restoration, $193,000 for library building renewal, $162,000 for building works at the Childcare Centre, $155,000 for various minor building renewal projects, $127,000 for building works at Mount Laura Homestead and $49,000 for minor renewal projects.

6. An increase of $1.28 million in the outlay on new and upgraded assets due to:
   - carry forward projects of $1.30 million from 2025/26 including $975,000 for airport projects, $100,000 for Jubilee Park electrical upgrade, $99,000 for the Foreshore Splash & Play Plaza, $75,000 for industrial estate lighting and $57,000 for other minor upgrade projects; offset by
   - $26,000 of the approved budget for the Foreshore Plaza Building having already been spent at 30 June 2026.

7. An increase of $1.30 million in amounts received specifically for new and upgraded assets due to grant funds deferred from 2025/26 including $859,000 for airport projects, $370,000 for marina renewal works and $73,000 for the Foreshore Splash & Play Plaza.

8. It is expected increased borrowings of $6.0 million will be required in 2026/27 to meet cash flow requirements, compared to previous projections. This aligns with the quantum that borrowing levels were below projections at the end of 2025/26, meaning that total borrowings at 30 June 2027 are projected to be exactly in line with the adopted budget at $10.1 million.

9. Financial Indicators – Council (excluding Airport)
   - The operating surplus is expected to reduce by $132,000 to $10,000. The Operating Surplus Ratio is expected to remain at 0%. The Net Financial Liabilities Ratio decreases from 3% to (2%), due to a portion of 26/27 FA Grants being received in advance.
   - The Council (excluding Airport) operating results in future years are negatively impacted by approximately $10,000, due to increased depreciation costs.
   - The change to the operating result of $132,000 is outlined in sections 3 and 4 above, excluding the items attributable to the airport, as outlined below, and is almost exclusively caused by timing differences, rather than a change in the underlying operating result.

10. Financial Indicators - Whyalla Airport
    - The operating deficit is expected to increase by $159,000 to $1.62 million. The Operating Deficit Ratio is expected to increase from (51%) to (57%). The Net Financial Liabilities Ratio decreases from 345% to 332%.
    - The Airport's operating results in future years are negatively impacted by approximately $160,000 due to increased depreciation, due to the final capitalisation of the runway upgrade.
    - The change to the operating result of $159,000 is all attributable to increased deprecation.

Key
Negative variance
Positive variance
Timing variance
No variance – offset

WHYALLA CITY COUNCIL

BUDGET REVIEW 2026-27 1st Quarter

STATEMENT OF COMPREHENSIVE INCOME	Original Budget 2026-27 $000	Approved Amendments 2026-27 $000	Current Budget 2026-27 $000	Proposed Amendments 2026-27 $000	Projected Total 2026-27 $000	Estimated Budget* 2027-28 $000	Estimated Budget* 2028-29 $000	Estimated Budget* 2029-30 $000
INCOME								
Rates	29,454	-	29,454	-	**29,454**	30,516	31,524	32,489
Statutory Charges	476	-	476	-	**476**	489	501	513
User Charges	6,434	-	6,434	-	**6,434**	6,813	7,049	7,294
Grants, subsidies and contributions - capital	732	-	732	-	**732**	771	771	771
Grants, subsidies and contributions - operating	7,661	-	7,661	465	**8,126**	7,917	8,115	8,318
Investment Income	12	-	12	-	**12**	12	12	12
Reimbursements	10	-	10	-	**10**	10	10	10
Other Income	1,280	-	1,280	65	**1,345**	1,325	1,366	1,407
TOTAL INCOME	**46,059**	**-**	**46,059**	**530**	**46,589**	**47,853**	**49,348**	**50,814**
EXPENSES								
Employee Costs	16,851	-	16,851	315	**17,166**	17,333	17,819	18,318
Materials, contracts & other expenses	19,758	-	19,758	334	**20,092**	20,142	20,638	21,200
Depreciation, amortisation & impairments	10,323	-	10,323	172	**10,495**	10,973	11,174	11,342
Finance Costs	441	-	441	-	**441**	556	517	424
TOTAL EXPENSES	**47,373**	**-**	**47,373**	**821**	**48,194**	**49,004**	**50,148**	**51,284**
OPERATING SURPLUS/(DEFICIT)	**(1,314)**	**-**	**(1,314)**	**(291)**	**(1,605)**	**(1,151)**	**(800)**	**(470)**
Amounts specifically for new or upgraded assets	7,152	-	7,152	1,302	**8,454**	2,858	126	130
Net gain (loss)	-	-	-	-	**-**	-	-	-
NET SURPLUS/(DEFICIT)	**5,838**	**-**	**5,838**	**1,011**	**6,849**	**1,707**	**(674)**	**(340)**
Other Comprehensive Income	16,459	-	16,459	-	**16,459**	8,204	6,966	7,019
TOTAL COMPREHENSIVE INCOME	**22,297**	**-**	**22,297**	**1,011**	**23,308**	**9,911**	**6,292**	**6,679**

WHYALLA CITY COUNCIL

BUDGET REVIEW 2026-27 1st Quarter

STATEMENT OF FINANCIAL POSITION	Original Budget 2026-27 $000	Approved Amendments 2026-27 $000	Current Budget 2026-27 $000	Proposed Amendments 2026-27 $000	Projected Total 2026-27 $000	Estimated Budget* 2027-28 $000	Estimated Budget* 2028-29 $000	Estimated Budget* 2029-30 $000
ASSETS								
Current Assets								
Cash & Cash Equivalents	296	-	296	(43)	**253**	232	212	241
Trade & Other Receivables	6,034	-	6,034	3,780	**9,814**	9,814	9,814	9,814
Inventories	2,534	-	2,534	-	**2,534**	2,534	2,534	2,534
TOTAL CURRENT ASSETS	8,864	-	8,864	3,737	**12,601**	12,580	12,560	12,589
Non-current Assets								
Infrastructure, Property, Plant & Equipment	455,989	-	455,989	2,924	**458,913**	469,320	474,207	478,332
Other Non-Current Assets	1,184	-	1,184	-	**1,184**	1,084	984	884
TOTAL NON-CURRENT ASSETS	457,173	-	457,173	2,924	**460,097**	470,404	475,191	479,216
Total Assets	**466,037**	**-**	**466,037**	**6,661**	**472,698**	**482,984**	**487,751**	**491,805**
LIABILITIES								
Current Liabilities								
Trade and Other Payables	5,067	-	5,067	(350)	**4,717**	4,717	4,717	4,717
Short Term Borrowings	-	-	-	-	**-**	1,500	2,600	200
Short Term Provisions	2,525	-	2,525	-	**2,525**	2,525	2,525	2,525
TOTAL CURRENT LIABILITIES	7,592	-	7,592	(350)	**7,242**	8,742	9,842	7,442
Non-Current Liabilities								
Long Term Borrowings	4,100	-	4,100	6,000	**10,100**	9,000	6,400	6,200
Long Term Provisions	1,208	-	1,208	-	**1,208**	1,183	1,158	1,133
TOTAL NON-CURRENT LIABILITIES	5,308	-	5,308	6,000	**11,308**	10,183	7,558	7,333
Total Liabilities	**12,900**	**-**	**12,900**	5,650	**18,550**	**18,925**	**17,400**	**14,775**
NET ASSETS	**453,137**	**-**	**453,137**	**1,011**	**454,148**	**464,059**	**470,351**	**477,030**
EQUITY								
Accumulated Surplus	78,371	-	78,371	1,011	**79,382**	81,089	80,415	80,075
Asset Revaluation Reserve	373,134	-	373,134	-	**373,134**	381,338	388,304	395,323
Reserves	1,632	-	1,632	-	**1,632**	1,632	1,632	1,632
TOTAL EQUITY	**453,137**	**-**	**453,137**	**1,011**	**454,148**	**464,059**	**470,351**	**477,030**

WHYALLA CITY COUNCIL

BUDGET REVIEW 2026-27 1st Quarter

STATEMENT OF CHANGES IN EQUITY	Original Budget 2026-27 $000	Approved Amendments 2026-27 $000	Current Budget 2026-27 $000	Proposed Amendments 2026-27 $000	Projected Total 2026-27 $000	Estimated Budget* 2027-28 $000	Estimated Budget* 2028-29 $000	Estimated Budget* 2029-30 $000
Accumulated Surplus								
Balance at Beginning of Period	72,533	-	72,533	-	**72,533**	79,382	81,089	80,415
Change in financial position resulting from operations	5,838	-	5,838	1,011	**6,849**	1,707	(674)	(340)
Transfers from Other Reserves	-	-	-	-	**-**	-	-	-
Transfers to Other Reserves	-	-	-	-	**-**	-	-	-
Balance at End of Period	**78,371**	**-**	**78,371**	**1,011**	**79,382**	**81,089**	**80,415**	**80,075**
Asset Revaluation Reserve								
Balance at Beginning of Period	356,675	-	356,675	-	**356,675**	373,134	381,338	388,304
Revaluation Increment	16,459	-	16,459	-	**16,459**	8,204	6,966	7,019
Balance at End of Period	**373,134**	**-**	**373,134**	-	**373,134**	**381,338**	**388,304**	**395,323**
Other Reserves								
Balance at Beginning of Period	1,632	-	1,632	-	**1,632**	1,632	1,632	1,632
Transfers to Accumulated Surplus	-	-	-	-	**-**	-	-	-
Transfers from Accumulated Surplus	-	-	-	-	**-**	-	-	-
Balance at End of Period	**1,632**	**-**	**1,632**	**-**	**1,632**	**1,632**	**1,632**	**1,632**
TOTAL EQUITY AT END OF REPORTING PERIOD	**453,137**	**-**	**453,137**	**1,011**	**454,148**	**464,059**	**470,351**	**477,030**

WHYALLA CITY COUNCIL

BUDGET REVIEW 2026-27 1st Quarter

STATEMENT OF CASH FLOWS	Original Budget 2026-27 $000	Approved Amendments 2026-27 $000	Current Budget 2026-27 $000	Proposed Amendments 2026-27 $000	Projected Total 2026-27 $000	Estimated Budget* 2027-28 $000	Estimated Budget* 2028-29 $000	Estimated Budget* 2029-30 $000
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts								
Rates	29,454	-	29,454	(1,000)	**28,454**	30,516	31,524	32,489
Statutory Charges	476	-	476	-	**476**	489	501	513
User Charges	6,434	-	6,434	2,000	**8,434**	6,813	7,049	7,294
Grants, subsidies and contributions - operating	7,661	-	7,661	(5,315)	**2,346**	7,917	8,115	8,318
Investment Income	12	-	12	-	**12**	12	12	12
Reimbursements	10	-	10	-	**10**	10	10	10
Other Income	1,280	-	1,280	65	**1,345**	1,325	1,366	1,407
Payments								
Employee Costs	(16,851)	-	(16,851)	(165)	**(17,016)**	(17,333)	(17,819)	(18,318)
Materials, contracts & other expenses	(19,683)	-	(19,683)	166	**(19,517)**	(20,067)	(20,563)	(21,125)
Finance Costs	(441)	-	(441)	-	**(441)**	(556)	(517)	(424)
Net Cash provided by (or used in) Operating Activities	**8,352**	**-**	**8,352**	**(4,249)**	**4,103**	**9,126**	**9,678**	**10,176**
CASH FLOWS FROM INVESTMENT ACTIVITIES								
Receipts								
Amounts specifically for new or upgraded assets	7,152	-	7,152	1,302	**8,454**	2,858	126	130
Grants Utilised for Capital Purposes	732	-	732	-	**732**	771	771	771
Sale of replaced assets	184	-	184	-	**184**	188	172	114
Sale of surplus assets	-	-	-	-	**-**	-	-	-
Payments								
Purchase of Renewal/Replacement Assets	(6,722)	-	(6,722)	(1,816)	**(8,538)**	(7,327)	(7,412)	(7,172)
Purchase of New/Expansion Assets	(11,392)	-	(11,392)	(1,280)	**(12,672)**	(6,037)	(1,855)	(1,390)
Net Cash provided by (or used in) Investing Activities	**(10,046)**	**-**	**(10,046)**	**(1,794)**	**(11,840)**	**(9,547)**	**(8,198)**	**(7,547)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Proceeds from Borrowings - Council	1,600	-	1,600	6,000	**7,600**	400	-	-
Payments								
Repayment of Borrowings	-	-	-	-	**-**	-	(1,500)	(2,600)
Net Cash provided by (or used in) Financing Activities	**1,600**	**-**	**1,600**	6,000	**7,600**	**400**	**(1,500)**	**(2,600)**
Net Increase (Decrease) in Cash Held	(94)	-	(94)	(43)	**(137)**	(21)	(20)	29
Cash & cash equivalents at beginning of period	390	-	390	-	**390**	253	232	212
Cash & cash equivalents at end of period	**296**	**-**	**296**	**(43)**	**253**	**232**	**212**	**241**

ESTIMATED STATEMENT OF COMPREHENSIVE INCOME

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Actual $('000)	Estimate $('000)	Year 1 $('000)	Year 2 $('000)	Year 3 $('000)	Year 4 $('000)	Year 5 $('000)	Year 6 $('000)	Year 7 $('000)	Year 8 $('000)	Year 9 $('000)	Year 10 $('000)
INCOME												
Rates	28,106	29,454	30,516	31,524	32,489	33,484	34,510	35,569	36,660	37,785	38,943	40,138
Statutory Charges	489	476	489	501	513	526	539	552	565	578	593	609
User Charges	5,871	6,434	6,813	7,049	7,294	7,549	7,738	7,932	8,128	8,332	8,541	8,756
Grants, subsidies, contributions - capital	912	732	771	771	771	771	771	771	771	771	771	771
Grants, subsidies, contributions - operating	10,159	8,126	7,917	8,115	8,318	8,526	8,739	8,957	9,181	9,411	9,646	9,888
Investment Income	66	12	12	12	12	12	12	12	12	12	12	12
Reimbursements	16	10	10	10	10	10	10	10	10	10	10	10
Other Income	1,325	1,345	1,325	1,366	1,407	1,450	1,495	1,541	1,588	1,636	1,686	1,738
TOTAL INCOME	**46,944**	**46,589**	**47,853**	**49,348**	**50,814**	**52,328**	**53,814**	**55,344**	**56,915**	**58,535**	**60,202**	**61,922**
EXPENSES												
Employee costs	15,690	17,166	17,333	17,819	18,318	18,931	19,462	20,006	20,565	21,141	21,733	22,342
Materials, contracts & other expenses	20,487	20,092	20,142	20,638	21,200	21,813	22,217	22,768	23,383	24,151	24,613	25,224
Depreciation	10,089	10,495	10,973	11,174	11,342	11,515	11,805	12,133	12,469	12,816	13,172	13,538
Finance Costs	300	441	556	517	424	365	294	148	36	0	0	0
TOTAL EXPENSES	**46,566**	**48,194**	**49,004**	**50,148**	**51,284**	**52,624**	**53,778**	**55,055**	**56,453**	**58,108**	**59,518**	**61,104**
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	**378**	**(1,605)**	**(1,151)**	**(800)**	**(470)**	**(296)**	**36**	**289**	**462**	**427**	**684**	**818**
Net gain/(loss) on disposal or revaluations	(1,098)	0	0	0	0	0	0	0	0	0	0	0
Amounts specifically for new assets	6,031	8,454	2,858	126	130	133	134	137	142	144	148	151
Physical Resources Received Free of Charge	0	0	0	0	0	0	0	0	0	0	0	0
NET SURPLUS/(DEFICIT)	**5,311**	**6,849**	**1,707**	**(674)**	**(340)**	**(163)**	**170**	**426**	**604**	**571**	**832**	**969**
OTHER COMPREHENSIVE INCOME												
Changes in revaluation surplus - IPP&E	12,683	16,459	8,204	6,966	7,019	7,080	11,921	12,149	12,362	12,589	12,820	13,044
TOTAL COMPREHENSIVE INCOME	**17,994**	**23,308**	**9,911**	**6,292**	**6,679**	**6,917**	**12,091**	**12,575**	**12,966**	**13,160**	**13,652**	**14,013**
ADJUSTED OPERATING SUPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	**(2,064)**	**(1,605)**	**(1,151)**	**(800)**	**(470)**	**(296)**	**36**	**289**	**462**	**427**	**684**	**818**

ESTIMATED STATEMENT OF FINANCIAL POSITION

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Actual $('000)	Estimate $('000)	Year 1 $('000)	Year 2 $('000)	Year 3 $('000)	Year 4 $('000)	Year 5 $('000)	Year 6 $('000)	Year 7 $('000)	Year 8 $('000)	Year 9 $('000)	Year 10 $('000)
ASSETS												
Current Assets												
Cash & Equivalent Assets	390	253	232	212	241	218	251	235	2,147	5,428	10,028	11,464
Trade & Other Receivables	6,034	9,814	9,814	9,814	9,814	9,814	9,814	9,814	9,814	9,814	9,814	9,814
Inventories	2,534	2,534	2,534	2,534	2,534	2,534	2,534	2,534	2,534	2,534	2,534	2,534
Total Current Assets	**8,958**	**12,601**	**12,580**	**12,560**	**12,589**	**12,566**	**12,599**	**12,583**	**14,495**	**17,776**	**22,376**	**23,812**
Non-Current Assets												
Infrastructure, Property, Plant & Equipment	431,923	458,913	469,320	474,207	478,332	485,147	494,680	504,846	514,875	524,829	533,956	546,608
Other Non-Current Assets	1,284	1,184	1,084	984	884	784	684	584	484	384	284	184
Total Non-Current Assets	**433,207**	**460,097**	**470,404**	**475,191**	**479,216**	**485,931**	**495,364**	**505,430**	**515,359**	**525,213**	**534,240**	**546,792**
TOTAL ASSETS	**442,165**	**472,698**	**482,984**	**487,751**	**491,805**	**498,497**	**507,963**	**518,013**	**529,854**	**542,989**	**556,616**	**570,604**
LIABILITIES												
Current Liabilities												
Trade & Other Payables	5,067	4,717	4,717	4,717	4,717	4,717	4,717	4,717	4,717	4,717	4,717	4,717
Borrowings	2,500	0	1,500	2,600	200	2,600	2,500	1,100	0	0	0	0
Provisions	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525
Total Current Liabilities	**10,092**	**7,242**	**8,742**	**9,842**	**7,442**	**9,842**	**9,742**	**8,342**	**7,242**	**7,242**	**7,242**	**7,242**
Non-Current Liabilities												
Borrowings	0	10,100	9,000	6,400	6,200	3,600	1,100	0	0	0	0	0
Provisions	1,233	1,208	1,183	1,158	1,133	1,108	1,083	1,058	1,033	1,008	983	958
Total Non-Current Liabilities	**1,233**	**11,308**	**10,183**	**7,558**	**7,333**	**4,708**	**2,183**	**1,058**	**1,033**	**1,008**	**983**	**958**
TOTAL LIABILITIES	**11,325**	**18,550**	**18,925**	**17,400**	**14,775**	**14,550**	**11,925**	**9,400**	**8,275**	**8,250**	**8,225**	**8,200**
NET ASSETS	**430,840**	**454,148**	**464,059**	**470,351**	**477,030**	**483,947**	**496,038**	**508,613**	**521,579**	**534,739**	**548,391**	**562,404**
EQUITY												
Accumulated Surplus	72,533	79,382	81,089	80,415	80,075	79,912	80,082	80,508	81,112	81,683	82,515	83,484
Asset Revaluation Reserve	356,675	373,134	381,338	388,304	395,323	402,403	414,324	426,473	438,835	451,424	464,244	477,288
Other Reserves	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632
TOTAL EQUITY	**430,840**	**454,148**	**464,059**	**470,351**	**477,030**	**483,947**	**496,038**	**508,613**	**521,579**	**534,739**	**548,391**	**562,404**

ESTIMATED STATEMENT OF CASH FLOWS

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Actual $('000)	Estimate $('000)	Year 1 $('000)	Year 2 $('000)	Year 3 $('000)	Year 4 $('000)	Year 5 $('000)	Year 6 $('000)	Year 7 $('000)	Year 8 $('000)	Year 9 $('000)	Year 10 $('000)
CASH FLOWS FROM OPERATING ACTIVITIES												
Receipts												
Rates	28,066	28,454	30,516	31,524	32,489	33,484	34,510	35,569	36,660	37,785	38,943	40,138
Statutory Charges	507	476	489	501	513	526	539	552	565	578	593	609
User Charges	6,253	8,434	6,813	7,049	7,294	7,549	7,738	7,932	8,128	8,332	8,541	8,756
Grants, subsidies, contributions	10,200	2,346	7,917	8,115	8,318	8,526	8,739	8,957	9,181	9,411	9,646	9,888
Investment Income	66	12	12	12	12	12	12	12	12	12	12	12
Reimbursements	18	10	10	10	10	10	10	10	10	10	10	10
Other Income	1,783	1,345	1,325	1,366	1,407	1,450	1,495	1,541	1,588	1,636	1,686	1,738
Payments												
Employee costs	(16,298)	(17,016)	(17,333)	(17,819)	(18,318)	(18,931)	(19,462)	(20,006)	(20,565)	(21,141)	(21,733)	(22,342)
Materials, contracts & other expenses	(28,032)	(19,517)	(20,067)	(20,563)	(21,125)	(21,738)	(22,142)	(22,693)	(23,308)	(24,076)	(24,538)	(25,149)
Finance Costs	(364)	(441)	(556)	(517)	(424)	(365)	(294)	(148)	(36)	0	0	0
Net Cash provided by (or used in) Operating Activities	**2,199**	**4,103**	**9,126**	**9,678**	**10,176**	**10,523**	**11,145**	**11,726**	**12,235**	**12,547**	**13,160**	**13,660**
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Amounts Specifically for New/Upgraded Assets	4,240	8,454	2,858	126	130	133	134	137	142	144	148	151
Grants Utilised for Capital Purposes	912	732	771	771	771	771	771	771	771	771	771	771
Sale of Renewed/Replaced Assets	172	184	188	172	114	337	172	214	320	291	168	162
Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0	0
Payments												
Expenditure on Renewal/Replacement of Assets	(7,341)	(8,538)	(7,327)	(7,412)	(7,172)	(9,666)	(8,136)	(8,375)	(8,929)	(8,906)	(8,044)	(11,664)
Expenditure on New/Upgraded Assets	(5,891)	(12,672)	(6,037)	(1,855)	(1,390)	(1,921)	(1,453)	(1,989)	(1,527)	(1,566)	(1,603)	(1,644)
Net Cash Provided by (or used in) Investing Activities	**(7,908)**	**(11,840)**	**(9,547)**	**(8,198)**	**(7,547)**	**(10,346)**	**(8,512)**	**(9,242)**	**(9,223)**	**(9,266)**	**(8,560)**	**(12,224)**
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Proceeds from Borrowings	0	7,600	400	0	0	0	0	0	0	0	0	0
Payments												
Repayments of Borrowings	(2,000)	0	0	(1,500)	(2,600)	(200)	(2,600)	(2,500)	(1,100)	0	0	0
Net Cash provided by (or used in) Financing Activities	**(2,000)**	**7,600**	**400**	**(1,500)**	**(2,600)**	**(200)**	**(2,600)**	**(2,500)**	**(1,100)**	**0**	**0**	**0**
Net Increase/(Decrease) in cash held	(7,709)	(137)	(21)	(20)	29	(23)	33	(16)	1,912	3,281	4,600	1,436
Opening cash, cash equivalents or (bank overdraft)	8,099	390	253	232	212	241	218	251	235	2,147	5,428	10,028
Closing cash, cash equivalents or (bank overdraft)	**390**	**253**	**232**	**212**	**241**	**218**	**251**	**235**	**2,147**	**5,428**	**10,028**	**11,464**

ESTIMATED STATEMENT OF CHANGES IN EQUITY

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Actual $('000)	Estimate $('000)	Year 1 $('000)	Year 2 $('000)	Year 3 $('000)	Year 4 $('000)	Year 5 $('000)	Year 6 $('000)	Year 7 $('000)	Year 8 $('000)	Year 9 $('000)	Year 10 $('000)
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	65,300	72,533	79,382	81,089	80,415	80,075	79,912	80,082	80,508	81,112	81,683	82,515
Net Result for Year	5,311	6,849	1,707	(674)	(340)	(163)	170	426	604	571	832	969
Transfers to Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Transfers from Other Reserves	1,922	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	**72,533**	**79,382**	**81,089**	**80,415**	**80,075**	**79,912**	**80,082**	**80,508**	**81,112**	**81,683**	**82,515**	**83,484**
ASSET REVALUATION RESERVE												
Balance at end of previous reporting period	343,992	356,675	373,134	381,338	388,304	395,323	402,403	414,324	426,473	438,835	451,424	464,244
Changes in revaluation surplus - IPP&E	12,683	16,459	8,204	6,966	7,019	7,080	11,921	12,149	12,362	12,589	12,820	13,044
Balance at end of period	**356,675**	**373,134**	**381,338**	**388,304**	**395,323**	**402,403**	**414,324**	**426,473**	**438,835**	**451,424**	**464,244**	**477,288**
OTHER RESERVES												
Balance at end of previous reporting period	3,554	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632
Transfers from Accumulated Surplus	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to Accumulated Surplus	(1,922)	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	**1,632**	**1,632**	**1,632**	**1,632**	**1,632**	**1,632**	**1,632**	**1,632**	**1,632**	**1,632**	**1,632**	**1,632**
TOTAL EQUITY AT END OF REPORTING PERIOD	**430,840**	**454,148**	**464,059**	**470,351**	**477,030**	**483,947**	**496,038**	**508,613**	**521,579**	**534,739**	**548,391**	**562,404**

ESTIMATED SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Actual $('000)	Estimate $('000)	Year 1 $('000)	Year 2 $('000)	Year 3 $('000)	Year 4 $('000)	Year 5 $('000)	Year 6 $('000)	Year 7 $('000)	Year 8 $('000)	Year 9 $('000)	Year 10 $('000)
Operating Revenues												
Rates	28,106	29,454	30,516	31,524	32,489	33,484	34,510	35,569	36,660	37,785	38,943	40,138
Statutory Charges	489	476	489	501	513	526	539	552	565	578	593	609
User Charges	5,871	6,434	6,813	7,049	7,294	7,549	7,738	7,932	8,128	8,332	8,541	8,756
Grants, subsidies and contributions - capital	912	732	771	771	771	771	771	771	771	771	771	771
Grants, subsidies and contributions - operating	10,159	8,126	7,917	8,115	8,318	8,526	8,739	8,957	9,181	9,411	9,646	9,888
Investment Income	66	12	12	12	12	12	12	12	12	12	12	12
Reimbursements	16	10	10	10	10	10	10	10	10	10	10	10
Other Income	1,325	1,345	1,325	1,366	1,407	1,450	1,495	1,541	1,588	1,636	1,686	1,738
Operating Expenses												
Employee Costs	(15,690)	(17,166)	(17,333)	(17,819)	(18,318)	(18,931)	(19,462)	(20,006)	(20,565)	(21,141)	(21,733)	(22,342)
Materials, contracts & other expenses	(20,487)	(20,092)	(20,142)	(20,638)	(21,200)	(21,813)	(22,217)	(22,768)	(23,383)	(24,151)	(24,613)	(25,224)
Depreciation, amortisation & impairments	(10,089)	(10,495)	(10,973)	(11,174)	(11,342)	(11,515)	(11,805)	(12,133)	(12,469)	(12,816)	(13,172)	(13,538)
Finance Costs	(300)	(441)	(556)	(517)	(424)	(365)	(294)	(148)	(36)	0	0	0
Operating Surplus/(Deficit) before Capital Amounts	**378**	**(1,605)**	**(1,151)**	**(800)**	**(470)**	**(296)**	**36**	**289**	**462**	**427**	**684**	**818**
Capital Expenditure on Renewal/Replacement	(7,342)	(10,788)	(6,577)	(6,912)	(7,172)	(9,166)	(8,136)	(7,875)	(8,929)	(8,906)	(8,044)	(11,664)
add back: Depreciation, Amortisation and Impairment	10,089	10,495	10,973	11,174	11,342	11,515	11,805	12,133	12,469	12,816	13,172	13,538
add back: Sale of Replaced Assets	172	184	188	172	114	337	172	214	320	291	168	162
Net Outlays on Existing Assets	**2,919**	**(109)**	**4,584**	**4,434**	**4,284**	**2,686**	**3,841**	**4,472**	**3,860**	**4,201**	**5,296**	**2,036**
Capital Expenditure on New and Upgraded Assets	(5,891)	(14,922)	(5,287)	(1,355)	(1,390)	(1,421)	(1,453)	(1,489)	(1,527)	(1,566)	(1,603)	(1,644)
add back: Amounts Specifically for New and Upgraded Assets	6,031	8,454	2,858	126	130	133	134	137	142	144	148	151
add back: Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0	0
Net Outlays on New and Upgraded Assets	**140**	**(6,468)**	**(2,429)**	**(1,229)**	**(1,260)**	**(1,288)**	**(1,319)**	**(1,352)**	**(1,385)**	**(1,422)**	**(1,455)**	**(1,493)**
Net Lending/(Borrowing) for Financial Year	**3,437**	**(8,182)**	**1,004**	**2,405**	**2,554**	**1,102**	**2,558**	**3,409**	**2,937**	**3,206**	**4,525**	**1,361**
New Borrowings	0	7,600	400	0	0	0	0	0	0	0	0	0
Repayment of Principal on Borrowings	(2,000)	0	0	(1,500)	(2,600)	(200)	(2,600)	(2,500)	(1,100)	0	0	0
(Increase)/Decrease in Cash and Cash Equivalents	7,709	137	21	20	(29)	23	(33)	16	(1,912)	(3,281)	(4,600)	(1,436)
Net Balance Sheet Funding	(9,146)	445	(1,425)	(925)	75	(925)	75	(925)	75	75	75	75
Financing Transactions	**(3,437)**	**8,182**	**(1,004)**	**(2,405)**	**(2,554)**	**(1,102)**	**(2,558)**	**(3,409)**	**(2,937)**	**(3,206)**	**(4,525)**	**(1,361)**
Adjusted Operating/(Deficit) Ratio	(5)%	(3)%	(2)%	(2)%	(1)%	(1)%	0%	1%	1%	1%	1%	1%
Net Financial Liabilities Ratio	10%	18%	19%	15%	9%	9%	4%	(1)%	(7)%	(12)%	(19)%	(21)%
Asset Renewal Funding Ratio	152%	192%	108%	114%	113%	107%	118%	110%	94%	117%	110%	100%

AIRPORT - ESTIMATED SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Actual $('000)	Estimate $('000)	Year 1 $('000)	Year 2 $('000)	Year 3 $('000)	Year 4 $('000)	Year 5 $('000)	Year 6 $('000)	Year 7 $('000)	Year 8 $('000)	Year 9 $('000)	Year 10 $('000)
Operating Revenues												
User Charges	2,331	2,837	3,065	3,207	3,356	3,512	3,600	3,690	3,781	3,875	3,972	4,072
Reimbursements	1	0	0	0	0	0	0	0	0	0	0	0
Operating Expenses												
Employee Costs	(376)	(434)	(447)	(460)	(473)	(486)	(500)	(514)	(528)	(543)	(558)	(574)
Materials, contracts & other expenses	(2,051)	(2,392)	(2,459)	(2,521)	(2,584)	(2,649)	(2,715)	(2,783)	(2,853)	(2,925)	(2,998)	(3,073)
Depreciation, amortisation & impairments	(1,026)	(1,185)	(1,230)	(1,248)	(1,266)	(1,285)	(1,318)	(1,351)	(1,385)	(1,419)	(1,455)	(1,492)
Finance Costs	(300)	(441)	(483)	(498)	(424)	(365)	(294)	(148)	(36)	0	0	0
Operating Surplus/(Deficit) before Capital Amounts	**(1,421)**	**(1,615)**	**(1,554)**	**(1,520)**	**(1,391)**	**(1,273)**	**(1,227)**	**(1,106)**	**(1,021)**	**(1,012)**	**(1,039)**	**(1,067)**
Capital Expenditure on Renewal/Replacement	0	0	0	0	0	0	0	0	0	0	0	0
add back: Depreciation, Amortisation and Impairment	1,026	1,185	1,230	1,248	1,266	1,285	1,318	1,351	1,385	1,419	1,455	1,492
Net Outlays on Existing Assets	**1,026**	**1,185**	**1,230**	**1,248**	**1,266**	**1,285**	**1,318**	**1,351**	**1,385**	**1,419**	**1,455**	**1,492**
Capital Expenditure on New and Upgraded Assets	(4,550)	(930)	0	0	0	0	0	0	0	0	0	0
add back: Amounts Specifically for New and Upgraded Assets	4,392	859	0	0	0	0	0	0	0	0	0	0
add back: Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0	0
Net Outlays on New and Upgraded Assets	**(158)**	**(71)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net Lending/(Borrowing) for Financial Year	**(553)**	**(501)**	**(324)**	**(272)**	**(125)**	**12**	**91**	**245**	**364**	**407**	**416**	**425**
New Borrowings	600	500	300	0	0	0	0	0	0	0	0	0
Repayment of Principal on Borrowings	0	0	0	(800)	(2,600)	(200)	(2,600)	(2,500)	(1,100)	0	0	0
(Increase)/Decrease in Cash and Cash Equivalents	(47)	1	24	(28)	25	(12)	9	(45)	36	(407)	(416)	(425)
Net Balance Sheet Funding	0	0	0	1,100	2,700	200	2,500	2,300	700	0	0	0
Financing Transactions	**553**	**501**	**324**	**272**	**125**	**(12)**	**(91)**	**(245)**	**(364)**	**(407)**	**(416)**	**(425)**
Operating/(Deficit) Ratio	(61)%	(57)%	(51)%	(47)%	(41)%	(36)%	(34)%	(30)%	(27)%	(26)%	(26)%	(26)%
Net Financial Liabilities Ratio	383%	332%	318%	278%	189%	175%	98%	27%	(2)%	(12)%	(23)%	(32)%
Asset Renewal Funding Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

COUNCIL (EXCLUDING AIRPORT) - ESTIMATED SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Actual $('000)	Estimate $('000)	Year 1 $('000)	Year 2 $('000)	Year 3 $('000)	Year 4 $('000)	Year 5 $('000)	Year 6 $('000)	Year 7 $('000)	Year 8 $('000)	Year 9 $('000)	Year 10 $('000)
Operating Revenues												
Rates	28,106	29,454	30,516	31,524	32,489	33,484	34,510	35,569	36,660	37,785	38,943	40,138
Statutory Charges	489	476	489	501	513	526	539	552	565	578	593	609
User Charges	3,540	3,597	3,748	3,842	3,938	4,037	4,138	4,242	4,347	4,457	4,569	4,684
Grants, subsidies and contributions - capital	912	732	771	771	771	771	771	771	771	771	771	771
Grants, subsidies and contributions - operating	10,159	8,126	7,917	8,115	8,318	8,526	8,739	8,957	9,181	9,411	9,646	9,888
Investment Income	66	12	12	12	12	12	12	12	12	12	12	12
Reimbursements	15	10	10	10	10	10	10	10	10	10	10	10
Other Income	1,325	1,345	1,325	1,366	1,407	1,450	1,495	1,541	1,588	1,636	1,686	1,738
Operating Expenses												
Employee Costs	(15,314)	(16,732)	(16,886)	(17,359)	(17,845)	(18,445)	(18,962)	(19,492)	(20,037)	(20,598)	(21,175)	(21,768)
Materials, contracts & other expenses	(18,436)	(17,700)	(17,683)	(18,117)	(18,616)	(19,164)	(19,502)	(19,985)	(20,530)	(21,226)	(21,615)	(22,151)
Depreciation, amortisation & impairments	(9,063)	(9,310)	(9,743)	(9,926)	(10,076)	(10,230)	(10,487)	(10,782)	(11,084)	(11,397)	(11,717)	(12,046)
Finance Costs	0	0	(73)	(19)	0	0	0	0	0	0	0	0
Operating Surplus/(Deficit) before Capital Amounts	**1,799**	**10**	**403**	**720**	**921**	**977**	**1,263**	**1,395**	**1,483**	**1,439**	**1,723**	**1,885**
Capital Expenditure on Renewal/Replacement	(7,342)	(10,788)	(6,577)	(6,912)	(7,172)	(9,166)	(8,136)	(7,875)	(8,929)	(8,906)	(8,044)	(11,664)
add back: Depreciation, Amortisation and Impairment	9,063	9,310	9,743	9,926	10,076	10,230	10,487	10,782	11,084	11,397	11,717	12,046
add back: Sale of Replaced Assets	172	184	188	172	114	337	172	214	320	291	168	162
Net Outlays on Existing Assets	**1,893**	**(1,294)**	**3,354**	**3,186**	**3,018**	**1,401**	**2,523**	**3,121**	**2,475**	**2,782**	**3,841**	**544**
Capital Expenditure on New and Upgraded Assets	(1,341)	(13,992)	(5,287)	(1,355)	(1,390)	(1,421)	(1,453)	(1,489)	(1,527)	(1,566)	(1,603)	(1,644)
add back: Amounts Specifically for New and Upgraded Assets	1,639	7,595	2,858	126	130	133	134	137	142	144	148	151
add back: Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0	0
Net Outlays on New and Upgraded Assets	**298**	**(6,397)**	**(2,429)**	**(1,229)**	**(1,260)**	**(1,288)**	**(1,319)**	**(1,352)**	**(1,385)**	**(1,422)**	**(1,455)**	**(1,493)**
Net Lending/(Borrowing) for Financial Year	**3,990**	**(7,681)**	**1,328**	**2,677**	**2,679**	**1,090**	**2,467**	**3,164**	**2,573**	**2,799**	**4,109**	**936**
New Borrowings	0	7,100	100	0	0	0	0	0	0	0	0	0
Repayment of Principal on Borrowings	(2,600)	0	0	(700)	0	0	0	0	0	0	0	0
(Increase)/Decrease in Cash and Cash Equivalents	7,756	136	(3)	48	(54)	35	(42)	61	(1,948)	(2,874)	(4,184)	(1,011)
Net Balance Sheet Funding	(9,146)	445	(1,425)	(2,025)	(2,625)	(1,125)	(2,425)	(3,225)	(625)	75	75	75
Financing Transactions	**(3,990)**	**7,681**	**(1,328)**	**(2,677)**	**(2,679)**	**(1,090)**	**(2,467)**	**(3,164)**	**(2,573)**	**(2,799)**	**(4,109)**	**(936)**
Adjusted Operating/(Deficit) Ratio	(2)%	0%	1%	2%	2%	2%	3%	3%	3%	3%	3%	3%
Net Financial Liabilities Ratio	(9)%	(2)%	(2)%	(3)%	(3)%	(3)%	(3)%	(3)%	(7)%	(12)%	(19)%	(20)%
Asset Renewal Funding Ratio	152%	192%	108%	114%	113%	107%	118%	110%	94%	117%	110%	100%
	44,612	43,752	44,788	46,141	47,458	48,816	50,214	51,654	53,134	54,660	56,230	57,850

MODIFIED OPERATING RESULTS

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Actual $('000)	Estimate $('000)	Year 1 $('000)	Year 2 $('000)	Year 3 $('000)	Year 4 $('000)	Year 5 $('000)	Year 6 $('000)	Year 7 $('000)	Year 8 $('000)	Year 9 $('000)	Year 10 $('000)
Airport												
Operating Surplus/(Deficit) before Capital Amounts	(1,421)	(1,615)	(1,554)	(1,520)	(1,391)	(1,273)	(1,227)	(1,106)	(1,021)	(1,012)	(1,039)	(1,067)
less: 50% of airport depreciation	513	592	615	624	633	642	659	675	692	709	727	746
Modified Operating Surplus/(Deficit) before Capital Amounts	**(908)**	**(1,023)**	**(939)**	**(896)**	**(758)**	**(631)**	**(568)**	**(431)**	**(329)**	**(303)**	**(312)**	**(321)**
Airport Income	2,332	2,837	3,065	3,207	3,356	3,512	3,600	3,690	3,781	3,875	3,972	4,072
Modified Operating/(Deficit) Ratio	**(39)%**	**(36)%**	**(31)%**	**(28)%**	**(23)%**	**(18)%**	**(16)%**	**(12)%**	**(9)%**	**(8)%**	**(8)%**	**(8)%**
Council including Airport												
Adjusted Operating Surplus/(Deficit) before Capital Amounts	(2,064)	(1,605)	(1,151)	(800)	(470)	(296)	36	289	462	427	684	818
less: 50% of airport depreciation	513	592	615	624	633	642	659	675	692	709	727	746
Modified Operating Surplus/(Deficit) before Capital Amounts	**(1,551)**	**(1,013)**	**(536)**	**(176)**	**163**	**346**	**695**	**964**	**1,154**	**1,136**	**1,411**	**1,564**
Council including Airport Income	44,612	43,752	44,788	46,141	47,458	48,816	50,214	51,654	53,134	54,660	56,230	57,850
Modified Operating/(Deficit) Ratio	**(3)%**	**(2)%**	**(1)%**	**0%**	**0%**	**1%**	**1%**	**2%**	**2%**	**2%**	**3%**	**3%**

KEY ASSUMPTIONS

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Previous Assumptions										
Consumer Price Index (CPI)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Wage Increase	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Capital Costs - Local Governmet Price Index (LGPI)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Depreciation Costs	1.5%	1.5%	1.5%	1.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Weighted Interest Rate	5.0%	5.3%	5.5%	5.8%	6.0%	6.3%	6.5%	6.5%	6.5%	6.5%
Rate Increase	3.3%	3.3%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Updated Assumptions										
Consumer Price Index (CPI)	2.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Wage Increase	3.1%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Capital Costs - Local Governmet Price Index (LGPI)	2.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Depreciation Costs	1.8%	1.5%	1.5%	1.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Weighted Interest Rate	5.0%	5.3%	5.5%	5.8%	6.0%	6.3%	6.5%	6.5%	6.5%	6.5%
Rate Increase	3.6%	3.3%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%

Other Relevant Information

CPI and LGPI are applied in arrears, i.e. the figure applied to each financial year is the estimated annual CPI for the March directly preceding

LGPI is applied to cost of capital

The Weighted Interest Rate takes into account that Council have a portion of fixed borrowings

The majority of items increase by CPI each year

The assumption for Depreciation has been dropped for a number of years, as it is expected that this will correct over time after a few years of large increases

2.0 ITEM FOR DECISION

2.6 Financial Results 2025/26

Audit and Risk Committee: 9 October 2026
Author's Title: Grant Jennings, Manager Finance and Knowledge Management
File No.: 0-159
Directorate: Corporate

Attachments:

1 – Financial Results 2025/26

Officer Direct or Indirect Conflict of Interest:
In accordance with Local Government Act 1999, Section 120

Status:
Information classified confidential under Section 90(2) of the Local Government Act

☐ **Yes**	☑ **No**	☐ **Yes**	☑ **No**

Reason – Not applicable

PURPOSE

To review the financial results of Council compared with the estimated financial results set out in the budget for the year ending 30 June 2026.

SUMMARY

Council, on adoption of the 2025/26 budget, projected an adjusted operating deficit of $2,074,000 and an adjusted operating deficit ratio of (5%). Movements during the year have resulted in a year end adjusted operating deficit of $2,064,000 and an adjusted operating deficit ratio of (5%).

Council's underlying operating result has deteriorated by approximately $270,000, after taking into account net timing differences.

While there have been a number of negative impacts outlined within the budget vs actual analysis, these have mostly been able to be managed through the budget review process. The exception relates to depreciation increases that have occurred during the year, with these only able to be partially offset. However, this does mean that Council's operating cash position improved over the year.

RECOMMENDATION

The Audit and Risk Committee recommends the financial results compared with the estimated financial result of Council for the financial year ending 30 June 2026, be presented to Council.

2.6 Financial Results 2025/26

REPORT

BACKGROUND

The Local Government (Financial Management) Regulations require the Audit and Risk Committee to consider Council's audited financial results (30 June 2026) compared with the estimated financial results (original budget, adopted 16 June 2025) as set out in the budget for the year ending 30 June 2026. The report is to be presented in a manner consistent with the Model Financial Statements.

Council has reviewed its budget three times during 2025/26, for the periods ending 30 September 2025, 31 January 2026 and 30 April 2026.

DISCUSSION

The report on Financial Results comprises the following statements:

1. financial indicators;
2. summary of material variances to budget;
3. uniform presentation of finances; and
4. financial statements.

Explanations have been included for material variations since adoption of the 2025/26 Budget.

Refer **Attachment 1 – Financial Results 2025/26**

Financial Implications

Council's key financial sustainability performance targets are proposed to ensure the long-term financial sustainability of the Council covering the maintenance and development of the community's assets as well as providing appropriate services.

Key Financial Indicators	Short Term Target	2025/26 Original Budget	2025/26 Current Budget	2025/26 Year End
Adjusted Operating Surplus/(Deficit) - $'000		(2,074)	(2,226)	(2,064)
Adjusted Operating Surplus/(Deficit) Ratio	(2) - 1%	(5%)	(5%)	(5%)
Net Financial Liabilities Ratio	< 80%	34%	21%	10%
Asset Renewal Funding Ratio	90 - 110%	218%	185%	152%
Total Borrowings - $'000		10,900	8,500	2,500

As is often the case, Council's raw operating result is skewed by the timing of Federal Government Grant funding payments, that are beyond Council's control and are experienced by all South Australian councils. Because the grants are untied, they have to be recognised in the period that they are received.

The Federal Government paid 50% of the 2025/26 grants in advance in June 2025. This year, they paid 80% of the 2026/27 grants in advance in June 2026. This means that the raw operating result is impacted by the additional 30% of the annual allocation paid during 2025/26, which has a value of $2.24 million.

Because of this timing difference, Council made a small surplus for 2025/26. However, the adjusted operating result shown removes this timing difference and shows Council's true operating result, which is a 5% deficit.

Council, on adoption of the 2025/26 budget, projected an adjusted operating deficit of $2,074,000 and an adjusted operating deficit ratio of (5%). Movements during the year have resulted in a year end adjusted operating deficit of $2,064,000 and an adjusted operating deficit ratio of (5%).

While the final result is almost identical to the original budget, Council's underlying operating result has deteriorated by approximately $270,000, once the impacts of net timing differences are taken into account. The timing differences that had a net positive impact on Council's result, excluding the FA Grants discussed above, are:

- $205,000 of grant income for the final phase of the Local Roads and Community Infrastructure program, which was not received in 2024/25; and
- Net deferral of $64,000 for operating projects not completed in 2025/26.

While there have been a number of negative impacts outlined within the budget vs actual analysis provided at **Attachment 1**, these have mostly been able to be managed through the budget review process. The exception relates to depreciation increases that have occurred during the year, with these only able to be partially offset. However, this does mean that Council's operating cash position improved over the year.

Council's budget continues to be tight; however, the additional capacity that has been added to the budget over the last few years, and some of the income streams that are beginning to come online, are making managing the budget and finding suitable offsets more achievable. Council is still expecting some further upswing in our allocation of FA Grants, and these funds will be used to fund areas of Council's budget that it is known are still under budgeted, mainly being building maintenance, sporting ground management and IT services. However, Council will still need to be flexible with its rating policy over the next few years to assist with improving ongoing financial projections.

While there are a large number of variances listed in the analysis, these are considered to be part of the normal process of managing resources within budget constraints for any given year.

The Net Financial Liabilities Ratio at 10% was below the budgeted position, primarily due to the additional financial assistance grants received in advance.

A decrease of 66% in the Asset Renewal Funding Ratio from 218% to 152% is due to the retiming of renewal projects to 2026/27. There will always be some level of carry forward

of renewal budgets, in line with the project delivery cycle, but the ratio shows that the level of renewal being undertaken in any given year is largely in line with the amount required. It is above the target range for this year due to renewal works completed that were deferred from previous years, with the ratio needing to average around 100% over time.

The quantum of projects carried forward to 2026/27 was lower than last year's carry forward, being $13.8 million compared to $19.5 million. Grant funding of $4.3 million was also retimed to 2026/27. However, this is still a very large carry forward, due to the size and complexity of some of the projects being delivered currently. Just under 50% of the carry forward relates to the Foreshore Splash and Play Plaza.

Airport

The financial performance of the Airport is reported separately, to help ensure that the sustainability of this business unit can be monitored.

The Airport was almost spot on budget, with reduced income able to be offset by reduced expenditure. However, it should be noted that the screening service generated a net profit for this year, to offset the net deficit from the year before. In future years, this service will need to be close to break even to meet our agreement with QANTAS.

Strategic Plan

Objective 4.1 – Whyalla Council Members commit to serving the Community.

Strategy 4.1.2 – We will make decisions based on facts, not emotions.

Legislation

The report on financial results has been prepared in accordance with Section 10 of the *Local Government (Financial Management) Regulations 2026*.

Officer Direct or Indirect Interest – Nil

Risk Assessment

By reviewing this report Council will ensure that it is compliant with legislative requirements.

The report is also a key part of the overall budget process, ensuring that Council are aware of material variances to its adopted budget. While variances are reported to Council on a quarterly basis as they are identified, this report provides an overall summary of variances, including those identified at year end.

Financial sustainability continues to be a key risk for Council, however, the discipline and decision making of Council over the last 2 years are beginning to have positive effects, and Council have a path to a sustainable position over the next 2 to 3 years.

Social Considerations – Not applicable

Community Engagement – Not applicable

Environmental Implications – Not applicable

Communication – Not applicable

Conclusion

The financial results for 2025/26 are presented, and material variances to the 2025/26 original budget are explained.

While there have been a number of negative impacts outlined within the budget vs actual analysis, these have mostly been able to be managed through the budget review process.

Council's budget continues to be tight; however, the additional capacity that has been added to the budget over the last few years, and some of the income streams that are beginning to come online, are making managing the budget and finding suitable offsets more achievable

WHYALLA

FINANCIAL RESULTS 2025-26

KEY FINANCIAL INDICATORS	Target	Note	Original Budget 2025-26	Current Budget 2025-26	Year End Actual 2025-26	Variance Original Budget vs Actual 2025-26
Council (including Airport)		1				
Operating Surplus/(Deficit) - $'000			(2,074)	**(2,226)**	378	2,452
Adjusted Operating Surplus/(Deficit)* - $'000			(2,074)	**(2,226)**	(2,064)	10
Adjusted Operating Surplus/(Deficit) Ratio	(2)% - 1%		(5%)	**(5%)**	(5%)	0%
Net Financial Liabilities Ratio	< 80%		34%	**21%**	10%	(24%)
Asset Renewal Funding Ratio	90 - 110%		218%	**185%**	152%	(66%)
Council (excluding Airport)		9				
Operating Surplus/(Deficit) - $'000			(651)	**(765)**	1,799	2,450
Adjusted Operating Surplus/(Deficit)* - $'000			(651)	**(765)**	(643)	8
Adjusted Operating Surplus/(Deficit) Ratio	(2)% - 1%		(2%)	**(2%)**	(2%)	0%
Net Financial Liabilities Ratio - %	< 80%		13%	**0%**	(9%)	(22%)
Asset Renewal Funding Ratio - %	90 - 110%		218%	**185%**	152%	(66%)
Whyalla Airport		10				
Operating Surplus/(Deficit) - $'000			(1,423)	**(1,461)**	(1,421)	2
Operating Surplus/(Deficit) Ratio - %	1% - 6%		(56%)	**(62%)**	(61%)	(5%)
Net Financial Liabilities Ratio - %	< 250%		369%	**398%**	383%	14%

KEY

In target range | Above target | Below target

WHYALLA CITY COUNCIL

FINANCIAL RESULTS 2025-26

UNIFORM PRESENTATION OF FINANCES	Note	Original Budget 2025-26 $000	Current Budget 2025-26 $000	Year End Actual 2025-26 $000	Variance Original Budget vs Actual 2025-26 $000
Income	2				
Rates		27,968	**28,103**	28,106	**138**
Statutory Charges		476	**454**	489	**13**
User Charges		5,794	**5,890**	5,871	**77**
Grants, subsidies and contributions - capital		617	**912**	912	**295**
Grants, subsidies and contributions - operating		7,069	**7,813**	10,159	**3,090**
Investment Income		12	**62**	66	**54**
Reimbursements		9	**9**	16	**7**
Other Income		1,143	**1,306**	1,325	**182**
Expenses	3				
Employee Costs		(15,917)	**(15,677)**	(15,690)	**227**
Materials, contracts & other expenses		(19,116)	**(20,872)**	(20,487)	**(1,371)**
Depreciation, amortisation & impairments		(9,588)	**(9,940)**	(10,089)	**(501)**
Finance Costs		(541)	**(286)**	(300)	**241**
Operating Surplus/ (Deficit)		**(2,074)**	**(2,226)**	**378**	**2,452**
Net Outlays on Existing Assets	4				
Capital Expense on renewal and replacement of Existing Assets		(10,537)	**(8,942)**	(7,341)	**3,196**
add back Depreciation, Amortisation and Impairment		9,588	**9,940**	10,089	**501**
add back Proceeds from Sale of Replaced Assets		85	**176**	172	**87**
Net Outlays on Existing Assets		**(864)**	**1,174**	**2,920**	**3,784**
Net Outlay on New and Upgraded Assets	5				
Capital Expenditure on New and Upgraded Assets		(10,492)	**(8,138)**	(5,891)	**4,601**
add back Amounts received specifically for New and Upgraded Ass		7,985	**8,159**	6,031	**(1,954)**
Net Outlays on New and Upgraded Assets		**(2,507)**	**21**	**140**	**2,647**
Net Lending/ (Borrowing) for Financial Year		**(5,445)**	**(1,031)**	**3,438**	**8,883**
Financing transactions associated with the above net overall deficit, or applying the overall net funding surplus are as follows:					
New Borrowings		1,400	**4,000**	-	**(1,400)**
Repayment of Principal		-	**-**	(2,000)	**(2,000)**
(Increase)/Decrease in Cash and Investments		(30)	**7,806**	7,709	**7,739**
Net Balance Sheet funding (debtors & creditors etc)		4,075	**(10,775)**	(9,147)	**(13,222)**
Financing Transactions	6	**5,445**	**1,031**	**(3,438)**	**(8,883)**

WHYALLA CITY COUNCIL

FINANCIAL RESULTS 2025-26

STATEMENT OF COMPREHENSIVE INCOME		Original Budget 2025-26 $000	Current Budget 2025-26 $000	Year End Actual 2025-26 $000	Variance Original Budget vs Actual 2025-26 $000
INCOME					
Rates		27,968	**28,103**	28,106	**138**
Statutory Charges		476	**454**	489	**13**
User Charges		5,794	**5,890**	5,871	**77**
Grants, subsidies and contributions - capital		617	**912**	912	**295**
Grants, subsidies and contributions - operating		7,069	**7,813**	10,159	**3,090**
Investment Income		12	**62**	66	**54**
Reimbursements		9	**9**	16	**7**
Other Income		1,143	**1,306**	1,325	**182**
TOTAL INCOME		**43,088**	**44,549**	**46,944**	**3,856**
EXPENSES					
Employee Costs		15,917	**15,677**	15,690	**(227)**
Materials, contracts & other expenses		19,116	**20,872**	20,487	**1,371**
Depreciation, amortisation & impairments		9,588	**9,940**	10,089	**501**
Finance Costs		541	**286**	300	**(241)**
TOTAL EXPENSES		**45,162**	**46,775**	**46,566**	**1,404**
OPERATING SURPLUS/(DEFICIT)		**(2,074)**	**(2,226)**	**378**	**2,452**
Amounts specifically for new or upgraded assets		7,985	**8,159**	6,031	**(1,954)**
Net gain (loss)		-	**-**	(1,098)	**(1,098)**
NET SURPLUS/(DEFICIT)		**5,911**	**5,933**	**5,311**	**(600)**
Other Comprehensive Income	7	6,143	**6,143**	12,683	**6,540**
TOTAL COMPREHENSIVE INCOME		**12,054**	**12,076**	**17,994**	**5,940**

WHYALLA CITY COUNCIL

FINANCIAL RESULTS 2025-26

STATEMENT OF FINANCIAL POSITION	8	Original Budget 2025-26 $000	Current Budget 2025-26 $000	Year End Actual 2025-26 $000	Variance Original Budget vs Actual 2025-26 $000
ASSETS					
Current Assets					
Cash & Cash Equivalents		8,129	**293**	390	**(7,739)**
Trade & Other Receivables		3,790	**7,140**	6,034	**2,244**
Inventories		2,548	**2,548**	2,534	**(14)**
TOTAL CURRENT ASSETS		14,467	**9,981**	8,958	**(5,509)**
Non-current Assets					
Infrastructure, Property, Plant & Equipment		429,786	**429,394**	431,923	**2,137**
Other Non-Current Assets		2,264	**2,264**	1,284	**(980)**
TOTAL NON-CURRENT ASSETS		432,050	**431,658**	433,207	**1,157**
Total Assets		**446,517**	**441,639**	**442,165**	**(4,352)**
LIABILITIES					
Current Liabilities					
Trade and Other Payables		11,995	**4,495**	5,067	**(6,928)**
Short Term Borrowings		500	**-**	2,500	**2,000**
Short Term Provisions		2,503	**2,503**	2,525	**22**
TOTAL CURRENT LIABILITIES		14,998	**6,998**	10,092	**(4,906)**
Non-Current Liabilities					
Long Term Borrowings		5,400	**8,500**	-	**(5,400)**
Long Term Provisions		1,219	**1,219**	1,233	**14**
TOTAL NON-CURRENT LIABILITIES		6,619	**9,719**	1,233	**(5,386)**
Total Liabilities		**21,617**	**16,717**	**11,325**	**(10,292)**
NET ASSETS		**424,900**	**424,922**	**430,840**	**5,940**
EQUITY					
Accumulated Surplus		71,211	**71,233**	72,533	**1,322**
Asset Revaluation Reserve		350,135	**350,135**	356,675	**6,540**
Reserves		3,554	**3,554**	1,632	**(1,922)**
TOTAL EQUITY		**424,900**	**424,922**	**430,840**	**5,940**

WHYALLA CITY COUNCIL

FINANCIAL RESULTS 2025-26

STATEMENT OF CHANGES IN EQUITY	Original Budget 2025-26 $000	Current Budget 2025-26 $000	Year End Actual 2025-26 $000	Variance Original Budget vs Actual 2025-26 $000
Accumulated Surplus				
Balance at Beginning of Period	65,300	**65,300**	65,300	**-**
Change in financial position resulting from operations	5,911	**5,933**	5,311	**(600)**
Transfers from Other Reserves	-	**-**	1,922	**1,922**
Transfers to Other Reserves	-	**-**	-	**-**
Balance at End of Period	**71,211**	**71,233**	**72,533**	**1,322**
Asset Revaluation Reserve				
Balance at Beginning of Period	343,992	**343,992**	343,992	**-**
Revaluation Increment	6,143	**6,143**	12,683	**6,540**
Balance at End of Period	**350,135**	**350,135**	**356,675**	**6,540**
Other Reserves				
Balance at Beginning of Period	3,554	**3,554**	3,554	**-**
Transfers to Accumulated Surplus	-	**-**	(1,922)	**(1,922)**
Transfers from Accumulated Surplus	-	**-**	-	**-**
Balance at End of Period	**3,554**	**3,554**	**1,632**	**(1,922)**
TOTAL EQUITY AT END OF REPORTING PERIOD	**424,900**	**424,922**	**430,840**	**5,940**

WHYALLA CITY COUNCIL

FINANCIAL RESULTS 2025-26

STATEMENT OF CASH FLOWS	Original Budget 2025-26 $000	Current Budget 2025-26 $000	Year End Actual 2025-26 $000	Variance Original Budget vs Actual 2025-26 $000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates	27,968	**24,603**	28,066	**98**
Statutory Charges	476	**454**	507	**31**
User Charges	5,794	**5,890**	6,253	**459**
Grants, subsidies and contributions - operating	7,069	**4,463**	10,200	**3,131**
Investment Income	12	**62**	66	**54**
Reimbursements	9	**9**	18	**9**
Other Income	1,143	**1,306**	1,783	**640**
Payments				
Employee Costs	(15,917)	**(15,677)**	(16,298)	**(381)**
Materials, contracts & other expenses	(19,041)	**(24,797)**	(28,032)	**(8,991)**
Finance Costs	(541)	**(286)**	(364)	**177**
Net Cash provided by (or used in) Operating Activities	**6,972**	**(3,973)**	**2,199**	**(4,773)**
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Receipts				
Amounts specifically for new or upgraded assets	7,985	**8,159**	4,240	**(3,745)**
Grants Utilised for Capital Purposes	617	**912**	912	**295**
Sale of replaced assets	85	**176**	172	**87**
Payments				
Purchase of Renewal/Replacement Assets	(8,537)	**(8,942)**	(7,341)	**1,196**
Purchase of New/Expansion Assets	(8,492)	**(8,138)**	(5,891)	**2,601**
Net Cash provided by (or used in) Investing Activities	**(8,342)**	**(7,833)**	**(7,908)**	**434**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Proceeds from Borrowings - Council	1,400	**4,000**	-	**(1,400)**
Payments				
Repayment of Borrowings	-	**-**	(2,000)	**(2,000)**
Net Cash provided by (or used in) Financing Activities	**1,400**	**4,000**	**(2,000)**	**(3,400)**
Net Increase (Decrease) in Cash Held	30	**(7,806)**	(7,709)	**(7,739)**
Cash & cash equivalents at beginning of period	8,099	**8,099**	8,099	**-**
Cash & cash equivalents at end of period	**8,129**	**293**	**390**	**(7,739)**

Note Explanations – Financial Results 2025/26:

The main variances between the 2025/26 original budget and year end results are as follows:

1. Financial Indicators
    - Council's Adjusted Operating Ratio has remained steady at (5%) and is outside of target range;
    - a decrease of 24% in the Net Financial Liabilities Ratio from 34% to 10% is attributable to the fact that Financial Assistance grants were paid in advance; and
    - a decrease of 66% in the Asset Renewal Funding Ratio to 152% due to a number of renewal projects being retimed to 2026/27. The ratio is above target range this year due to renewal works completed that were deferred rom previous years, with the ratio needing to average around 100% over time.

2. Operating Income
    - a surplus of $378,000 as compared with an original adopted deficit of $2.07 million. The result deteriorates to a deficit of $2.06 million when the impact of retiming of FA Grants is removed.
    - **increased rates income of $138,000 due to:**
        - a $45,000 increase in interest charges compared to initial projections;
        - $38,000 of rates being raised for a number of properties that changed from non-rateable to rateable after rates were declared;
        - objections being lower than expected, with $30,000 of the allowance not used;
        - a $15,000 increase in waste service charges due to an increase in properties receiving a waste pickup, and
        - a $10,000 reduction in Waste Remission Charges due to less applications being received.
    - **an increase in statutory charges of $13,000 due to:**
        - increased planning fees of $35,000 from increased development; offset by
        - $22,000 of immunisation program income being moved to other income.
    - **an increase in user charges of $77,000 due to:**
        - an increase of $125,000 in Childcare income from higher utilisation, with increased costs of running of the centre of $175,000, meaning the net cost increased by $50,000;
        - a profit share of $100,000 due to the performance of the Recreation Centre last financial year;
        - increased passenger screening fees at the airport of $95,000, to fund higher screening costs;
        - overall lease income increasing by $37,000;
        - increased recycled water sales of $25,000;
        - income of $25,000 relating to sale options for industry land parcels; offset by
        - decreased Visitor income of $25,000 from Maritime Museum admission, steelworks tours and souvenir sales;
        - removal of $120,000 of fuel sale revenue from the airport budget, due to this service now being provided by an external party, in line with other regional airports; and
        - a reduction in airport income of $185,000, due to the departure of one of the car hire operators and private landings and carparking being down.

- **an increase in grants, subsidies and contributions of $3.38 million due to:**
  - an increase in Financial Assistance Grants of $2.44 million received due to the Federal Government's decision to bring forward 80% of the 2026/27 allocation, compared to 50% last year;
  - Financial Assistance grant funding for 2025/26 from the Federal Government being $241,000 higher than projected;
  - the childcare worker retention grant valued at $235,000, used to lift wage levels for a set period;
  - childcare flying start program funds of $130,000, to fund programs and staff training;
  - $205,000 of grant income for the final phase of the Local Roads and Community Infrastructure program, that was not received in 2024/25;
  - the final Local Roads and Community Infrastructure payment being $90,000 higher than expected;
  - $64,000 of grants for projects not completed in 2024/25;
  - $60,000 of additional minor grant received;
  - additional Financial Assistance grant funding of $17,000 short paid during 2024/25; offset by
  - carry forward of grants not yet expended in 2025/26 of $99,000.
- **an increase in investment income of $54,000 due to:**
  - a bonus received from the Local Government Finance Authority of $34,000; and
  - additional interest income of $20,000, due to cash being available near the beginning of the financial year.
- **an increase in reimbursement income of $7,000 due to undertaking minor private works.**
- **an increase in other income of $182,000 due to:**
  - $60,000 of income from the Eyre Peninsula Local Government Association to cover the costs of hosting an officer to develop the Regional Waste Strategy;
  - income of $50,000 for purchases of IT equipment oncharged to a third party;
  - $40,000 of ex-gratia rates that can now be charged on the strategic land parcel that was recently sold;
  - $22,000 of immunisation program income being moved from statutory income;
  - sponsorship of Cuttlefest and a number of other small events of $20,000;
  - $10,000 of additional debt collection costs;
  - a $10,000 prize for WHS initiatives; offset by
  - quarry royalties being down by $30,000.

3. Operating Expenditure
   - **decreased employee costs of $227,000 attributed to:**
     - savings from vacant positions of $405,000, which were not backfilled;
     - savings from vacant positions across the organisation of $212,000, which was used to fund labour hire, consultants and executive recruitment expenses;
     - an increase in the workers compensation rebate of $63,000, with $31,000 of this allocated to high priority risk projects, leaving $32,000 to improve Council's financial position;
     - a decrease in the workers compensation premium of $32,000; offset by
     - increased offline training time for childcare staff funded by the flying staff grant to the value of $25,000;
     - an increase in employee costs of $60,000 related to hosting an officer to develop the Regional Waste Strategy;
     - a $165,000 increase in labour for the Childcare Centre, based on operational requirements; and
     - increased labour rates for childcare funded by the worker retention grant to the value of $235,000.
   - **increased materials, contracts & other expenditure of $1.37 million attributed to:**
     - an increase of $250,000 for hard waste and illegal dumping, due to the high costs to dispose of the items collected;
     - a $235,000 increase in water costs;
     - $229,000 of program costs covered by grant income received;

- an increase of $195,000 in IT software and hardware costs, due to ever increasing requirements in dealing with cyber security and connectivity;
- additional costs of $160,000 relating to maintaining the large grounds at the new civic building;
- an increase in labour hire costs of $152,000 to backfill vacant positions, offset by labour savings;
- a $100,000 contribution to lighting at the new State Government sporting complex, with another $100,000 to be contributed next year, which will allow for the service level at Jubilee Park to be reduced;
- an increase of $95,000 in dredging costs, due to final volumes;
- $95,000 for operational maintenance of the library and VIC sites;
- an increase in electricity costs of $85,000;
- increased maintenance and repairs of public toilets of $85,000 due to increased vandalism;
- $80,000 of additional costs for maintaining Council's three premier ovals;
- $60,000 of childcare building costs linked to works adjacent to the recently completed capital project;
- $60,000 for executive recruitment costs, offset by labour savings;
- increased building cleaning costs of $60,000 due to contractual arrangements;
- re-budgeting of $55,000 on operating projects that were not completed in 2024/25, made up of made up of the amenities project, youth programs and WHS programs. These amounts were not spent last year;
- purchases of IT equipment for a third party of $50,000;
- $31,000 for the delivery of priority risk projects, funded from the Workers Compensation rebate;
- an increase in overall insurance costs of $30,000;
- increase in general maintenance of council buildings of $30,000;
- $25,000 of legal costs for preparation of sale option agreements for industrial land;
- sponsorship funded expenditure for Cuttlefest and a number of other small events of $20,000;
- $20,000 of additional costs for sand replenishment, that should have been retimed from 2024/25;
- an overall increase of $15,000 in airport screening costs, however as income increased by $95,000, there was an overall positive impact of $80,000 on council's budget position;
- increased debt collection costs of $10,000;
- WHS initiatives of $10,000 funded from prize winnings;
- increased food budget for the Childcare Centre of $10,000, based on operational requirements;
- private works of $7,00 undertaken; offset by
- minor ongoing savings of $42,000 identified, to meet Council's savings target
- a reduction in aviation fuel costs of $60,000, due to this service being transferred to an external party;
- a transfer of $80,000 of costs from operating to capital, relating to plant purchases and work at the Mount Laura Museum;
- carry forward of expenditure relating to grants not yet expended in 2025/26 of $99,000;
- an underspend of $119,000 on operating projects that will need to be re-budgeted in 2026/27, made up of the irrigation revaluation, building demolition and waste education; and
- general savings of $483,000, identified from across the organisation.

- **increased depreciation of $501,000 attributed to:**
  - an increase of $169,000 for buildings and open space assets relating to the quantum of increase in asset values from the revaluation undertaken at 30 June 2025 and new assets constructed during the year;
  - depreciation for the runway being $150,000 above initial projections, after full componentisation;
  - an increase of $65,000 for transport assets due to the savings from a review of useful lives being lower than estimated;
  - depreciation of the fleet being $60,000 above budget; and
  - the identification of ongoing minor savings of $57,000, which were originally built into the budget as reduced depreciation.
- **decreased interest expenses of $241,000 due to updated cashflow projections, primarily attributed to deferral of projects.**

4. Capital Activities – Net Outlays on Existing Assets:
   - **a decrease of $3.2 million on the renewal and replacement of existing assets due to:**
     - carry forward projects from 2024/25 of $1.94 million including $590,000 for building and playground works at the Childcare Centre, $314,000 for playground renewal at the Foreshore and Civic Park, $297,000 for marina renewal works, $209,000 for painting of the HMAS Whyalla, $146,000 for minor open space projects including Hummock Hill, $141,000 for transport renewal including footpath and school crossings, $40,000 for minor building renewal projects and $205,000 for other minor renewal projects;
     - $100,000 of plant renewal retimed from 2026/27, with trade in of $42,000 also retimed, making the net impact $58,000;
     - $100,000 for an upgrade of the switchboard at the Recreation Centre;
     - $60,000 for the McGee Street playground shade sail, which needed to be upgraded to modern standards while the playground is being replaced;
     - $50,000 for the Pt Lowly Boat Ramp renewal retimed from 2026/27;
     - $45,000 increased plant replacement costs, but no change to net costs with trade-in values also being higher;
     - $20,000 for improved school crossings funded by Way to Go; offset by
     - $137,000 transferred from Renewal to New/Upgrade, relating primarily to works occurring at Civic Park;
     - a reduction in the unsealed road budget of $100,000, based on expected program costs for the year; and
     - carry forward projects of $5.28 million deferred to the 2026/27 financial year or later, including $1.46 million for transport renewal including sealed and unsealed roads, footpaths, kerbs and school crossings, $724,000 for various minor building renewal projects, $650,000 for Recreation Centre projects, $427,000 for playground renewal at the Foreshore, $395,000 for Civic Park irrigation works, $379,000 for marina renewal works, $294,000 for lighthouse restoration, $250,000 for public toilet renewal, $193,000 for library building renewal, $169,000 for open space works at Hummock Hill, $162,000 for building works at the Childcare Centre, $127,000 for building works at Mount Laura Homestead and $49,000 for minor renewal projects.
   - **an increase in income from sale of replaced assets of $87,000, $42,000 of this retimed from 2026/27.**

5. Capital Activities – Net Outlays on New and Upgraded Assets
   - **A decrease of $4.6 million on the upgrade and expansion of assets due to:**
     - carry forward projects from 2024/25 of $3.97 million including $3.14 million for the Runway Upgrade, $212,000 for work at the Cuttlefish Dive Site, $150,000 for Jubilee Park electrical upgrade, $91,000 for the Foreshore Plaza, $75,000 for fire tanks at Jubilee Park, $140,000 of contingency funds and $163,000 for other minor upgrade projects;
     - $327,000 of foreshore renewal funds retimed from 2029/30, to finalise the funding model for the Foreshore Plaza project;
     - $137,000 transferred from Renewal to New/Upgrade, relating primarily to works occurring at Civic Park;
     - $126,000 retimed from 2026/27 to fund final design and development application costs for the new Foreshore Building;
     - a transfer of $80,000 from operating, relating to plant purchases and work at the Mount Laura Museum;
     - a $50,000 increase in the cost of delivering the Jubilee Park electrical upgrade based on tendered costs;
     - $25,000 retimed from the 2026/27 plant replacement program to allow for the purchase of a mini agitator truck, to dela with current issues with having concrete delivered; offset by
     - a reduction in overall airport project spend of $830,000, due to the savings made on the runway project; and
     - carry forward projects of $8.49 million deferred to the 2026/27 financial year or later including $6.50 million for the Foreshore Splash & Play Plaza, $975,000 for airport projects, $395,000 for the Recreation Centre Efficiency Project, $212,000 for work at the Cuttlefish Dive Site, $172,000 for the Stormwater Levy extension, $100,000 for Jubilee Park electrical upgrade, $75,000 for industrial estate lighting and $57,000 for other minor upgrade projects.

- **a decrease in amounts received specifically for new and upgrade assets of $1.95 million due to:**
  - $3.15 million of grant funds deferred from 2024/25 including $2.93 million for the Runway Upgrade, $183,000 for the Childcare Centre playground and $35,000 for other minor projects;
  - $20,000 of Way to Go funding to improve school crossings; offset by
  - a reduction in overall airport grant funding of $830,000, due to the savings made on the runway project; and
  - a decrease of $4.30 million in grant funding relating to projects deferred to 2026/27 including $3.07 million for the Foreshore Splash & Play Plaza, $859,000 for airport projects and $370,000 for marina renewal works.

6. Financing Transactions
   - **There has been a decrease of $8.9 million in the level of financing transactions required between Council's original budget and the year end results, attributed to:**
     - the net impact of retimed projects $6.8 million, being project budgets moved to 2026/27 or later, less project budgets moved from 2024/2025;
     - additional Financial Assistance Grants brought forward of $2.4 million;
     - an improvement in Council's underlying operating position excluding depreciation of $0.5 million; offset by
     - a net impact of $0.6 million for capital items retimed from later years to 2026/27; and
     - capital budget overruns of $0.2 million.

7. Movements – Statement of Comprehensive Income
   - Asset disposals & fair value adjustments have increased by $6.5 million due to asset revaluations, with the unit rate increases linked to the irrigation revaluation being higher than expected as well as overall inflation being higher at the end of year compared to the projection at the start of the year.

8. Movements – Statement of Financial Position
   - A decrease in cash & equivalents of $7.7 million, due to the timing of a strategic land sale last June, with cash balances returning to minimal levels in July 2025.
   - An increase of $2.2 million in trade receivables, relating to accrued income for airport capital projects.
   - An increase of $2.1 million in the expected value of Infrastructure, Property, Plant and Equipment assets at 30 June 2026, due to the higher than expected revaluation amount, offset by capital carry forwards.
   - A decrease of $1.0 million in other non-current assets, due to capital Work in Progress reducing from last year's high level.
   - A decrease of $6.9 million in the value of Council's trade payables at 30 June 2026 can be attributed to high outstanding invoices and income received in advance for the airport last year.
   - Changes in borrowing levels are outlined in section 7 above.

9. Financial Indicators – Council (excluding Airport)
   - The Council (excluding Airport) Adjusted Operating Ratio has remained steady at (2%), which is within target range.
   - The Net Financial Liabilities Ratio was 22% lower than projected at (9%), with the reasons for the large change being the same as for Council as a whole.
   - **The Council (excluding Airport) had an adjusted deficit of $643,000 compared with an original adopted budget of a $651,000 deficit.** The variance of $10,000 is outlined in sections 2 and 3 above, excluding the items attributable to the airport as outlined below, and the timing difference in the FA Grants.

10. Financial Indicators – Whyalla Airport

- The Airport Operating Ratio has decreased by 5%, from (56%) to (61%), which is well outside of target range.
- The Net Financial Liabilities Ratio was 14% higher than projected at 383%.
- **The Airport had a deficit of $1.42 million, in line with the original budget.** The variance of $2,000 is due to:
  - a reduction in airport income of $185,000, due to the departure of one of the car hire operators and private landings and carparking being down;
  - depreciation for the new runway being $150,000 above initial projections, once full componentisation was completed;
  - removal of $120,000 of fuel sale revenue from the airport budget, due to this service now being provided by an external party, in line with other regional airports;
  - an increase of $40,000 for buildings and open space assets relating to the quantum of increase in asset values from the revaluation undertaken at 30 June 2025; offset by
  - savings from vacant positions of $35,000, which were not backfilled;
  - a reduction on council overheads allocated to the airport of $50,000;
  - a reduction in aviation fuel costs of $60,000, due to this service being transferred to an external party;
  - an overall increase of $15,000 in airport screening costs, however as income increased by $95,000, there was an overall positive impact of $80,000 on the airport's budget position;
  - general savings of $95,000, identified from the airport;
  - interest savings of $175,000 based on update cashflow projections.

Key
Negative variance
Positive variance
Timing variance
No variance – offset

2. Items for Recommendation

2.7 Review Draft Strategic Risks

Audit and Risk Committee Meeting: 9 October 2026

Author's Title: Ellisha Papoulis, Manager People and Culture

File No.: 0-159

Directorate: Corporate

Attachments

Attachment 1 – BDO Strategic Risk Assessment

Attachment 2 - Strategic Risk Review Discussion Paper 2026

Attachment 3 - Strategic Risk Register

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1999, Section 120

☐ **Yes** ☑ **No**

Status:

Information classified confidential under Section 90(2) of the Local Government Act

☐ **Yes** ☑ **No**

Reason – not applicable

PURPOSE

To provide the Audit and Risk Committee (ARC) with an update on progress against Council's Risk Management Framework, Risk Appetite Statements and Strategic Risk Profile, and to seek feedback on the proposed eight strategic risks.

SUMMARY

Council continues to strengthen its risk management maturity, with increasing evidence that risk management is being embedded across governance, projects, asset management, emergency management and day-to-day operations.

Key progress during 2025–26 includes:

- adoption of updated Risk Management and Emergency Management Policies;
- review and refinement of Council's Risk Matrix;
- strategic risk and risk appetite workshops, with a draft Strategic Risk Register developed;
- continued implementation of the Risk Maturity Road Map;
- targeted risk management, due diligence and operational risk training;
- strengthened project governance and risk oversight;
- annual and risk-based emergency exercises and review of the hazard register;
- recognition through the 2026 Local Government Risk Services (LGRS) Risk Incentive Award; and
- continued participation in regional and sector risk and emergency management networks.

Recent events, including power and communications outages, severe weather, the South Australian algal bloom and other regional risks, have provided practical opportunities to apply and test Council's arrangements.

DISCUSSION

Risk Management

Council's Risk Management Policy and Procedure were reviewed by ARC in October 2025, followed by organisational consultation and adopted by Council in January 2026. The Emergency Management Policy was adopted in February 2026, and the Risk Matrix was revised in June 2026 following ARC feedback.

LGRS delivered targeted risk management, due diligence and operational risk training between October and December 2025, informed by Council's Training Needs Analysis.

Risk management is increasingly being applied through operational and strategic decision-making. Key examples include:

- regular Project Control Group meetings providing structured governance and risk oversight for significant projects;
- strengthened playground asset management, including project delivery, asset rationalisation and review of associated risks;
- adoption of the Asset Management Policy, strategic roadmap and road reseal and pavement management program;
- strengthened controls through the Volunteer Framework and Children and Vulnerable Persons Policy;
- mature risk practices embedded in capital works and project delivery;
- coordinated responses with State Government and other agencies to emerging regional risks, including the South Australian algal bloom and matters associated with the Whyalla Steelworks; and
- increasing consideration of community access, disability inclusion and equitable access to Council services, facilities and public spaces through the Disability Access and Inclusion Plan.

There is also growing external recognition of Council's risk management practices. In May 2026, Council received the LGRS Risk Incentive Award for its management of the Whyalla Airport Runway Upgrade. The submission demonstrated how structured risk management and governance supported delivery of the $32.4 million project on time and under budget. Council also received $10,000 to support further risk management initiatives.

In August 2026, LGRS completed a risk profiling activity focused on playground management. Feedback recognised Council's understanding of playground requirements and associated risk management processes.

Council has also been invited to share its experience across the local government sector through presentations and sector discussions on risk management, event coordination, work zone traffic management and psychosocial risk.

These activities provide increasing evidence that Council's risk management capability is moving beyond policy development and becoming embedded in operational practice.

Strategic Risk and Risk Appetite

BDO completed a Strategic Risk Assessment for Council in January 2024, which Council has utilised **(Attachment 1).** As part of a Risk Maturity Assessment and Risk Management Systems review in October and November of 2024, Council has been working against a Risk Maturity Road for the period 2025 – 2027, of which strategic risk and risk appetite are planned.

Council has worked with Local Government Risk Services (LGRS), and a Strategic Risk Review Discussion Paper was developed in April 2026 (**Attachment 2**), followed by a Strategic Risk Workshop with the Executive Leadership Team and Manager People and Culture in June 2026.

The resulting Draft Strategic Risk Register identifies eight strategic risks for Council (**Attachment 3**). The ARC is invited to provide feedback on the proposed risks.

The next phase will determine the current level of risk, treatments required, whether each risk is within appetite and any additional controls required. This will inform the next stage of this work;

- an Elected Member strategic risk session;
- development and delivery of risk appetite workshops for ELT and Elected Members;
- updated Risk Appetite Statements;
- reporting of the updated risk appetite position to ARC; and
- secondary risk maturity surveys to measure progress against the 2024 baseline.

CONCLUSION

Council has made measurable progress in strengthening risk and emergency management maturity during 2025–26.

The focus has progressed from establishing policy and framework foundations to applying risk management through projects, assets, operations, employee safety, business continuity and emergency management. External recognition, positive risk profiling feedback and sector engagement provide further evidence of this development.

Future LGRS risk profiling will provide an opportunity to assess progress against Council's 2024 risk maturity baseline and identify priorities for continued improvement.

RECOMMENDATION

That the Audit and Risk Committee:

1. **notes Council's progress in strengthening its risk management; and**
2. **subject to any feedback on the proposed eight strategic risks (Attachment 3), recommends to Council for adoption.**

WHYALLA CITY COUNCIL

Strategic Risk Assessment

January 2024

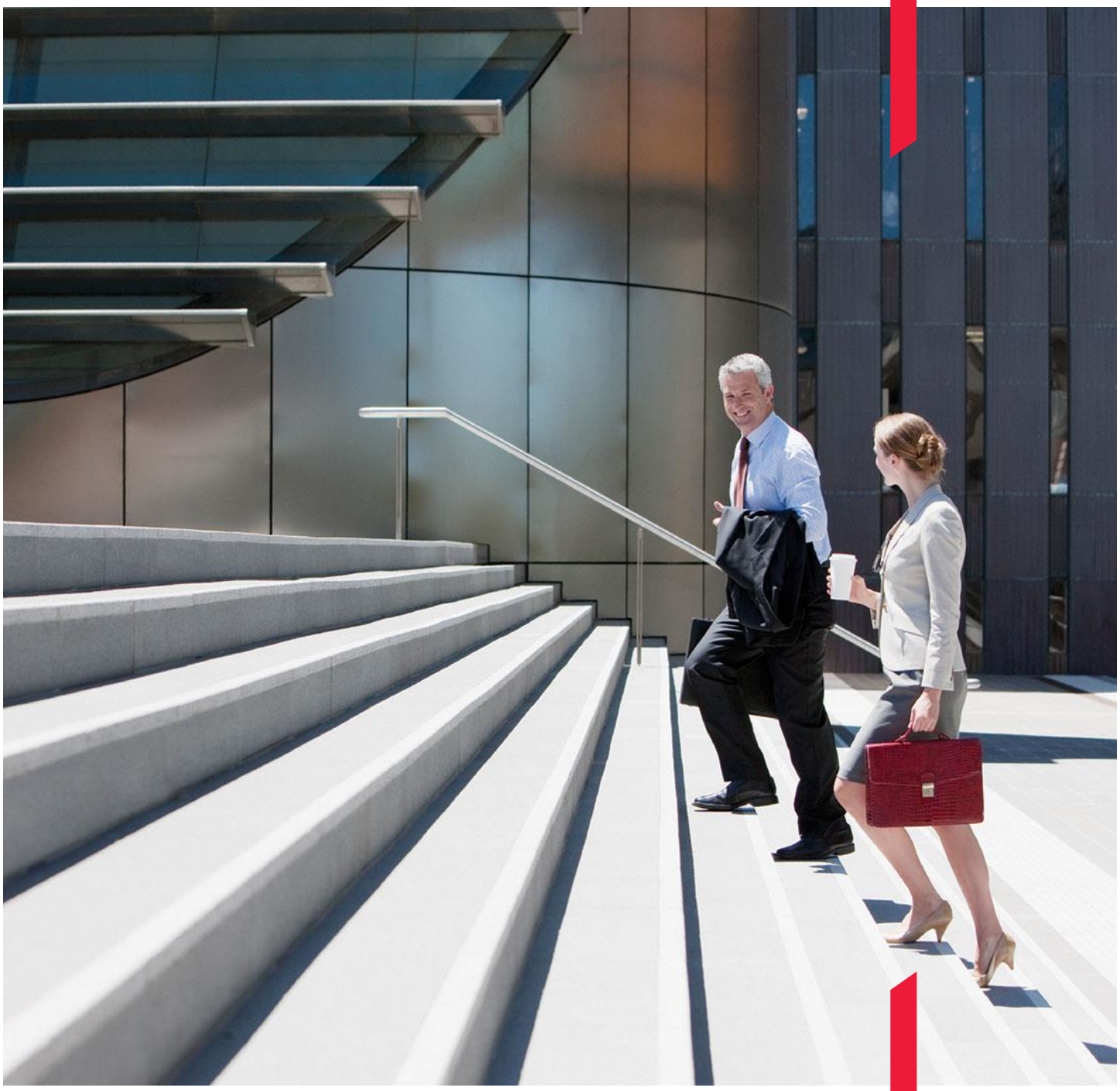


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EXECUTIVE SUMMARY

The Whyalla City Council (WCC) has engaged BDO to facilitate a Strategic Risk Assessment Workshop with nominated representatives from WCC. The resulting Strategic Risk Assessment will inform the development of WCC's Internal Audit Plan.

The purpose of the workshop was to collectively identify and prioritise the strategic risks to WCC in achieving its business objectives.

Prior to the workshops, BDO reviewed the key risks identified by 10 workshop participants, from WCC Executive and Audit and Risk Committee, which were then consolidated to identify a suite of strategic risk categories. These risk categories were reviewed, and risk rated as part of the risk workshops.

At the workshops held on, workshop participants:

- Considered (added/edited/deleted) the identified risks
- Reviewed the associated current controls
- Assessed the consequence and likelihood of the risk occurring, considering current controls
- Discussed which risks require particular monitoring.

The finalised results of the risk assessment produces a WCC strategic risk register which is detailed in the remainder of this report, and includes:

- Summary of the key risks including the identified risk, and the residual risk rating
- Graphical representation of the risk ratings and relativities of each risk
- Individual Risk Worksheets which capture the identified risk, risk descriptors, associated risk ratings and the proposed risk management strategies
- Risk ratings and definitions used during the workshop
- Listing of workshop participants.

Following the Strategic Risk Assessment, it was agreed that the Internal Audit Plan (for the next three years) should be developed and endorsed by Executive and the Audit and Risk Committee. In addition, risk owners should be assigned to each risk and risk mitigation strategies developed for identified significant risks.

KEY RISK SUMMARY

The following table provides a summary of:

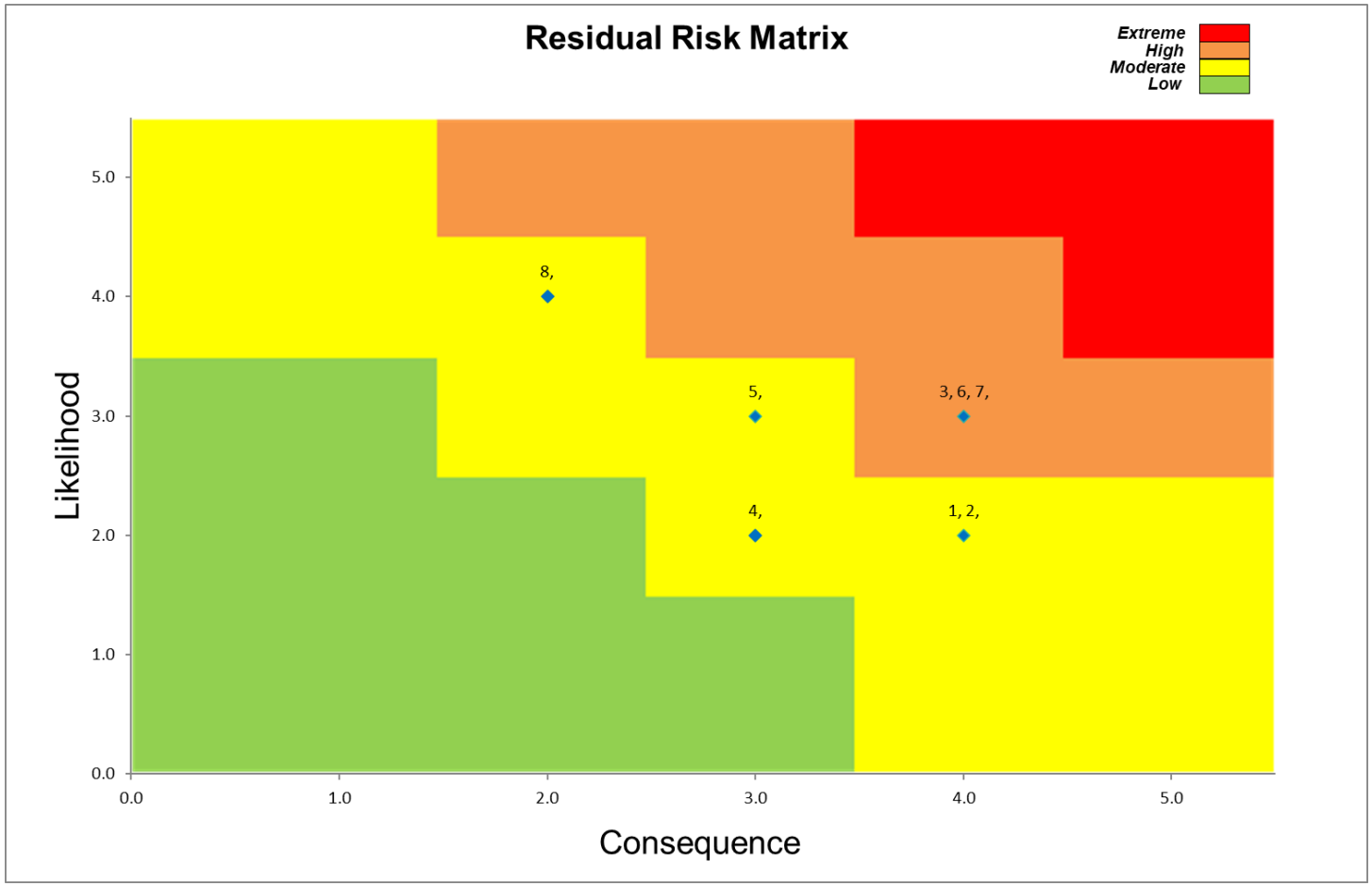
- WCC's key strategic risks
- Risk consequence and risk likelihood scores
- Residual risk rating

as finalised at workshop held on 3 October 2023.

Risk ID	Risk Category	Risk Definition	Risk Consequence	Risk Likelihood	Residual Risk Rating
1	Community Expectations	Inability to build and maintain community expectations and trust	4	2	M
2	Organisational Development / Human Resource Management	Lack of effective organisational development and human resource strategy	4	2	M
3	Financial Sustainability and Growth	Mismatch between revenue/cost base and expected activity (BAU, legacy and degradation of financial performance)	4	3	H
4	Governance	Ineffective governance framework and mechanisms	3	2	M
5	Information and Communication Technologies (ICT)	ICT resources are inadequate to deliver Council's requirements, including business critical and cybersecurity systems	3	3	M
6	Strategic Direction	Ineffective alignment and delivery of strategic direction	4	3	H
7	Asset Management	Inadequate asset management planning to ensure Council has appropriate infrastructure to meet current and future needs	4	3	H
8	Airport Operations	Inability for airport operations to deliver public value	2	4	M

RESIDUAL RISK MATRIX

Graphical representation of the residual risk ratings and relativities of each risk.



RISK MANAGEMENT WORKSHEETS

Front Page | Select Risk | **Risk Management Worksheet** | **Whyalla City Council**

1	**Community Expectations**	**Responsibility assigned to :**	

Risk Definition and Risk Descriptors

Inability to build and maintain community expectations and trust

- Community expectations are unrealistic and unmanaged; The loss of community trust in a council is a serious concern
- Inadequate identification of community needs / expectations, and therefore inadequate setting of service level standards
- Inadequate community amenity and wellbeing, caused by inappropriate planning, resulting in reduced community inclusion, accessibility, safety and participation
- Damage to reputation in the community due to lack of transparency in decision making and community consultation.
- The need to deliver planned projects is vital
- There is always the risk that the State and Federal Government will fail to deliver on their promises, or at least be delayed in doing so
- Council has no capacity in its budget to deal with adverse events
- Pressure in many places relating to higher costs, higher expectations and competing priorities
- The future upturn of the city that is being projected is highly reliant on political direction of the State and Federal Government

Associated Controls

- Online presence e.g. Public Website - access
- Minutes/Agenda available to Public
- Budget/Annual Business/LTFP - consultation/workshops/information
- Open Council/Audit Committee/Workshop Meetings
- Manage the information through a comprehensive media and public relations strategy
- Quarterly and Annual Reporting
- Degrees of community engagement, including annual community survey
- Development of a service review program, including the development of service level standards

Associated Controls Continued

Assessment

Consequence	**4**
Likelihood	**2**
Residual Risk Rating	M

Risk Management Strategies

Responsibility	Timing	Status

	Approved by:	**Date:**	

Front Page | Select Risk | **Risk Management Worksheet** | **Whyalla City Council**

	2	**Organisational Development / Human Resource Management**	**Responsibility assigned to :**	

Risk Definition and Risk Descriptors

Lack of effective organisational development and human resource strategy

- It can be difficult to recruit specialist positions in Whyalla, due to the location, housing pressures and wage structure; Short term resource budget constraints
- Risk of significant loss of corporate knowledge highlighting the need for information management controls
- Local Government has a much older workforce in comparison to other community service industries
- Need to develop a policy and procedure framework to promote a safe resilient and dynamic workforce
- Not having appropriate staff resourcing and/or expertise to deliver identified objectives - quality staff turnover; WHS risk (stress from stretched resources); reputational damage
- There is a risk dropping the ball on a whole bunch of things because of how far people are stretched and single person risk
- Lack of manager depth - Some work not getting the attention it deserves from the appropriate person or one-up (safety reports/minutes for example)
- As the priorities of the city change, it can be difficult to make the organisational structure fluid enough to respond appropriately
- Lack of an overall organisational development program based on outcomes from culture and pulse surveys, and identification of leadership priorities

Associated Controls	Associated Controls Continued	Assessment	
HR/WHS/Injury Management Policies and Procedures		**Consequence**	**4**
Employee Assistance program (EAP)		**Likelihood**	**2**
Performance Development Plan		**Residual Risk Rating**	M
Policy framework			
Position design			
Cultural survey			
Training needs analysis			
Recruitment strategy			

Risk Management Strategies	Responsibility	Timing	Status
Workforce planning			

	Approved by:	**Date:**	

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Risk Management Worksheet

Whyalla City Council

	3	**Financial Sustainability and Growth**	**Responsibility assigned to :**	

Risk Definition and Risk Descriptors

Mismatch between revenue/cost base and expected activity (BAU, legacy and degradation of financial performance)

- Rating income does not supply sufficient income to provide the infrastructure and services needed (Expenditure is not aligned to revenue). Other revenue sources needed.
- Long term asset management inadequate and services provided inefficient or unnecessary/unsupportable
- Ability of current ratepayers to pay for the upkeep of the city
- The cost to undertake projects in region makes them unviable
- Insufficient financial resources to address the significant renewal, upgrade, transformation needs of the city
- Council has no capacity in its budget to deal with adverse events
- Inadequate budget setting/compliance with mismatch between cost base and expected activity
- External economic conditions

Associated Controls	Associated Controls Continued	Assessment	
Budget process		**Consequence**	**4**
Annual Business Plan		**Likelihood**	**3**
Long Term Financial Plan (LTFP)		**Residual Risk Rating**	H
External Audit/Internal Controls			
Council Agenda/Public Consultation			
Prudential Review Policy			
Internal Audit and Service Review program			
Audit and Risk Committee			

Risk Management Strategies	Responsibility	Timing	Status

	Approved by:	**Date:**	

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Risk Management Worksheet

Whyalla City Council

4	**Governance**	**Responsibility assigned to :**	

Risk Definition and Risk Descriptors

- **Ineffective governance framework and mechanisms**
- Not following a project management process, with no contingency budget and inadequate time to complete projects
- Failure to execute initiatives in a timely manner (lack of urgency)
- Poor governance over compliance with legislation/regulations
- Not identifying priority projects to focus on
- Limited procurement and contract management skills
- Data management / analysis and reporting - good governance from good data
- Inability to meet and maintain Airport Regulatory Requirements
- Competing statutory and regulatory compliance regimes remain an ever-present challenge for councils
- Insufficient resources to comply with statutory obligations
- Lack of awareness of requirements

Associated Controls	Associated Controls Continued	Assessment	
Audit and Risk Committee/Council Agenda	KPIs	**Consequence**	**3**
Elected Member/Employee Code of Conduct	Reporting templates	**Likelihood**	**2**
Procurement Policy		**Residual Risk Rating**	M
Cultural survey			
Policies and Procedures			
Mandatory training including training and development across statutory and regulatory functions			
Internal and External Audit including Service Reviews			
Assurance of operational risk controls - a cascade of governance structures			
Mutual Liability Scheme and Workers Compensation Scheme			
LGA Membership/Legal and legislative updates			

Risk Management Strategies	Responsibility	Timing	Status

	Approved by:	**Date:**	

Front Page | Select Risk | **Risk Management Worksheet** | **Whyalla City Council**

5	**Information and Communication Technologies (ICT)**	**Responsibility assigned to :**	

Risk Definition and Risk Descriptors

- **ICT resources are inadequate to deliver Council's requirements, including business critical and cybersecurity systems**
- Insufficient investment/governance in internal systems/processes (IT/business practices); inability to move fast enough as technology changes – leads to inefficiencies/costs
- Cyber crime/fraud risk not effectively managed leading to potential cyber attack, services disruption, system failure, compromised data, financial loss, reputational exposure
- Failure of business critical ICT systems - loss of information, threat to continuity of operations, workplace safety compromised)
- Underinvestment in ICT systems to improve efficiency and customer experience. Investment is hard to envisage in the current climate, with large deficits and competing priorities
- Reliability and integrity of Council IT systems
- AI influence
- Resources and assets
- Knowledge management
- Business Interruption - IT resources are constrained; current levels of support for key systems impact staff if there is planned leave or illness due to absence of support staff

Associated Controls	Associated Controls Continued	Assessment	
Multifactor identification		**Consequence**	3
Data penetration report and controls		**Likelihood**	3
IT Disaster Recovery Protocol		**Residual Risk Rating**	M
Phishing controls			
Trusted Vendor engagement			
Project management cost for ICT factored into all projects			
Training			

Risk Management Strategies	Responsibility	Timing	Status
Systems Modernisation Strategy			

	Approved by:	**Date:**	

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Risk Management Worksheet

Whyalla City Council

6	**Strategic Direction**	**Responsibility assigned to :**	

Risk Definition and Risk Descriptors

Ineffective alignment and delivery of strategic direction

- Lack of a systems approach to strategic directions; Little articulation of strategic direction and failure to plan for change
- Decline of Whyalla as an economic centre, caused by inadequate planning, policy and reputation, resulting in, a decline of business investment and loss of business confidence.
- Inappropriate allocation of resources to strategic imperatives, which makes it difficult to prepare the city before the population boom
- Inconsistent knowledge, understanding and commitment to and progress towards strategic direction and vision. Due to inconsistent communication.
- A political change in direction of the city, could have an impact in the long term viability of the city.
- Insufficient data capability to inform strategic direction and engage with ratepayers/community
- Ensure that the region remains a strong and vibrant place to live, work and visit; and communities can respond positively to the challenges presented by a changing climate
- Resources directed to developments that will not contribute to the city's long term future and currently doing too many projects
- Alignment with all levels of government; insufficient leadership across the city resulting in lower levels of public / private investment
- Competitors; Insufficient infrastructure and Council's poor reputation

Associated Controls

- Budget Bid process
- Consultation - broadly/Council/Audit Committee
- Linkage with LTFP/Annual Business Plan
- Strategic Plan 2021 - 2030 and Whyalla 2040 (in development)
- Advocacy with State and C/W Govt
- Strategic Alliance membership
- Upper Spencer Gulf Cities Association
- Economic Development Plan
- Regional Development Australia
- Lead for strategy and delivery

Associated Controls Continued

Assessment

Consequence	**4**
Likelihood	**3**
Residual Risk Rating	H

Risk Management Strategies

Risk Management Strategies	Responsibility	Timing	Status

	Approved by:	**Date:**	

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Risk Management Worksheet

Whyalla City Council

7	**Asset Management**	**Responsibility assigned to :**	

Risk Definition and Risk Descriptors

Inadequate asset management planning to ensure Council has appropriate infrastructure to meet current and future needs

Councils ability to properly maintain its current assets e.g. ability to identify issues/hidden problems within available budget (e.g. Rec Centre)
Infrastructure Risk - failure of key assets; lack of funding for asset projects; asset protection; safety issues creeping in
Many assets failing before we react (old jetty, memorial oval, playgrounds, civic building, marinas, boat ramps)
Concerned about Council's financial capacity to manage assets and infrastructure

Associated Controls

- Asset Management Plans
- Capital Budget
- Consultation - broadly/Council/Audit Committee
- Budget Bid process
- Budget Review process
- Asset Rationalisation Strategy
- Community Consultation
- Leases and licences
- Data Collection
- Council oversight

Associated Controls Continued

Assessment

Consequence	**4**
Likelihood	**3**
Residual Risk Rating	H

Risk Management Strategies

Risk Management Strategies	Responsibility	Timing	Status

	Approved by:	**Date:**	

Front Page | Select Risk | **Risk Management Worksheet** | **Whyalla City Council**

	8	**Airport Operations**	**Responsibility assigned to :**	

Risk Definition and Risk Descriptors

Inability for airport operations to deliver public value

- The airport has high fixed costs, while its income streams can be very variable, particularly since Covid
- The service provided is a vital one for the community, so a balance has to be struck fees changed and not having a regular RPT service
- Our ability to provide a modern airport that accommodates a growing economy and meets regulatory requirements and customer expectations
- Inability to fully cost recover the airport operations (increased airport costs at the expense of other council operations)
- Inability to maintain could risk expansion opportunities/availability e.g. RFDS or emergency response to Eyre Peninsula bushfire responses
- Define public value for the airport operations

Associated Controls	Associated Controls Continued	Assessment	
Budget Review process		Consequence	2
Asset Management Plans		Likelihood	4
Linkage with LTFP/Annual Business Plan		Residual Risk Rating	M
CASA regulations framework			
Security scanning protocol			
Federal Government Lobby			

Risk Management Strategies	Responsibility	Timing	Status

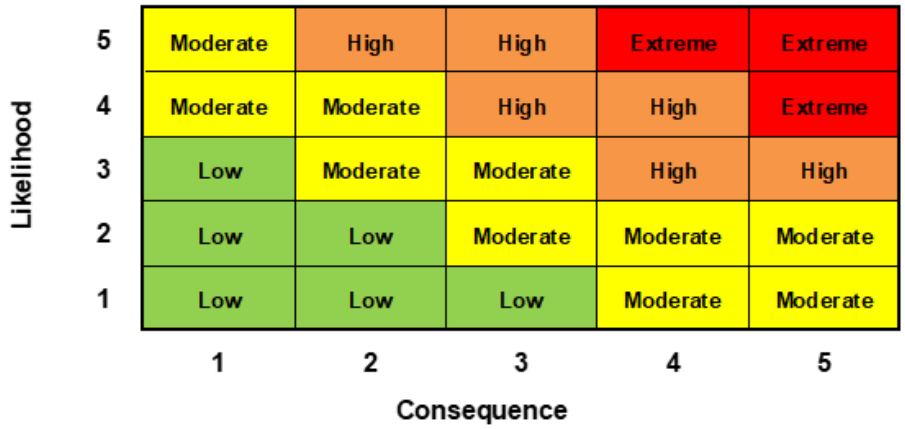
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APPENDIX 1: RISK RATINGS AND DEFINITIONS

CONSEQUENCE			
1 - Low			5 - High
5	Catastrophic	Strategy	Significant number of major strategic plan objectives not achieved
		Economic	Significant asset destruction or other financial/economic loss
		Social/People	Long term workplace/community harm
		Service Delivery	Cessation of multiple services or programs
		Environmental	Permanent long term environmental harm, loss of significant environmental assets
		Reputation & Image	Long term damage and loss of confidence by community
4	Major	Strategy	A number of strategic objectives not achieved
		Economic	Loss of asset or damage lasting many months or other major financial/economic loss
		Social/People	Significant long term workforce/community harm, industrial action over many months
		Service Delivery	Cessation of some services or programs
		Environmental	Significant long term environmental harm, loss and damage of significant environmental assets
		Reputation & Image	Sustained damage and loss of confidence for many months
3	Medium	Strategy	Major components of strategic objectives not achieved
		Economic	Loss of asset or damage lasting several months or some financial/economic loss
		Social/People	Significant short term workforce/community harm, short term industrial action
		Service Delivery	Disruption to some services or programs
		Environmental	Significant release of pollutants with mid term recovery, significant but temporary damage to environmental assets
		Reputation & Image	Significant but short term damage to reputation/image
2	Minor	Strategy	Minor parts of strategies not achieved
		Economic	Loss of asset or damage lasting up to a month or minor financial/economic loss
		Social/People	Minor transient workforce/community harm, threats of industrial action
		Service Delivery	Some disruption to services or programs
		Environmental	Minor transient environmental harm, minor temporary damage to environmental assets
		Reputation & Image	Some negative mention of an agency or agencies in the press
1	Insignificant	Strategy	No effect on strategies or objectives
		Economic	Loss of assets or damage lasting days or insignificant financial or economic loss
		Social/People	Incident without workforce or community harm, dialogue with industrial groups
		Service Delivery	No interruptions to services or programs
		Environmental	No environmental damage or loss
		Reputation & Image	No damage to reputation

LIKELIHOOD		
1 - Low		**5 - High**
5	Almost certain	Is expected to occur in most circumstances. In probability terms this may mean that it is greater than 80% probability of occurring.
4	Likely	Will probably occur in most circumstances. In probability terms this may mean that it has 60% to 79% probability of occurring.
3	Possible	Might occur at some time. In probability terms this may mean that it is between 40% to 59% probability of occurring.
2	Unlikely	Could occur at some time. In probability terms this may mean that it is between 20% to 39% probability of occurring.
1	Rare	May occur in exceptional circumstances. In probability terms may mean that it is less than 19% probability of occurring.

RESIDUAL RISK	
Extreme	The consequences would threaten the survival of the activity but also the organisation, possibly causing major problems for clients. Controls and treatments must be effective
High	The consequences would threaten the survival or continued effective operation of an organisation. Controls and treatments must be effective
Moderate	The consequences would threaten the activity. Existing controls must be maintained and possibly additional treatments effectively implemented.
Low	The consequences are dealt with by routine operations



APPENDIX 2: WORKSHOP PARTICIPANTS

3 October 2023	Name
Audit and Risk Committee Independent Members	Grant Strawbridge
	Pat Christie
	Laurie Kozlovic
Executive	Justin Commons
	Kathy Jarret
	Jade Ballantine
	Kristen Clark
	Grant Jennings
Leadership Members	Sue King
	Irene Adair
BDO	Kyffin Thompson
	Paul Sansome

Whyalla City Council Strategic Risks

15th April 2026

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1. Background

Whyalla City Council (Council) had strategic risk review conducted by BDO in January 2024 and LGAMLS in April 2025.

This summary seeks to reflect on the risks identified in each to ascertain where similarities exist and to suggest some revised risks that can form a part of the consolidated risk register review to be undertaken on 30 April 2026.

From this, Council can focus on finalising its strategic risk register and integrating strategic risk review and reporting into its governance structures and decision-making processes.

2. Methodology

To develop a consolidated risk register that is aligned with Council's strategic priorities, a comparative analysis was conducted on the two registers prepared by BDO and LGAMLS. Both registers were integrated into a single spreadsheet to identify overlapping and unique risks. Each risk was reviewed and synthesized to ensure clarity, conciseness, and relevance. In doing so, potential causes and controls were compared and consolidated as well.

Subsequently, the consolidated risks were mapped against Council's strategic themes, objectives, and strategies as outlined in their Strategic Plan 2025-2034. This alignment ensures that the risk descriptions reflect the language and priorities of Council, facilitating a clear understanding of how each risk could impact strategic outcomes.

3. Strategic risk review (similarities)

This section looks at risks that were identified in both reviews and considers opportunities to consolidate into one risk description that encompasses both.

Causes and controls from both registers have been included to help identify commonalities and there is a suggested wording for each (however the purpose of the workshop will be to further refine and identify any risks that may have emerged since this work was done.)

Formatting allows the reader to view both pages side by side when printed or using page layout view.

3.1 Community Expectations

BDO Risk 1: Inability to build and maintain community expectations and trust

Causes:

- Community expectations are unrealistic and unmanaged; The loss of community trust in a council is a serious concern
- Inadequate identification of community needs / expectations, and therefore inadequate setting of service level standards
- Inadequate community amenity and wellbeing, caused by inappropriate planning, resulting in reduced community inclusion, accessibility, safety and participation
- Damage to reputation in the community due to lack of transparency in decision making and community consultation.
- The need to deliver planned projects is vital
- There is always the risk that the State and Federal Government will fail to deliver on their promises, or at least be delayed in doing so Council has no capacity in its budget to deal with adverse events
- Pressure in many places relating to higher costs, higher expectations and competing priorities
- The future upturn of the city that is being projected is highly reliant on political direction of the State and Federal Government

Controls:

- Online presence e.g. Public Website - access
- Minutes/Agenda available to Public
- Budget/Annual Business/LTFP - consultation/workshops/information
- Open Council/Audit Committee/Workshop Meetings
- Manage the information through a comprehensive media and public relations strategy
- Quarterly and Annual Reporting
- Degrees of community engagement, including annual community survey
- Development of a service review program, including the development of service level standards

LGAMLS risk 1: Council are unable to deliver services required, or expected, by the community resulting in loss of community trust and damage to Council's reputation.

Causes:

- Major projects (e.g. foreshore, airport) draw resources away from business as usual activities
- Financial capacity - reliance on grants and third parties
- Human resources - lack of skilled workforce
- Contractors - availability, capacity, skill set, materials
- Knowledge management systems - inadequacy of data to support decisions
- Cyber security threats
- Local economic conditions (e.g. steel works) creating uncertainty/instability
- Asset base (buildings/open spaces) maintenance requirements
- Community engagement (changing demographics)
- Community engagement (resilience)
- Community engagement (capacity) - historic transfer of responsibility for building maintenance
- Social trends (trust)
- Water supply/pressure - impact on maintenance
- Water supply/pressure - impact on development (fire safety)
- Planning, DA process, compliance activities

Controls:

- Online communications - website, social media
- Consultation & communication policy/procedure
- Code of Practice for Council Meeting Procedures/ Code of Practice for Access to Meetings & Documents

Suggested wording: Failure to meet community service expectations risks loss of trust and reputational damage, impacting on Council's objectives to foster an engaged, inclusive community and strong partnerships.

3.2 People

BDO risk 2: Lack of effective organisational development and human resource strategy

Causes:

- It can be difficult to recruit specialist positions in Whyalla, due to the location, housing pressures and wage structure; Short term resource budget constraints
- Risk of significant loss of corporate knowledge highlighting the need for information management controls
- Local Government has a much older workforce in comparison to other community service industries
- Need to develop a policy and procedure framework to promote a safe resilient and dynamic workforce
- Not having appropriate staff resourcing and/or expertise to deliver identified objectives - quality staff turnover; WHS risk (stress from stretched resources); reputational damage
- There is a risk dropping the ball on a whole bunch of things because of how far people are stretched and single person risk
- Lack of manager depth - Some work not getting the attention it deserves from the appropriate person or one-up (safety reports/minutes for example) As the priorities of the city change, it can be difficult to make the organisational structure fluid enough to respond appropriately
- Lack of an overall organisational development program based on outcomes from culture and pulse surveys, and identification of leadership priorities

Controls:

- HR/WHS/Injury Management Policies and Procedures
- Employee Assistance program (EAP)
- Performance Development Plan
- Policy framework
- Position design
- Cultural survey
- Training needs analysis
- Recruitment strategy

LGAMLS Risk 6: Council are unable to attract and/or retain quality, skilled workforce and contractors impacts on achievement of Council's objectives

Causes:

- Financial constraints
- Local economic conditions (e.g. steel works) creating uncertainty/instability
- Housing (quality, availability, affordability)
- Services (medical, education, recreation)
- Lack of opportunities for career growth

Controls:

- Not listed

Suggested wording: Inability to attract, retain, and develop skilled people to build organisational capacity and workforce resilience may potentially impact service delivery and hinder Council's ability to achieve its strategic objectives.

Notes:

Organisational capacity refers to the ability of an organisation to effectively use its resources—such as people, processes, technology, and finances—to achieve its goals and deliver services. It encompasses skills, knowledge, infrastructure, and systems that enable the organisation to perform efficiently and adapt to changing demands.

Workforce resilience is the ability of an organisation's employees and teams to adapt to challenges, recover quickly from setbacks, and maintain productivity and well-being during periods of change or adversity.

3.3 Governance and legislative compliance

BDO risk 4: Ineffective governance framework and mechanisms

Causes:

- Not following a project management process, with no contingency budget and inadequate time to complete projects
- Failure to execute initiatives in a timely manner (lack of urgency)
- Poor governance over compliance with legislation/regulations
- Not identifying priority projects to focus on
- Limited procurement and contract management skills
- Data management / analysis and reporting - good governance from good data
- Inability to meet and maintain Airport Regulatory Requirements
- Competing statutory and regulatory compliance regimes remain an ever-present challenge for councils
- Insufficient resources to comply with statutory obligations
- Lack of awareness of requirements

Controls:

- Audit and Risk Committee/Council Agenda
- Elected Member/Employee Code of Conduct
- Procurement Policy
- Cultural survey
- Policies and Procedures
- Mandatory training including training and development across statutory and regulatory functions
- Internal and External Audit including Service Reviews
- Assurance of operational risk controls - a cascade of governance structures
- Mutual Liability Scheme and Workers Compensation Scheme
- LGA Membership/Legal and legislative updates
- KPIs
- Reporting templates

LGAMLS risk 3: Council are unable to comply with key legislative obligations resulting in unnecessary legal costs, adverse media coverage and loss of community confidence.

Causes:

- Financial capacity - reliance on grants and third parties
- Human resources - lack of skilled workforce
- Knowledge management systems - inadequacy of data to support decisions

Controls:

- Audits (Internal/External)
- Controls self-assessment (LGA Better Practice Model)
- Delegations register
- Policy/procedure review process
- WHS/injury management framework

Suggested wording: Ineffective governance and compliance processes may impede Council's ability to effectively deliver services, meet legislative obligations and maintain community trust.

3.4 Asset management

BDO risk 7: Inadequate asset management planning to ensure Council has appropriate infrastructure to meet current and future needs

Causes:

- Councils ability to properly maintain its current assets e.g. ability to identify issues/hidden problems within available budget (e.g. Rec Centre)
- Infrastructure Risk - failure of key assets; lack of funding for asset projects; asset protection; safety issues creeping in
- Many assets failing before we react (old jetty, memorial oval, playgrounds, civic building, marinas, boat ramps)
- Concerned about Council's financial capacity to manage assets and infrastructure

Controls:

- Asset Management Plans
- Capital Budget
- Consultation - broadly/Council/Audit Committee
- Budget Bid process
- Budget Review process
- Asset Rationalisation Strategy
- Community Consultation
- Leases and licences
- Data Collection
- Council oversight

LGAMLS risk 2: Buildings and open space areas are not maintained as fit for purpose or to standard, which adversely impacts on liveability and opportunities for growth.

Causes:

- Financial capacity - reliance on grants and third parties
- Human resources - lack of skilled workforce
- Contractors - availability, capacity, skill set, materials
- Knowledge management systems - inadequacy of data to support decisions
- Cyber security threats
- Local economic conditions (e.g. steel works) creating uncertainty/instability
- Asset base (buildings/open spaces) maintenance requirements
- Community engagement (changing demographics)
- Community engagement (resilience)
- Community engagement (capacity) - historic transfer of responsibility for building maintenance
- Water supply/pressure - impact on maintenance
- Watter supply/pressure - impact on development (fire safety)

Controls:

- Annual Business Plan
- Asset Management Plan
- Asset Rationalisation
- Consultation & communication policy/procedure
- Data collection/analysis platform
- Leases and licences

Suggested wording: Asset management practices that do not adequately cater to current and future needs may impair Council's ability to deliver fit-for-purpose infrastructure and open spaces, impacting community liveability, safety, and growth opportunities.

4. Strategic risk review (unique)

This section looks at risks that were only identified in one of the two risk assessments.

Causes and controls have been included for context.

Commentary is provided on the suitability of the risk and suggested wording is provided.

4.1 Mismatch between revenue/cost base and activity

BDO risk 3: Mismatch between revenue/cost base and expected activity (BAU, legacy and degradation of financial performance)

Causes:

- Rating income does not supply sufficient income to provide the infrastructure and services needed (Expenditure is not aligned to revenue). Other revenue sources needed. Long term asset management inadequate and services provided inefficient or unnecessary/unsupportable
- Ability of current ratepayers to pay for the upkeep of the city
- The cost to undertake projects in region makes them unviable
- Insufficient financial resources to address the significant renewal, upgrade, transformation needs of the city
- Council has no capacity in its budget to deal with adverse events
- Inadequate budget setting/compliance with mismatch between cost base and expected activity External economic conditions

Controls:

- Budget process
- Annual Business Plan
- Long Term Financial Plan (LTFP)
- External Audit/Internal Controls
- Council Agenda/Public Consultation
- Prudential Review Policy
- Internal Audit and Service Review program
- Audit and Risk Committee

Commentary:

This is a question of Council's financial capacity to maintain assets, deliver services and undertake projects given existing constraints. As worded, it appears to be more of a cause than an actual risk, (remembering the AS/ISO 31000 definition of risk is "the effect of uncertainty on objectives".

If we considered the effects, they are likely to be:

- Council's ability to deliver essential infrastructure and services
- Undermining community liveability
- Effect on long-term financial sustainability
- Capacity to deliver strategic renewal and growth objectives

If Council wants to maintain this as a stand-alone risk, consider something like the following:

A mismatch between Council's revenue/cost base will impact its capacity to maintain assets, deliver services, and undertake projects that provide essential infrastructure to improve liveability and strategic renewal and growth opportunities.

4.2 ICT resources

BDO risk 5: ICT resources are inadequate to deliver Council's requirements, including business critical and cybersecurity systems

Causes:

- Insufficient investment/governance in internal systems/processes (IT/business practices); inability to move fast enough as technology changes – leads to inefficiencies/costs
- Cyber crime/fraud risk not effectively managed leading to potential cyber attack, services disruption, system failure, compromised data, financial loss, reputational exposure
- Failure of business critical ICT systems - loss of information, threat to continuity of operations, workplace safety compromised)
- Underinvestment in ICT systems to improve efficiency and customer experience. Investment is hard to envisage in the current climate, with large deficits and competing priorities
- Reliability and integrity of Council IT systems
- AI influence
- Resources and assets
- Knowledge management
- Business Interruption - IT resources are constrained; current levels of support for key systems impact staff if there is planned leave or illness due to absence of support staff

Controls

- Multifactor identification
- Data penetration report and controls
- IT Disaster Recovery Protocol
- Phishing controls
- Trusted Vendor engagement
- Project management cost for ICT factored into all projects
- Training

Commentary

The current risk description focuses on the adequacy of ICT resources but could be enhanced to better reflect the strategic impact of ICT failures or inadequacies on

Council objectives. While operational controls like multi-factor authentication and training are important, they are operational in nature. The risk description should emphasize the potential effects on service delivery, operational continuity, data security, and reputation.

A possible risk description may be:

Inadequate ICT resources may compromise Council's ability to deliver critical services, ensure cybersecurity resilience, maintain operational continuity, and protect sensitive data, thereby impacting community trust, service efficiency and strategic objectives related to innovation and digital transformation.

4.3 Alignment of objectives

BDO risk 6: Ineffective alignment and delivery of strategic direction

Causes:

- Lack of a systems approach to strategic directions; Little articulation of strategic direction and failure to plan for change
- Decline of Whyalla as an economic centre, caused by inadequate planning, policy and reputation, resulting in, a decline of business investment and loss of business confidence.
- Inappropriate allocation of resources to strategic imperatives, which makes it difficult to prepare the city before the population boom
- Inconsistent knowledge, understanding and commitment to and progress towards strategic direction and vision. Due to inconsistent communication.
- A political change in direction of the city, could have an impact in the long term viability of the city
- Insufficient data capability to inform strategic direction and engage with ratepayers/community
- Ensure that the region remains a strong and vibrant place to live, work and visit; and communities can respond positively to the challenges presented by a changing climate
- Resources directed to developments that will not contribute to the city's long term future and currently doing too many projects
- Alignment with all levels of government; insufficient leadership across the city resulting in lower levels of public / private investment
- Competitors; Insufficient infrastructure and Council's poor reputation

Controls:

- Budget Bid process
- Consultation - broadly/Council/Audit Committee
- Linkage with LTFP/Annual Business Plan
- Strategic Plan 2021 - 2030 and Whyalla 2040 (in development)
- Advocacy with State and C/W Govt
- Strategic Alliance membership
- Upper Spencer Gulf Cities Association
- Economic Development Plan
- Regional Development Australia
- Lead for strategy and delivery

Commentary

The risk description is inadequate because it lacks clarity on how it could impact Council's ability to achieve its objectives. It is more of a cause that doesn't articulate the potential effects or consequences on strategic outcomes. Without linking the risk to its impact on objectives, it is difficult to assess its significance, prioritise mitigation efforts or communicate its importance to stakeholders.

Possible wording may be:

Failure to align and deliver strategic direction with local, state and national interests may potentially undermine economic growth, community confidence and the city's long-term liveability and sustainability objectives

---

4.4 Airport operations

BDO risk 8: Inability for airport operations to deliver public value

Causes:

- The airport has high fixed costs, while its income streams can be very variable, particularly since Covid
- The service provided is a vital one for the community, so a balance has to be struck fees changed and not having a regular RPT service
- Our ability to provide a modern airport that accommodates a growing economy and meets regulatory requirements and customer expectations
- Inability to fully cost recover the airport operations (increased airport costs at the expense of other council operations)
- Inability to maintain could risk expansion opportunities/availability e.g. RFDS or emergency response to Eyre Peninsula bushfire responses
- Define public value for the airport operations

Controls:

- Budget Review process
- Asset Management Plans
- Linkage with LTFP/Annual Business Plan
- CASA regulations framework
- Security scanning protocol
- Federal Government Lobby

Commentary:

The current risk description is vague and does not clearly articulate the potential impacts on Council's strategic objectives and therefore it's importance to Council and the community. It fails to specify how the inability to deliver public value could affect community connectivity, economic growth, emergency response capabilities or financial sustainability. Suggested wording is as follows:

Uncertainty around the airport operations' financial sustainability and service delivery may compromise the Council's ability to provide a modern, compliant, and accessible airport that supports community connectivity, economic development and emergency response capabilities,

4.5 Political environment

LGAMLS risk 4: Change in political environment has potential to impact on resourcing, social cohesion or wellbeing of the community

Causes:

- Financial capacity - reliance on grants and third parties
- Human resources - lack of skilled workforce
- Contractors - availability, capacity, skill set, materials
- Local economic conditions (e.g. steel works) creating uncertainty/instability
- Community engagement (changing demographics)
- Community engagement (resilience)
- Social trends (trust)
- Loss of employment, education & training opportunities

Commentary:

This could be expanded a little as follows:

Uncertainty or shifts in the political environment may affect community wellbeing, social cohesion, and resource availability, potentially undermining Council's ability to deliver services and infrastructure, foster community resilience and support social inclusion, impacting long-term community sustainability and trust.

4.6 Cultural and natural environment

LGAMLS risk 5: Inadequate protection of the City's cultural & natural environment adversely affects liveability & diversity of the economy.

Causes:

- Human resources - lack of skilled workforce
- Contractors - availability, capacity, skill set, materials
- Financial capacity - reliance on grants and third parties
- Knowledge management systems - inadequacy of data to support decisions
- Community engagement (capacity) - historic transfer of responsibility for building maintenance
- Water supply/pressure - impact on maintenance
- Planning, DA process, compliance activities

Commentary:

As worded, this risk highlights the potential negative outcomes but could be strengthened by explicitly linking these outcomes to the Council's strategic objectives. As it stands, it describes causes and potential impacts but lacks clarity on the effect of these impacts on the Council's ability to achieve its strategic goals. Suggested wording follows:

Inadequate protection and management of the City's cultural and natural environment may diminish community liveability and economic diversity, undermining the Council's objectives to foster a vibrant, sustainable and resilient city that values its heritage and natural assets.

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File reference: G:\xJLTData\dataars\Management\STRATEGIC RISK\SRT\Scopes of Work for all Councils\Whyalla\Strategic risk 2025\20260416 Strategic Risk Review - discussion paper.docx

Issued: 16/4/2026

DRAFT - STRATEGIC RISKS WHYALLA CITY COUNCIL 2026

RISK ID	RISK STATEMENT	Current Controls	Further treatment required (if residual risk rating is not acceptable)
SR-01	**Failure to meet community service expectations risks loss of trust and reputational damage, impacting on Council's objectives to foster an engaged, inclusive community and strong partnerships.**	Community presence e.g. website, social media, F2F consultation with community groups, QR codes being used on corflutes Code of Practice for Council Meeting Procedures/ Code of Practice for Access to Meetings & Documents, (open Council/Audit Committee/Workshop Meetings with agenda/minutes available to public) Consultation and communication policy/procedure Community engagement, including annual community survey	Media and public relations strategy Development of a service review program, including development of service level standards
SR-02	**Inability to attract, retain, and develop skilled people to build organisational capacity and workforce resilience may potentially impact service delivery and hinder Council's ability to achieve its strategic objectives.**	Cultural survey Recruitment strategy Enterprise agreement Organisational culture	Strategic workforce plan (as outcome of human resources planning) to cover hybrid work, shared services, employment model (e.g. multiple employers), operational issues, efficiency/effectivness, optimisation Advocacy in workforce reform (other levels of government)
SR-03	**Ineffective governance and compliance processes may impede Council's ability to effectively deliver services, meet legislative obligations and maintain community trust.**	Audit & Risk Committee agenda/oversight/ structure - independent members Codes of Conduct (EM/Employee) Policy & procedure framework Mandatory training, including training & development across statutory & regulatory functions Internal & external audit including service reviews, control self-assessment LGASA/LGAWCS/LGAMLS membership Delegations register Internal systems development	Governance framework (to be developed) which would include systems, ethics (staff/EM), risk, people, etc.
SR-04	**Asset management practices that do not adequately cater to current and future needs may impair Council's ability to deliver fit-for-purpose infrastructure and open spaces, impacting community liveability, safety, and growth opportunities.**	Asset management plan & policies Capital budget, budget bid & review processes Asset rationalisation strategy Leases & licences, (including land leases which provide access to amenity. Maintenance requirements outlined in lease documents) Data collection/analysis platform – demand utilisation/condition assessment Advocacy Elected Member awareness of & commitment to asset management LGA Asset Mututal Fund membership Review of leases and licencing structure	

DRAFT

DRAFT - STRATEGIC RISKS WHYALLA CITY COUNCIL 2026

RISK ID	RISK STATEMENT	Current Controls	Further treatment required (if residual risk rating is not acceptable)
SR-05	**If the available revenue base cannot support required service levels and asset renewal, Council will be unable to preserve community liveability and deliver planned strategic renewal and growth projects.** **Or** **External cost pressures and limited revenue growth create uncertainty that may force reductions in services, deferral of renewals and compromise Council's ability to deliver strategic initiatives.**	Budget process Long Term Financial Plan Annual Business Plan, including consultation Internal controls/external audit Audit & risk committee Terms of Reference/ Work plan Advocacy strategies (LGA, ALGA, direct) External funding sought only where aligned with strategic objectives & whole of life costs Quantity surveyor (QS) engaged for major projects	
SR-06	**Inadequate ICT infrastructure and systems may compromise Council's ability to deliver critical services, ensure cybersecurity resilience, maintain operational continuity, and protect sensitive data, thereby impacting community trust, service efficiency and strategic objectives**	IT Disaster Recovery Protocol Trusted vendor engagement Documentation of recovery processes, alternative access IT Roadmap & planned migration to contemporary systems	
SR-07	**Uncertainty or shifts in the political environment may affect community wellbeing, social cohesion, and resource availability, potentially undermining Council's ability to deliver long term liveability and sustainability objectives, including community resilience and growth.** **Justin may want to modify - see note**	Strategic Plan 2021-2030 & Whyalla 2040 Advocacy - State & Commonwealth Governments Membership: Strategic Alliance, Upper Specncer Gulf Cities, Regional Development Australia	
SR-08	**Inadequate protection and management of the City's cultural and natural environment may diminish liveability and economic diversity, undermining the Council's objectives to foster a vibrant, sustainable and resilient city that values its heritage and natural assets.**	Coastal climate adaptation plan Advocacy Reconciliation action plan Local Heritage listings & regulations – PDI Act protections Code amendment (additional protections included)	Indigenous Land Use Agreement (not in place)

DRAFT

2. ITEMS FOR DECISION

2.8 Audit and Risk Committee Performance Assessment Report

Audit and Risk Committee 9 October 2026
Author's Title: Sue King – General Manager Corporate **File No.:** 0-159
Directorate: Corporate

Attachments
1. Summary Performance Evaluation Survey Results
2. Detailed Performance Evaluation Survey Results

Officer Direct or Indirect Conflict of Interest:
In accordance with Local Government Act 1999, Section 120

☐ **Yes** ☑ **No**

Status:
Information classified confidential under Section 90(2) of the Local Government Act

☐ **Yes** ☑ **No**

Reason – Not applicable

PURPOSE

To provide the results of the Audit and Risk Committee Performance Evaluation Survey with a view to consider these outcomes, identify any areas requiring improvement and determine if any changes need to be made to the Committee's Terms of Reference.

DISCUSSION

Clause 11.1 of the Committee's Terms of Reference provides that:

- *The Committee will review its performance against these Terms of Reference*
- *The annual performance assessment of the Committee will include reviewing whether there is a need for any professional development to maintain the skills and knowledge needed by Committee members to perform their role effectively.*

In September 2026, a Performance Evaluation Survey was sent to all Audit and Risk Committee Members, Council Members, the Executive Management Team, Manager Finance and Knowledge Management, and Manager People and Culture.

Of the 18 eligible respondents, 12 responses were received: three from Audit and Risk Committee Members, six from Council Members and three from Staff.

A summary of the survey outcomes is provided at Attachment 1. The detailed Survey results are provided at Attachment 2.

Of the 24 metrics that were measured over the last two years, the score for 24 have improved and only 4 reduced. This demonstrates continued strong performance, with improvements across most areas, particularly in strategic risk oversight, internal audit effectiveness, governance, ethics, and stakeholder engagement. Despite minor declines in a

few areas, all results remained above satisfactory levels, confirming the Committee's ongoing effectiveness in providing governance, assurance, and strategic oversight to Council.

The qualitative feedback reflects a highly effective and well-regarded Audit and Risk Committee, with respondents highlighting its strong expertise, independent oversight, governance knowledge, and ability to provide constructive challenge and valuable advice to Council.

The main opportunity for improvement is strengthening engagement and communication with Elected Members to ensure the Committee's work and recommendations are better understood and utilised. Overall, respondents expressed a high level of confidence in the Committee's performance, with few areas requiring significant improvement beyond maintaining a focus on strategic risks, governance, and continuous development.

RECOMMENDATION

That the Audit and Risk Committee:

1. **Receive and note the "Performance Assessment" report; and**
2. **Identifies the following areas for improvement in the Committee's operations over the next 12 months**
   -
   -
   -

Section 1

Table 1

Category		Question	Strongly agree	Agree	Somewhat Agree	Somewhat Disagree	Disagree	Strongly Disagree	Don’ t know	Weighted Score	Last Year Weighted Score	Trend
Roles & responsibilities	2.	The Committee understands its roles and responsibilities well.	6	6						4.50	4.40	↑
	3.	The Committee’s Terms of Reference are clear, comprehensive, and aligned with the Council’s current operating environment.	5	6	1					4.30	4.20	↑
Committee composition	4.	The Committee possesses the necessary skills, competencies and characteristics to effectively fulfill its duties and responsibilities.	9	3						4.75	4.47	↑
Leadership / relationships	5.	The Committee works well in combination with management.	3	7	2					4.08	3.67	↑
Committee meetings and processes	6.	The administration of the Committee (agenda items, distribution of papers, response to business arising etc) is effective.	4	6	2					4.16	4.07	↑
	7.	The information provided to the Committee is adequate, relevant and timely.	3	7	2					4.08	3.86	↑
	8.	Committee members are well-prepared and effectively challenge and ask relevant questions.	3	9						4.25	4.33	↓
	9.	The frequency, duration and format of the Committee meetings is appropriate.	2	9	1					4.08	3.87	↑
	10.	The Committee’s reporting to the Council on its proceedings and recommendations are effective.	2	6	3				1	3.90	3.80	↑
	11.	The Council’s reporting to the Committee on strategic developments, emerging opportunities and risks is effective.	4	6	2					4.16	3.36	↑
Auditors	12.	The relationship between the Committee and the External Auditor is effective.	2	9	1					4.08	3.80	↑
	13.	The relationship between the Committee and the Internal Auditor is effective.	2	7	2				1	4.00	3.70	↑
Communication	14.	The Committee’s communication within the Committee itself is effective.	4	7	1					4.25	4.09	↑
	15.	The Committee’s communication with Council is effective.	2	7	2				1	4.00	3.77	↑
	16.	The Committee’s communication with management is effective.	3	6	3					4.00	3.85	↑
Strategic management	17.	The Committee’s review of Council’s suite of strategic management plans and annual business plan and budget has been effective.	1	10	1					4.00	4.08	↓
Financial and prudential management	18.	The Committee’s review of Council’s financial statements, accounting policies, disclosures and quarterly budget reviews has been effective.	3	9						4.25	4.31	↓
	19.	The Committee’s review of quarterly procurement reports and any prudential reports, business cases or unsolicited proposals has been effective.	4	6	2					4.17	4.00	↑
Risk management	20.	The Committee’s review of Council’s risk management policies, systems, exposures and management of risk has been effective.	2	10						4.16	4.25	↓
Internal audit, internal controls and service reviews	21.	The Committee is satisfied with its capacity to monitor and advise the Council on internal controls, internal audit plan and the effectiveness of significant Council activities.	2	7	1				2	4.10	3.60	↑
	22.	The Committee is satisfied with the external delivery of Council’s internal audit and service review program.	1	4	4				3	3.67	2.90	↑
Other functions	23.	The Committee is satisfied with its capacity to monitor and advise Council on the effectiveness of systems of control related to ethics, integrity and culture.	2	6	1				3	4.11	3.56	↑
Overall	24.	Overall, the Audit and Risk Committee in fulfilling its mandate effectively.	6	6						4.50	4.36	↑
	25.	The recommendations of the Committee provide valuable guidance to Council Members in their deliberations.	8	2	2					4.50	4.44	↑

Observations and comparisons of table 1 data year or year

The annual self-assessment results indicate that the Audit and Risk Committee continues to operate effectively, with overall performance improving compared to the previous year. Most assessment areas recorded higher scores, particularly in strategic risk oversight, internal audit effectiveness, governance, ethics and stakeholder engagement.

Key strengths included Committee composition, overall effectiveness, and the value of Committee recommendations, all of which achieved strong results. Notable improvements were also recorded in Council's reporting on strategic developments and emerging risks, oversight of internal controls, and the delivery of the internal audit program.

While a small number of areas recorded marginal decreases, including strategic planning, financial oversight and risk management review, these results remained positive and above satisfactory performance levels.

Overall, the results reflect a mature and effective Committee that continues to provide strong governance, assurance and strategic oversight to Council.

Section 2

Participants in the survey were provided with an option to make a comment on each question. These are listed below.

7. The information provided to the Committee is adequate, relevant and timely - 1 response was received:

- My rating is based on my personal understanding. Whenever the Committee may request additional information or changes to the way it is presented, my observation has been that these requests are actioned promptly

10. The Committee's reporting to the Council on its proceedings and recommendations are effective - 1 response was received:

- As with any meeting the minutes don't always reflect the valuable information shared in each meeting. Much more valuable information when you can observe the meeting.

14. The Committee's communication within the Committee itself is effective – 1 response was received:

- Communication works best where information is shared and exchanged, free flowing and isn't directive or defensive.

22. The Committee is satisfied with the external delivery of Council's internal audit and service review program – 1 response was received:

- Service Review yet to start.

23. The Committee is satisfied with its capacity to monitor and advise Council on the effectiveness of systems of control related to ethics, integrity and culture – 1 response was received:

- Only the Committee can answer the last few questions

25. The recommendations of the Committee provide valuable guidance to Council Members in their deliberations – 1 response was received:

- Agree it provides valuable guidance, but don't believe Elected Members are utilising the benefits of the Audit and Risk Committee to their full advantage.

Participants in the survey were asked to comment, and where possible, provide examples on a range of questions. These are listed below.

26. Please comment on areas of strength – 12 responses were received:

- None come to mind
- The Committee demonstrates a sound understanding of the operational challenges facing a regional council and provides practical, balanced advice. Members ask insightful questions that promote better decision making without becoming involved in operational matters, allowing management to remain accountable for delivery while benefiting from independent oversight.
- Years of experience in the audit field combined with up to date knowledge provides Council with confidence the advice provided is well informed and considered.
- Committee follows 99% of all guidelines set by both Committees.
- Their understanding of Local Government, and, more recently, a more flexible outlook on how and why it can take time to change direction or introduce more sustainable economic actions and solutions. I hold all Committee members in the highest respect as individuals and in fulfilling their role. I am fully supportive of the Committee.
- I think the Committee have extensive knowledge, great advice and I think the questions they ask are thought provoking.
- One of the Committee's key strengths is its ability to provide independent, constructive challenge to administration. The Committee encourages management to think more strategically, critically assess risks and assumptions, and consider broader governance implications when developing recommendations. Members bring valuable expertise and insights that support robust discussion and improved decision-making.
- Quality of members are of an extremely high standard.
- Good experience in independent members.
- Governance, knowledge and diligence around the meetings and the communication is effective.
- Open and honest and explains things clearly and in a way that is easy to understand.
- Recognising the need for management to cut costs.

27. Please comment on areas requiring improvement – 12 responses were received:

- None come to mind
- An area for improvement may be increased attendance by Elected Members at relevant Audit and Risk Committee meetings. This would enhance understanding of key governance, financial and risk matters and strengthen the connection between the Committee's work and broader Council decision-making. The Committee should also continue to maintain a strong focus on emerging strategic risks and organisational resilience.
- Nil
- N/A
- I cannot identify any
- N/A
- There appears to be an opportunity to strengthen the interface between the Audit and Risk Committee and the broader Council. While the Committee undertakes significant governance and risk oversight responsibilities, this work is not always visible or well understood by all Elected Members. The Elected Member representative could be more effective in facilitating two-way communication, ensuring key risk, governance and assurance matters are understood by Council and that Council perspectives are effectively conveyed back to the Committee. Strengthening this connection would improve governance maturity, transparency and alignment between the Committee and elected body.
- None that I can think of.

- Internal Audit and Risk
- Engagement of Elected Members, or alternate means of engaging Elected Members if day periods are difficult for attendance. Lack of feedback from Council Members at each meeting.
- Unsure
- Ensure and monitor cost reductions.

28. *Please explain where you believe the Committee does/does not add value to the council – 12 responses were received:*

- Financial governance and fiscal accountability are really important to the WCC
- The Committee adds value by providing independent oversight and assurance across risk, governance, financial management and audit activities. I find the Committee's members bring valuable experience and perspective, ask relevant questions and provide constructive challenge that helps strengthen decision making and accountability. An opportunity to further enhance this value would be greater attendance by Elected Members at relevant meetings, which could improve understanding of key risk and governance matters and strengthen the connection between the Committee's work and Council's strategic decision making.
- Nil
- N/A
- The Committee adds value through their combined knowledge, and their desire to work with Council to achieve the outcomes we all seek without reverting to being just an authoritative group overseeing Council to comply with their directives. The members' overall comments, advice and general discussion always add value to Council.
- N/A
- The Committee adds value to Council through its independent oversight, expertise and constructive challenge of administration. It encourages strategic thinking around risk, governance and continuous improvement, helping to strengthen decision making, accountability and organisational performance. An area for improvement is strengthening engagement with the Elected Members as the Committee's work and value may not always be well understood by all Elected Members.
- Refer to #26 – add value
- Not applicable
- This risk to be run is that the ARC becomes overly bureaucratic, politically driven, or focused entirely on backward looking compliance rather than forward looking strategy. At the current time I see that the ARC provides value by acting as an independent, objective party that provides guidance on improving governance, finances and manages risk and presents a well-rounded view outside of the sphere of local government. At the present time, the value is in the conversation and relationships. I believe there is a good balance between looking at past compliance, and where council wants to be.
- Unsure
- X

29. *How can the Committee improve its performance? what are some example development activities that would benefit the Committee? – 12 responses were received:*

- Maybe appear as a team at a Council meeting every 6 months.
- The Committee performs well and could further enhance its effectiveness through ongoing governance and risk management development, along with a continued focus on emerging and strategic risks. I also believe greater attendance by Elected Members at relevant meetings would strengthen understanding of the Committee's role and the key issues facing Council. Any improvements are largely about building on the Committee's existing strengths rather than addressing significant shortcomings.
- Nil
- N/A
- I cannot identify any.
- N/A

- Overall, the Committee is highly capable and skilled. The greatest opportunity for improvement lies in strengthening strategic engagement, broadening discussions beyond financial matters where appropriate and enhancing the connection between the Committee and the elected body.
- None that I can think of
- Nothing
- Skill building workshops; run targeted training sessions on specific duties such as reading financial statements, governance updates, or stakeholder engagement. Mentorship pairing; connect newer members with experienced peers to build confidence and share institutional knowledge. External briefings; invite outside advisors or specialists to present on major industry trends or regulatory change.
- More interaction with Elected Members
- Push more strongly for management to achieve cost reductions.

30. *Do you believe the Committee's terms of reference require any changes, and if so, in what areas? – 12 responses were received:*

- No
- No
- Nil
- N/A
- Nothing to add here
- N/A
- The ToRs were updated in 2026 to accommodate the option for a greater degree of free flowing discussion at meetings.
- No
- Nothing
- Nil
- No
- Nil

31. *What could the Council Administration do MORE and/or LESS of in the context of the Committee fulfilling its mandate? – 12 responses were received:*

- Take on more of the advice.
- From my perspective, Council Administration provides the Committee with good information and support. Continued focus on concise, strategic reporting and open communication around key risks and issues will help the Committee remain effective. Overall, I believe the current level of support is appropriate, with the focus being on maintaining the strong working relationship and transparency that already exists.
- Nil
- N/A
- Not so much what Council Administration could do, but the Elected Member rep could speak to the Committee's minutes when presented at a Council meeting for adoption and highlight specific points of interest – also encourage EMs to ensure they have actually read each agenda and minutes. Once the agenda is out the EM rep could encourage feedback and/or questions from the Ems for him/her to raise at Committee meetings.
- Happy to hear from Committee on this.
- Seek advice from the Committee on this.
- Nothing
- Nothing
- Nil
- Unsure
- Heed the warnings on costs and work more strongly to reduce them.

32. Is the Audit and Risk Committee satisfied with its level of remuneration? If no, what do you this is a reasonable level of remuneration? – 12 responses were received:

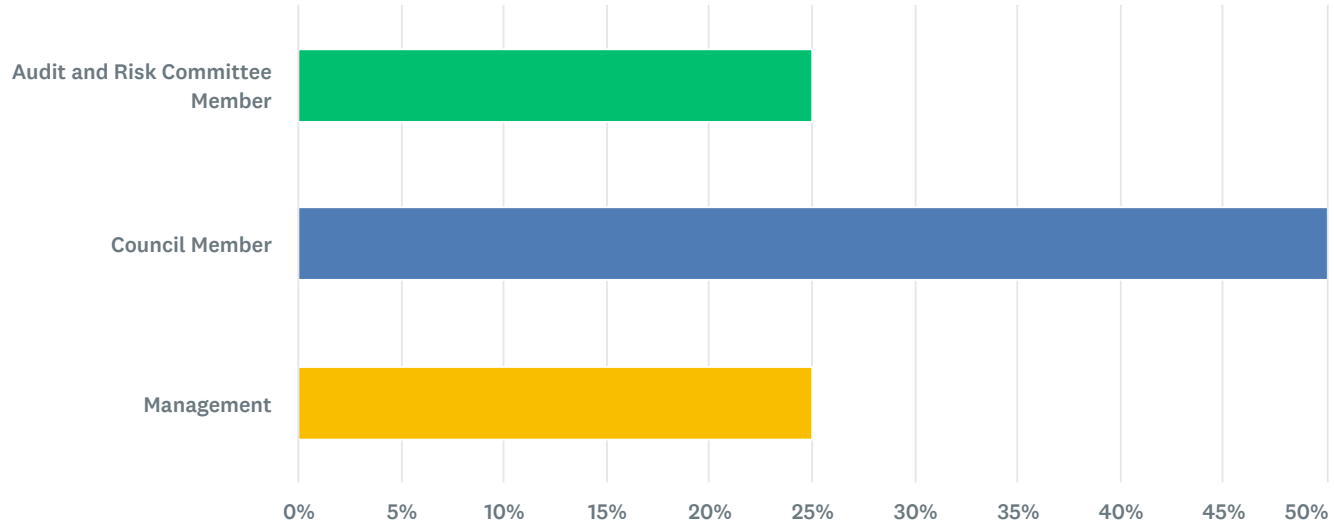
- Unsure
- I am unsure what they receive
- Not sure
- N/A
- Unable to answer this question
- ?
- Committee to advise
- N/A
- Yes
- N/A
- Unsure
- X

33. Any other comments? – 12 responses were received:

- No
- Nil
- No
- Nil
- No, other than very happy with the current Committee's performance
- No
- Nil
- No
- No
- Nil
- No
- X

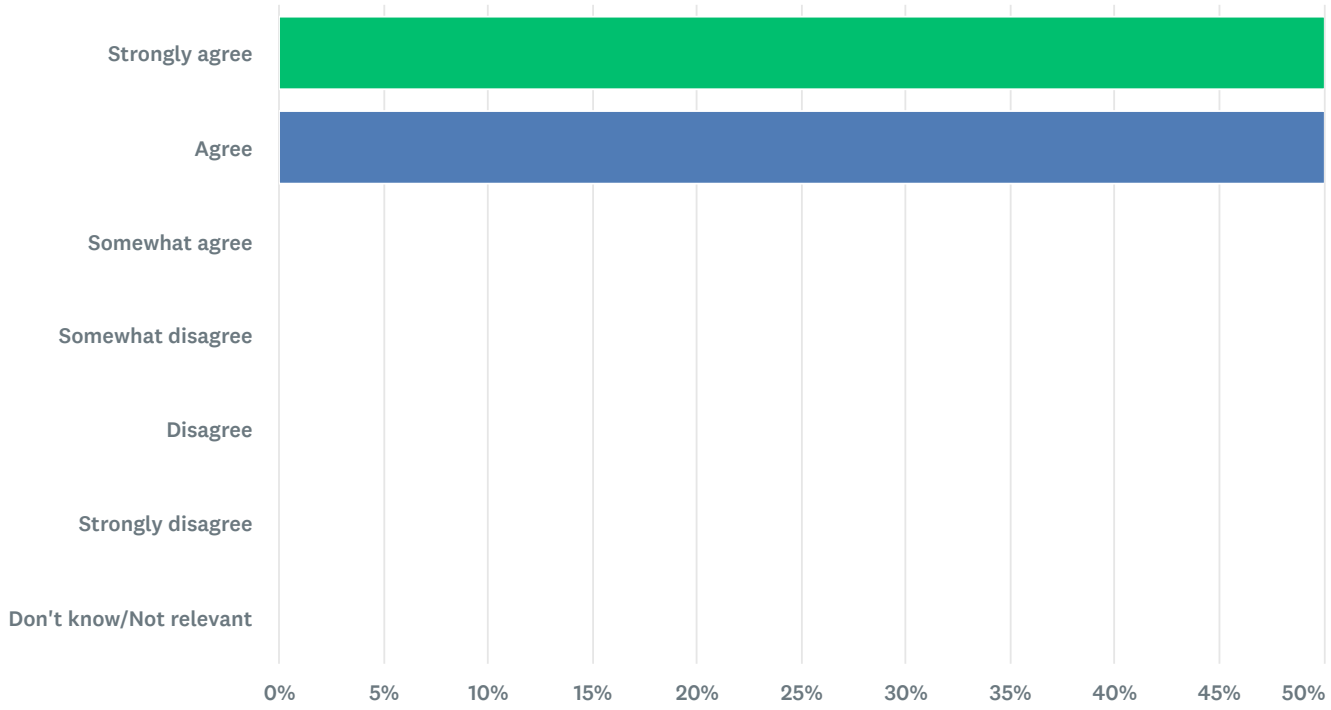
Q1 12 responses

Please select one option



Q2 12 responses

The Committee understands its roles and responsibilities well.

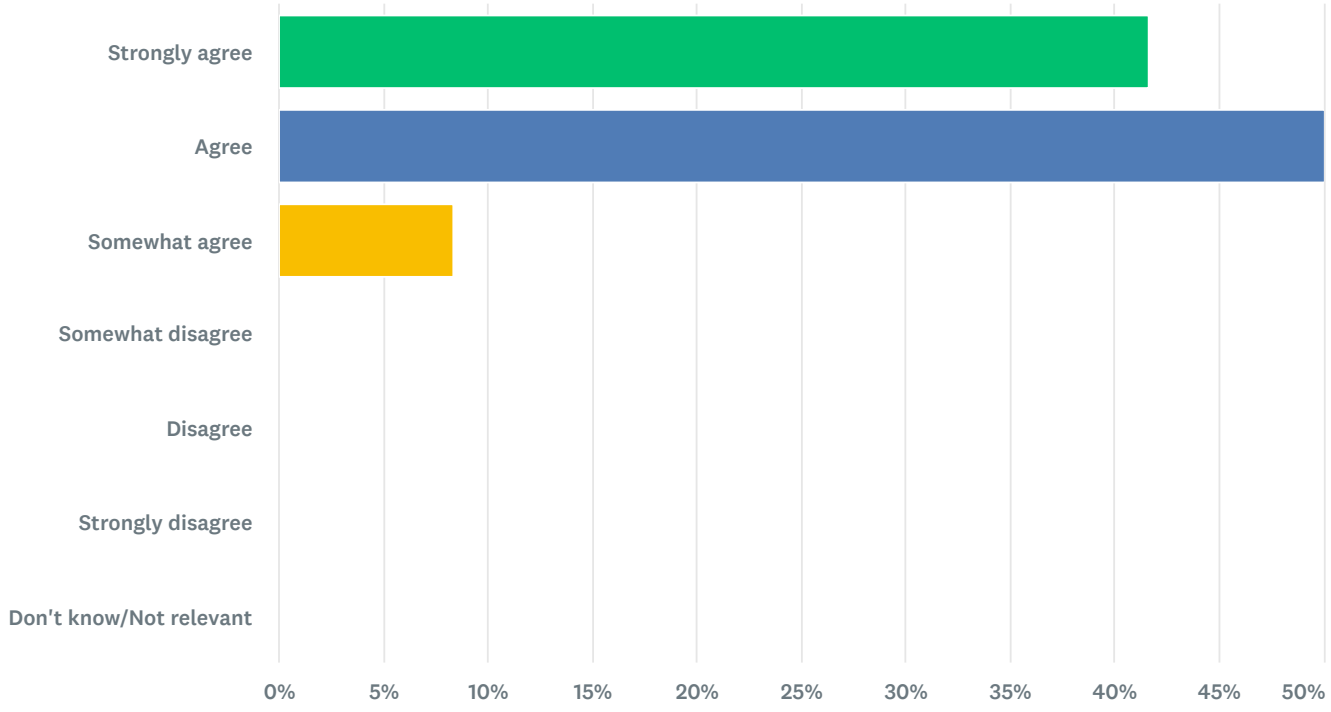


Answer Choices	Percentage	Responses
Strongly agree	50.00%	6
Agree	50.00%	6
Somewhat agree	0%	0
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q3 12 responses

The Committee's Terms of Reference are clear, comprehensive and aligned with the Council's current operating environment.

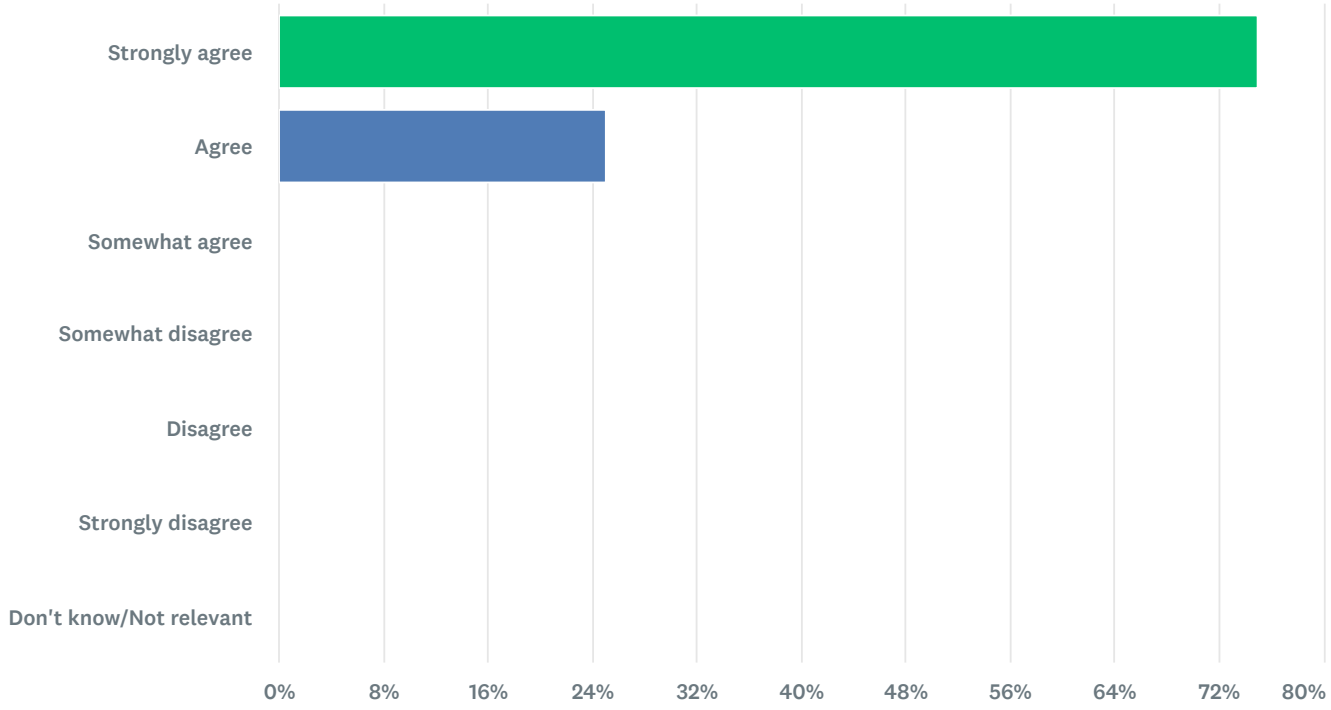


Answer Choices	Percentage	Responses
Strongly agree	41.67%	5
Agree	50.00%	6
Somewhat agree	8.33%	1
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q4 12 responses

The Committee possesses the necessary skills, competencies and characteristics to effectively fulfill its duties and responsibilities.

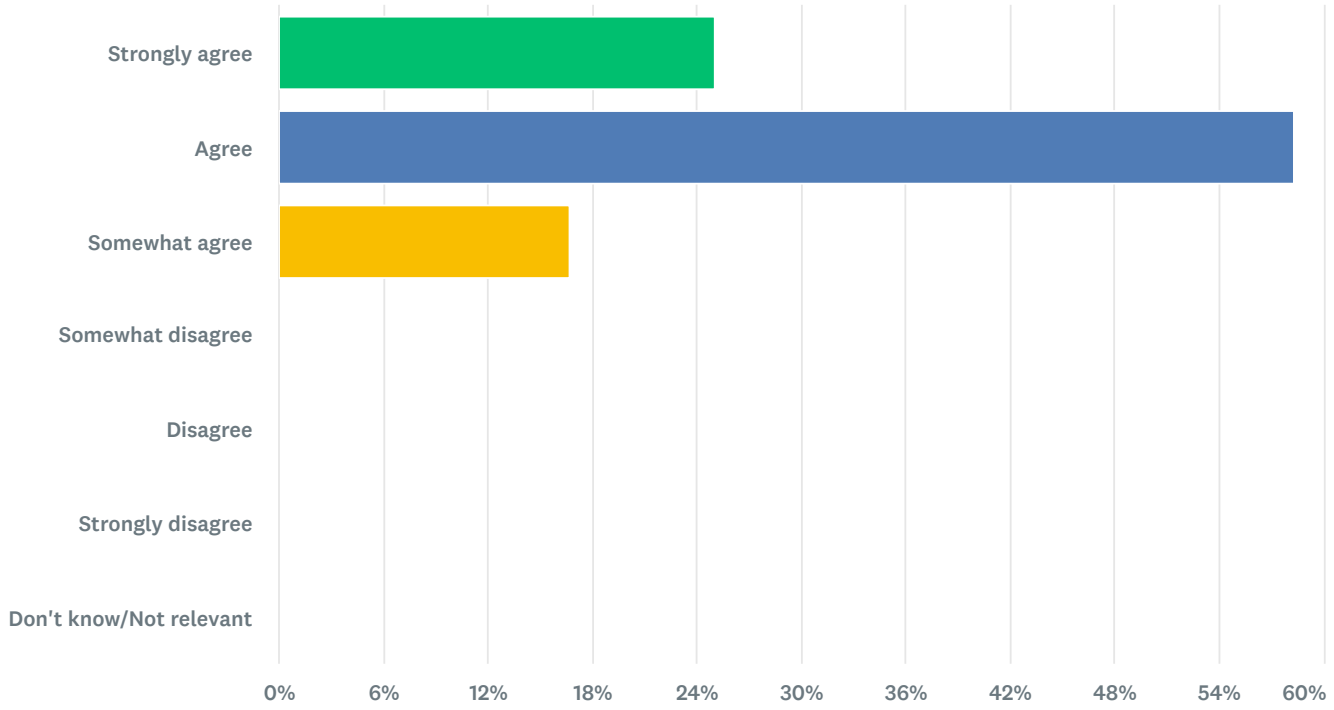


Answer Choices	Percentage	Responses
Strongly agree	75.00%	9
Agree	25.00%	3
Somewhat agree	0%	0
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q5 12 responses

The Committee works well in combination with management.

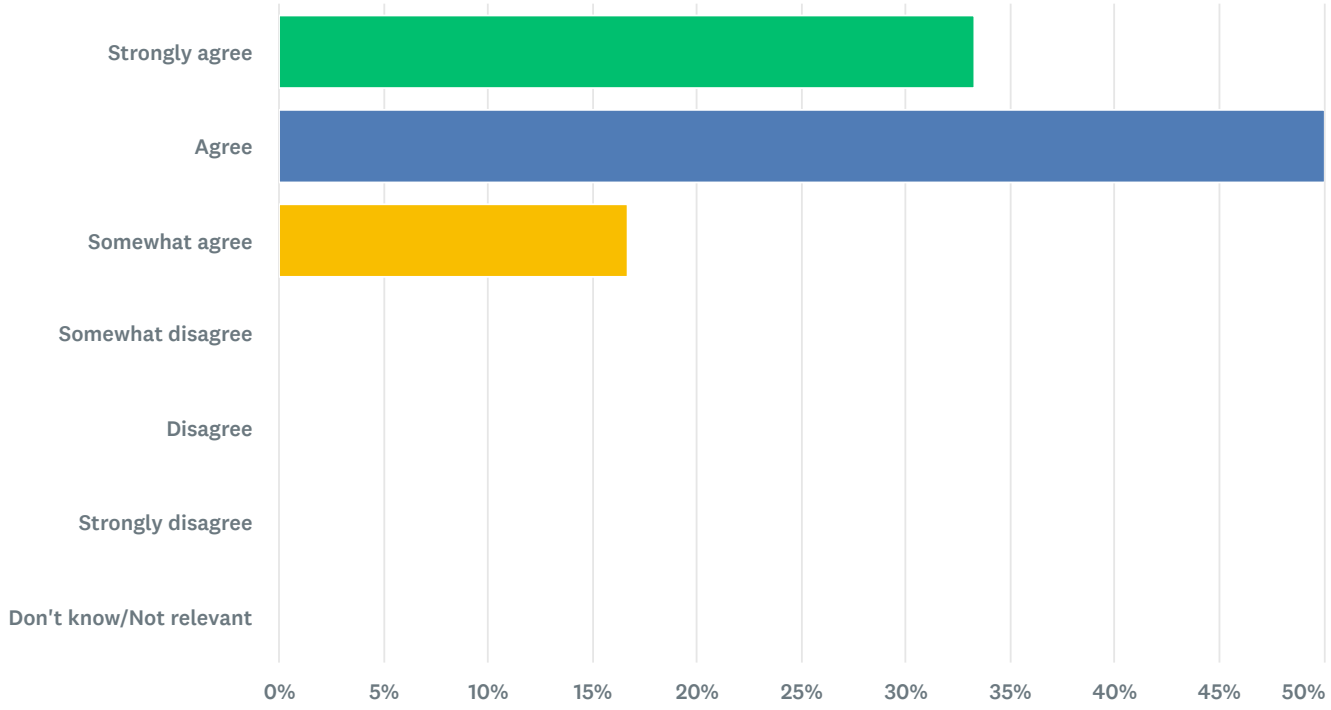


Answer Choices	Percentage	Responses
Strongly agree	25.00%	3
Agree	58.33%	7
Somewhat agree	16.67%	2
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q6 12 responses

The administration of the Committee (agenda items, distribution of papers, response to business arising etc) is effective.

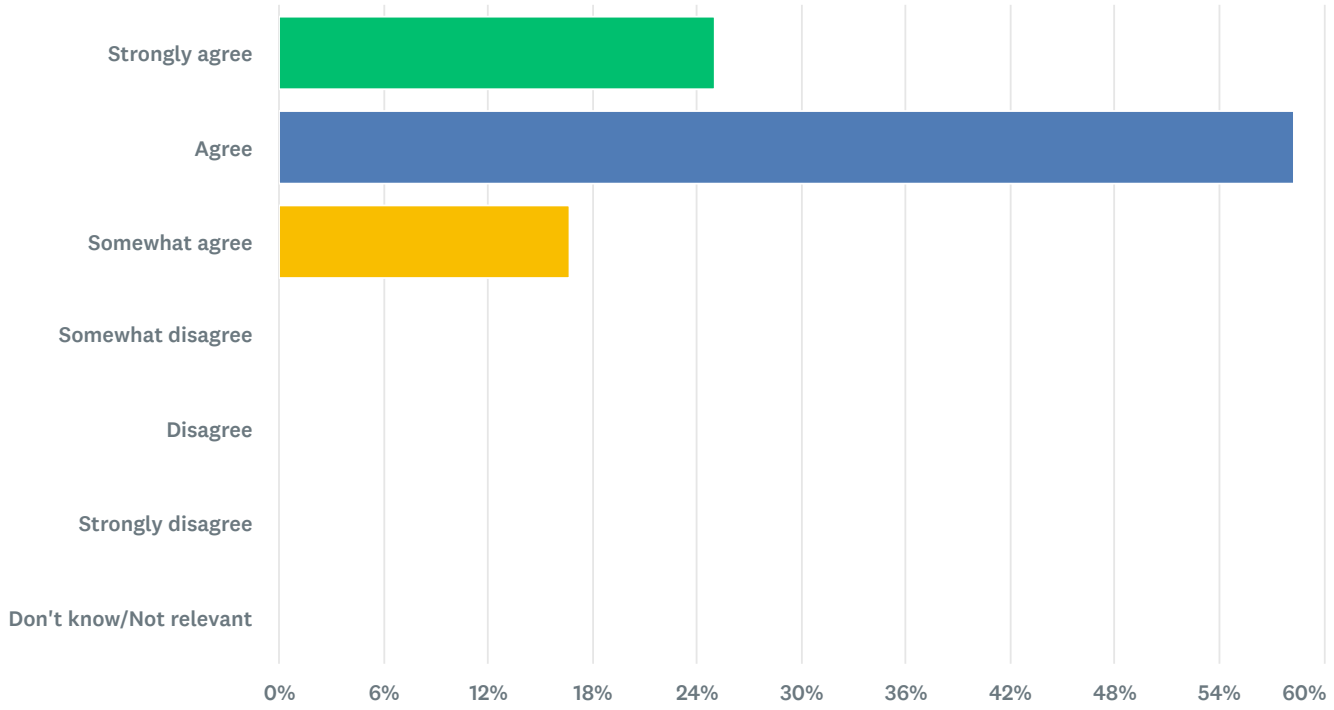


Answer Choices	Percentage	Responses
Strongly agree	33.33%	4
Agree	50.00%	6
Somewhat agree	16.67%	2
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q7 12 responses

The information provided to the Committee is adequate, relevant and timely.

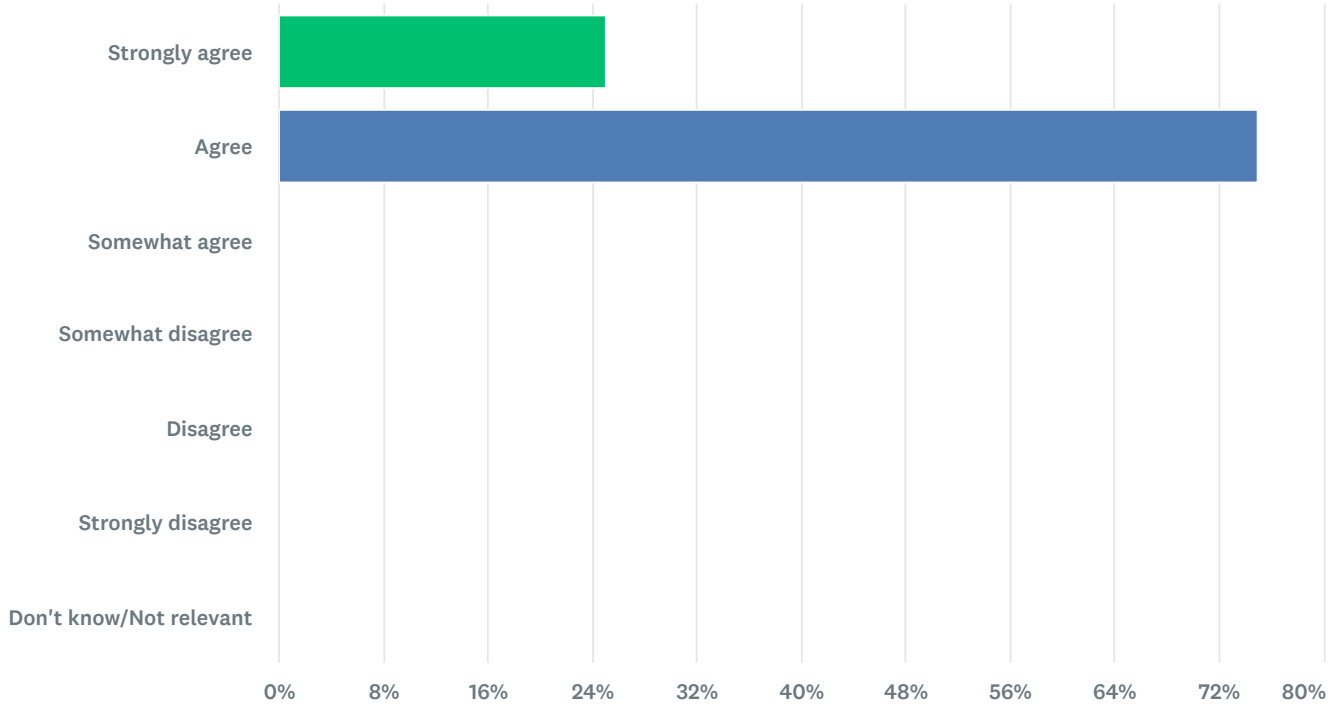


Answer Choices	Percentage	Responses
Strongly agree	25.00%	3
Agree	58.33%	7
Somewhat agree	16.67%	2
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
1	My rating is based on my personal understanding. Whenever the committee may request additional information or changes to the way it is presented, my observation has been that these requests are actioned promptly.	9/22/2026 2:40 PM

Q8 12 responses

Committee members are well-prepared and effectively challenge and ask relevant questions.

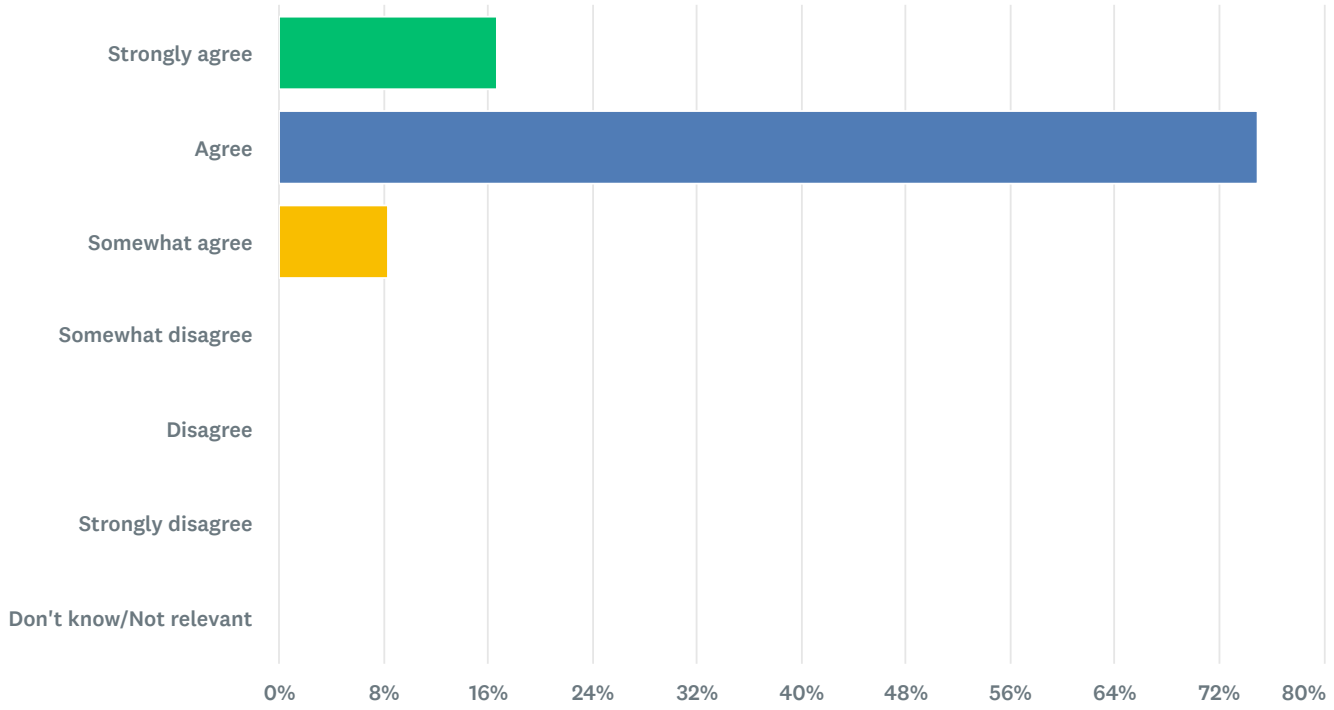


Answer Choices	Percentage	Responses
Strongly agree	25.00%	3
Agree	75.00%	9
Somewhat agree	0%	0
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q9 12 responses

The frequency, duration and format of the Committee meetings is appropriate.

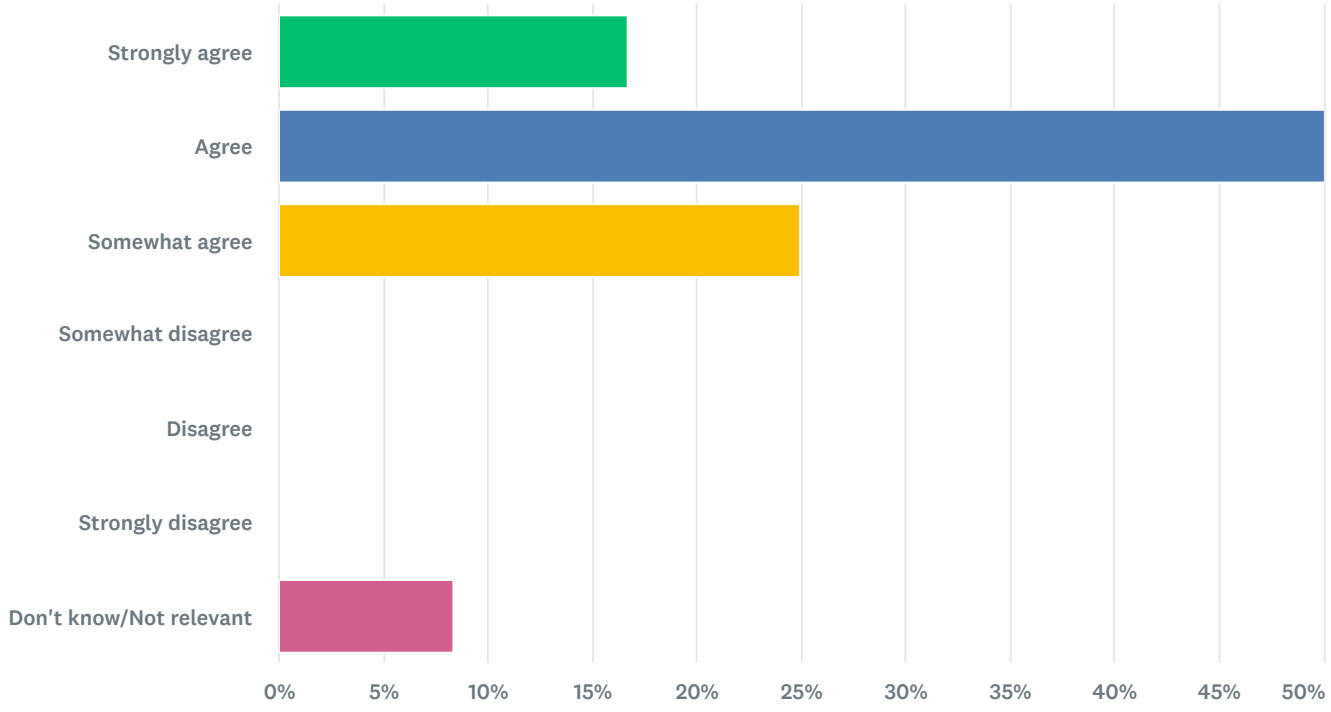


Answer Choices	Percentage	Responses
Strongly agree	16.67%	2
Agree	75.00%	9
Somewhat agree	8.33%	1
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q10 12 responses

The Committee's reporting to the Council on its proceedings and recommendations are effective.

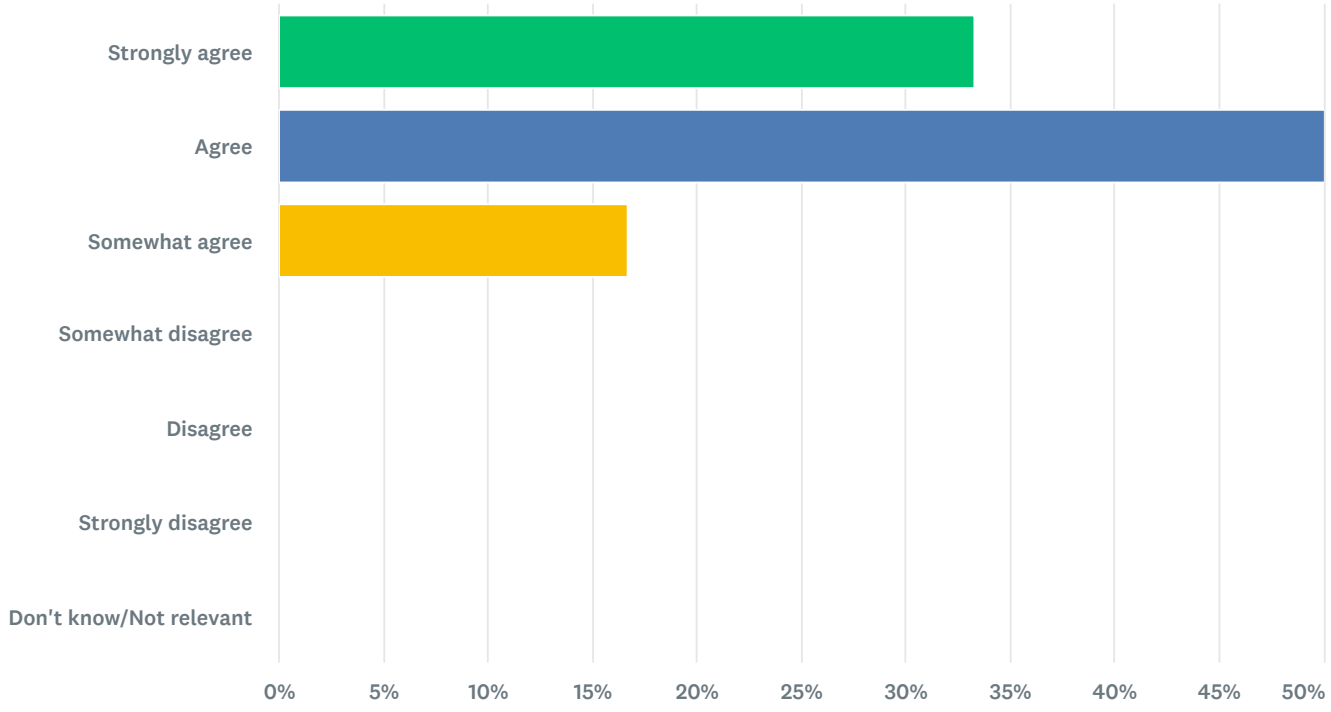


Answer Choices	Percentage	Responses
Strongly agree	16.67%	2
Agree	50.00%	6
Somewhat agree	25.00%	3
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	8.33%	1
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
1	as with any meeting the minutes don't always reflect the valuable information shared in each meeting. Much more valuable information when you can observe the meeting.	9/20/2026 12:18 PM

Q11 12 responses

The Council's reporting to the Committee on strategic developments, emerging opportunities and risks is effective.

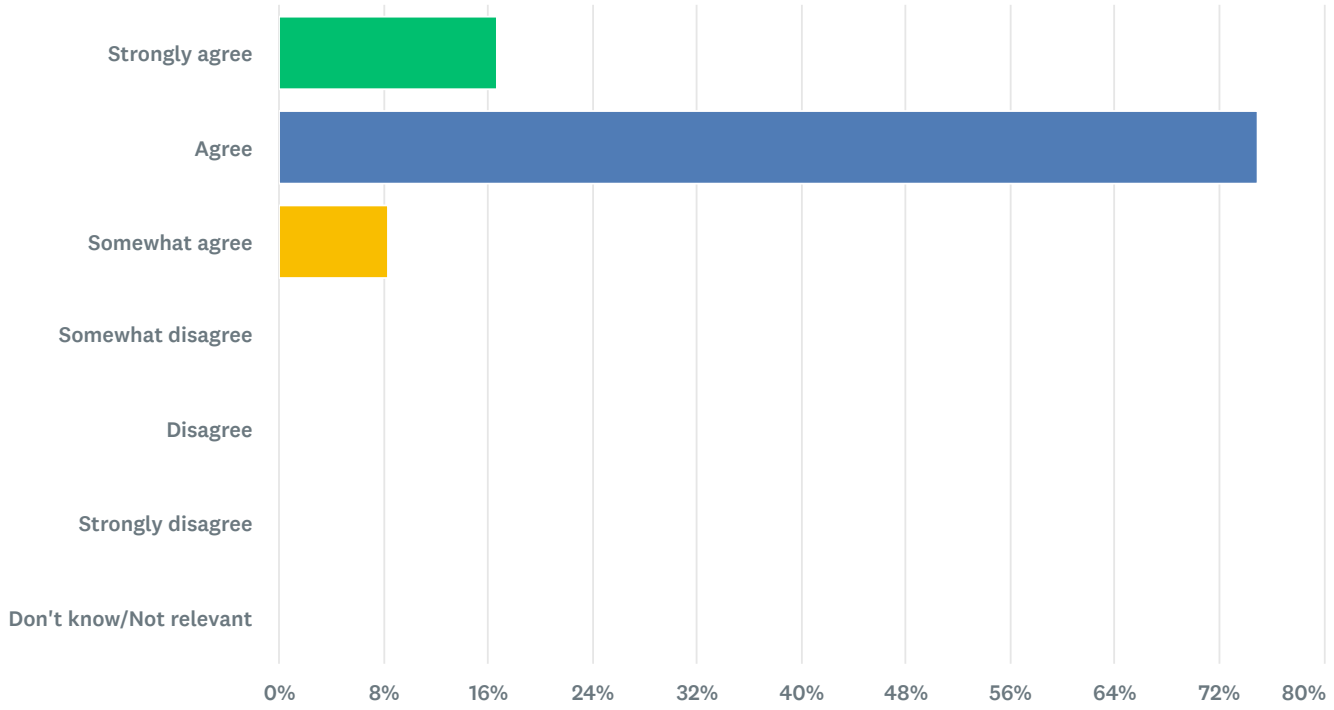


Answer Choices	Percentage	Responses
Strongly agree	33.33%	4
Agree	50.00%	6
Somewhat agree	16.67%	2
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q12 12 responses

The relationship between the Committee and the External Auditor is effective.

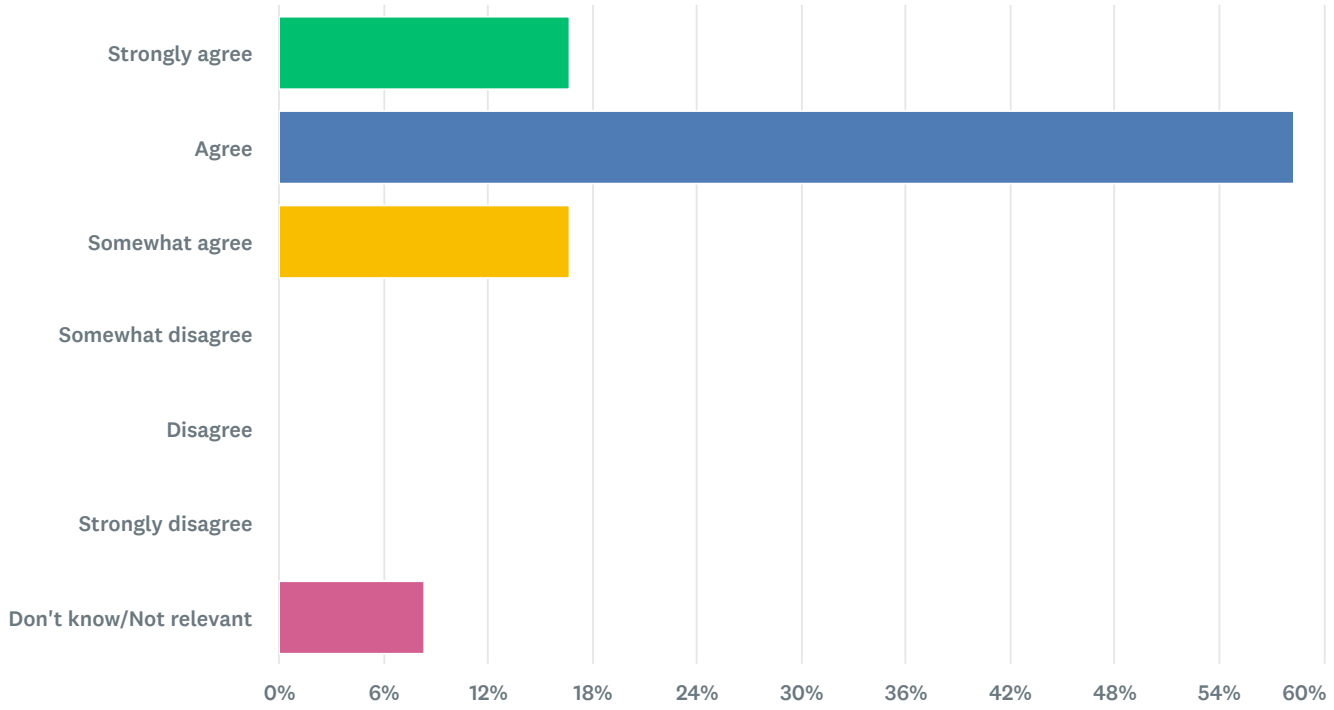


Answer Choices	Percentage	Responses
Strongly agree	16.67%	2
Agree	75.00%	9
Somewhat agree	8.33%	1
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q13 12 responses

The relationship between the Committee and the Internal Auditor is effective.

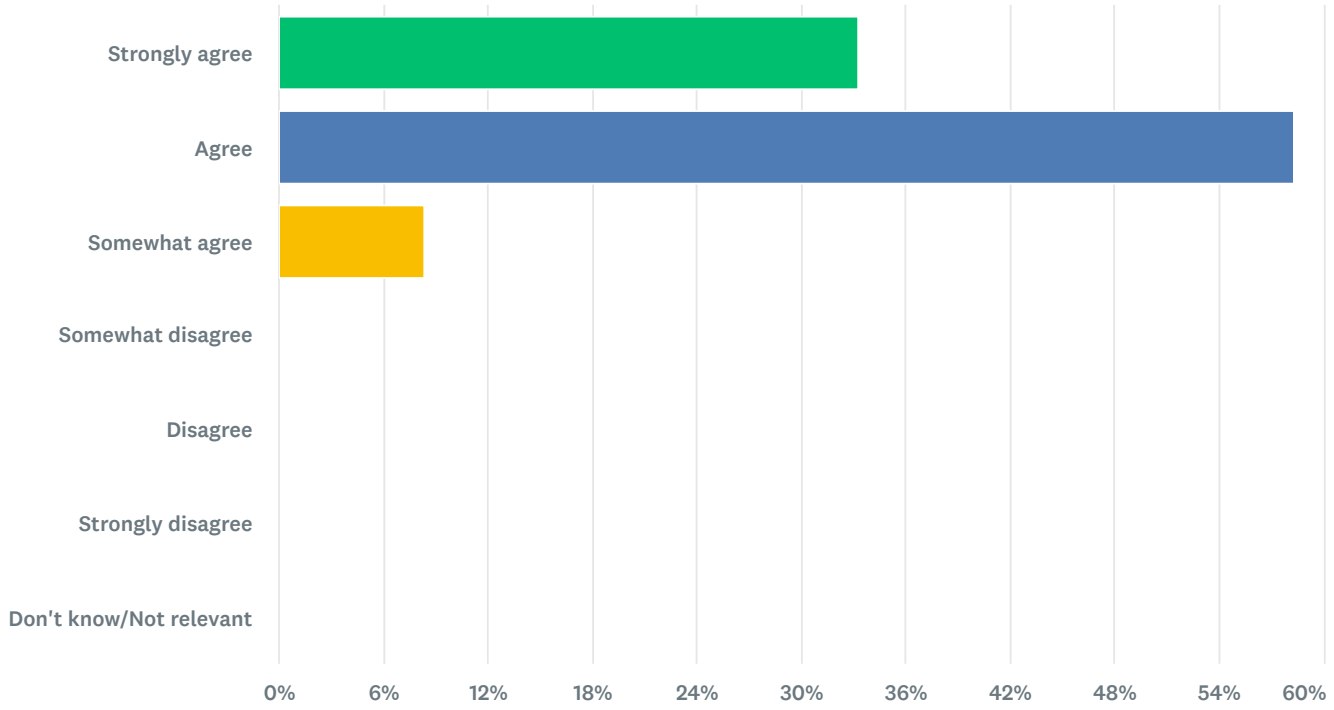


Answer Choices	Percentage	Responses
Strongly agree	16.67%	2
Agree	58.33%	7
Somewhat agree	16.67%	2
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	8.33%	1
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q14 12 responses

The Committee's communication within the Committee itself is effective.

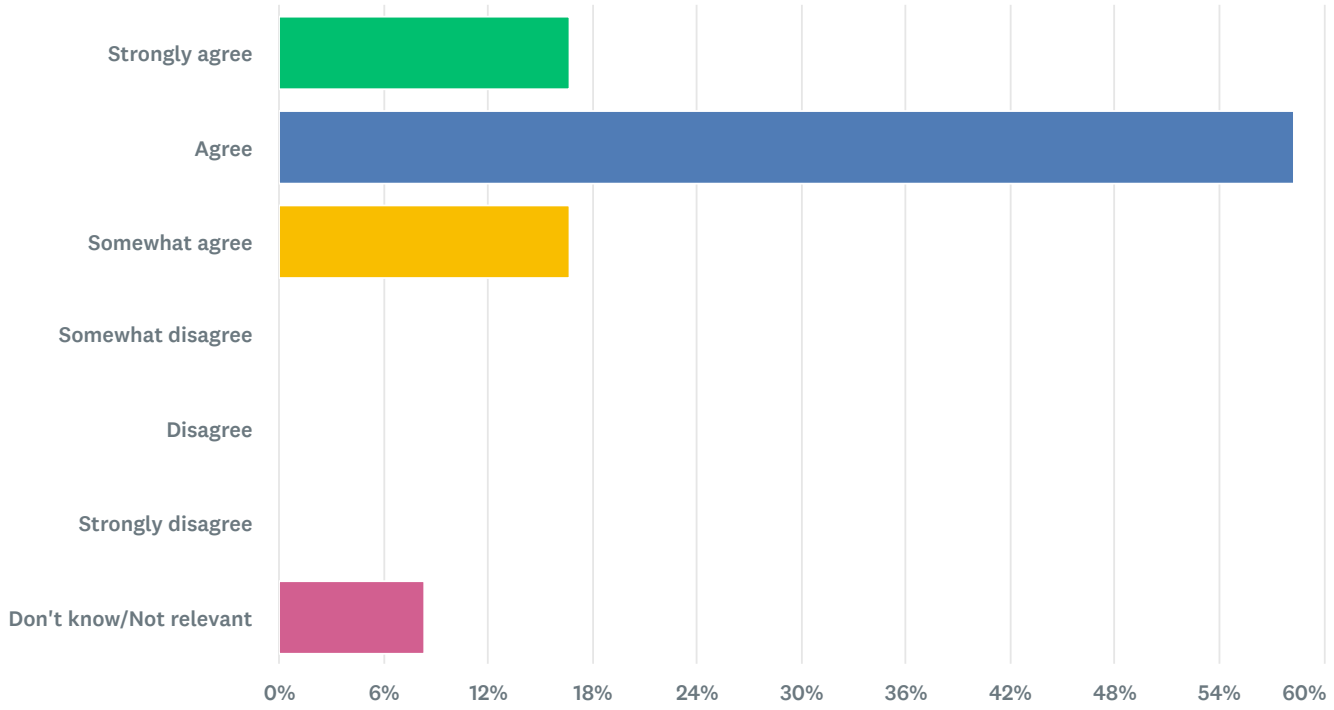


Answer Choices	Percentage	Responses
Strongly agree	33.33%	4
Agree	58.33%	7
Somewhat agree	8.33%	1
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
1	Communications works best where information is shared and exchanged, free flowing and isn't directive or defensive.	9/15/2026 1:26 PM

Q15 12 responses

The Committee's communication with Council is effective.

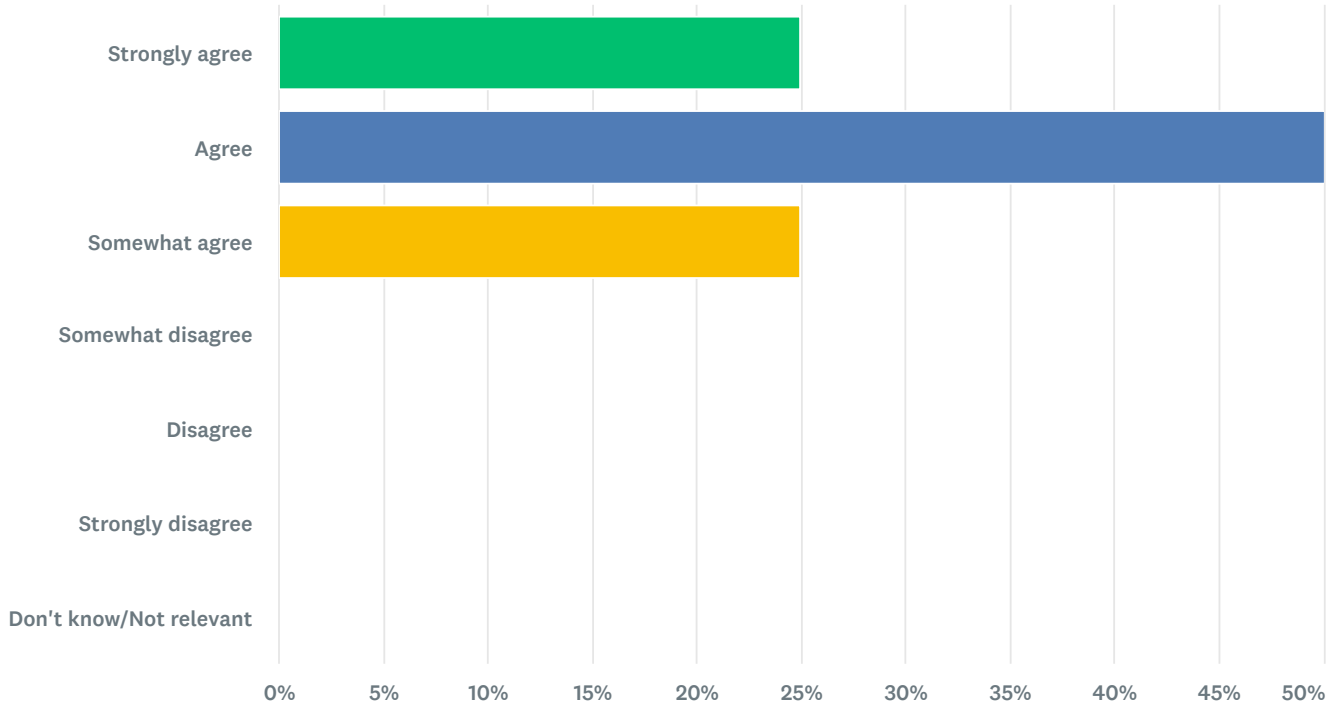


Answer Choices	Percentage	Responses
Strongly agree	16.67%	2
Agree	58.33%	7
Somewhat agree	16.67%	2
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	8.33%	1
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q16 12 responses

The Committee's communication with management is effective.

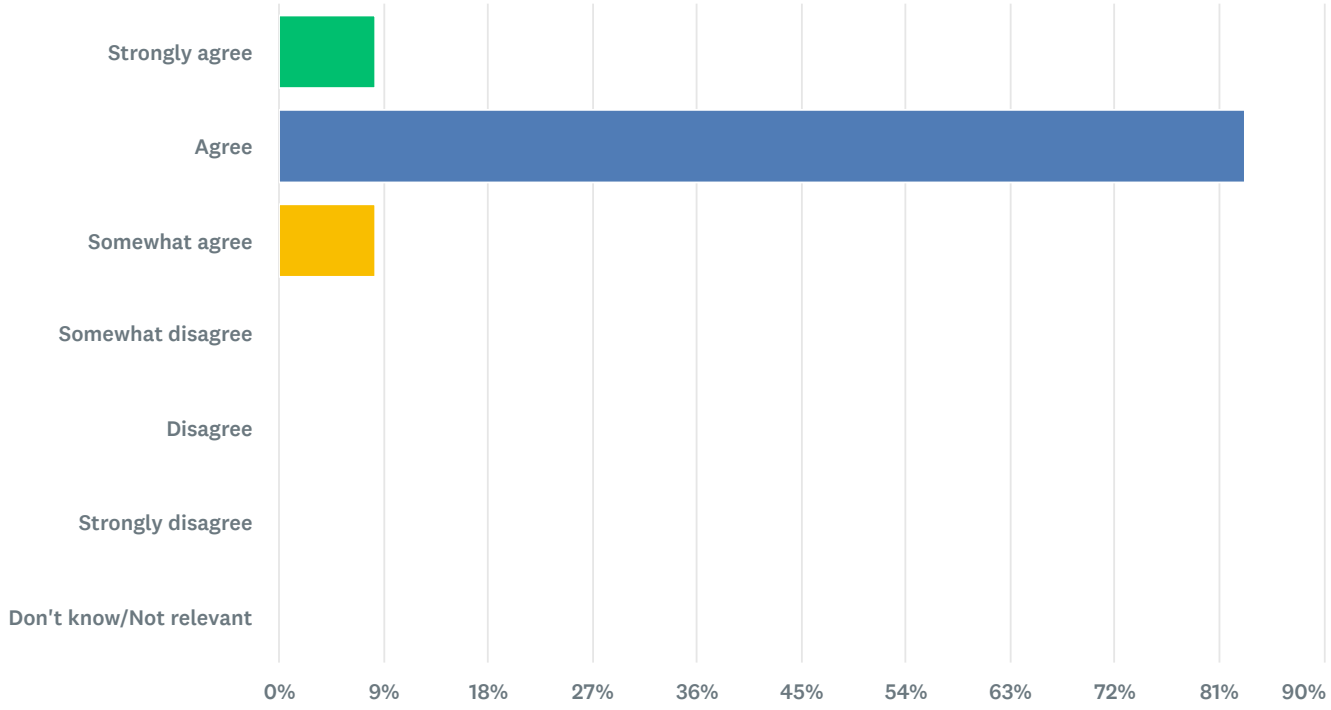


Answer Choices	Percentage	Responses
Strongly agree	25.00%	3
Agree	50.00%	6
Somewhat agree	25.00%	3
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q17 12 responses

The Committee's review of Council's suite of strategic management plans and annual business plan and budget has been effective.

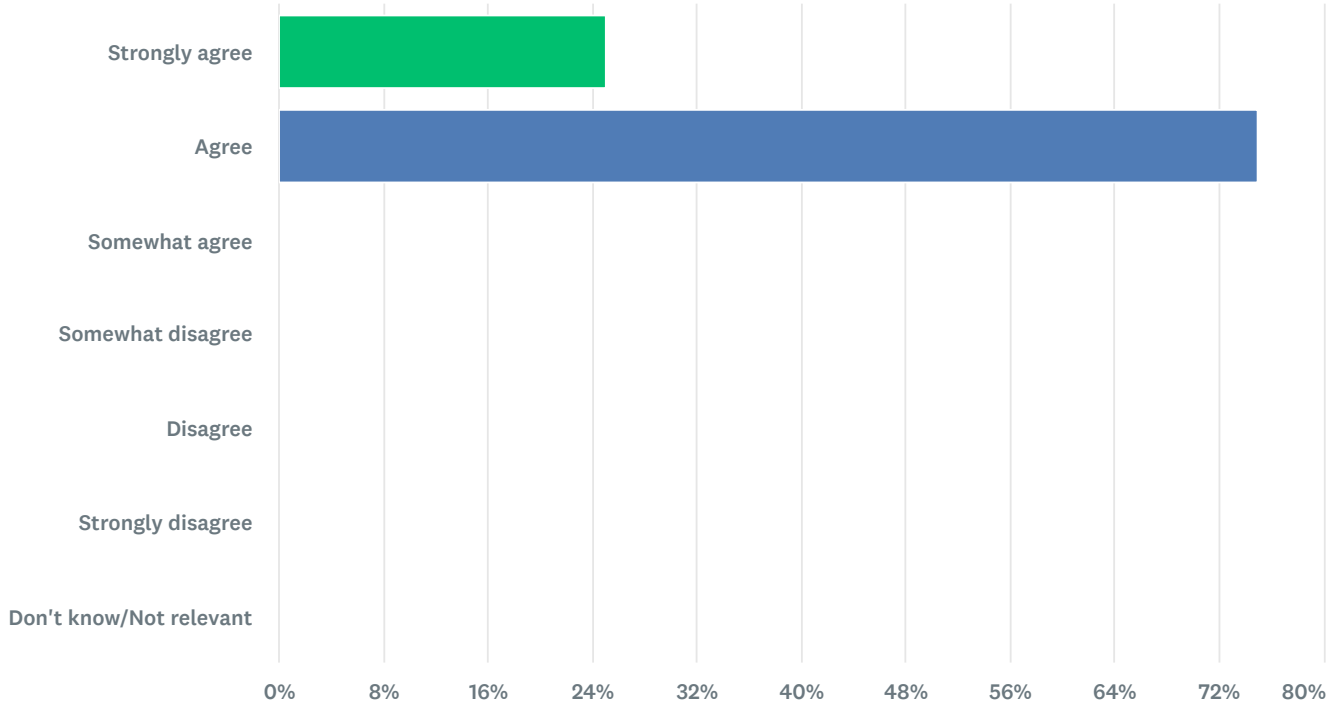


Answer Choices	Percentage	Responses
Strongly agree	8.33%	1
Agree	83.33%	10
Somewhat agree	8.33%	1
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q18 12 responses

The Committee's review of Council's financial statements, accounting policies, disclosures and quarterly budget reviews has been effective.

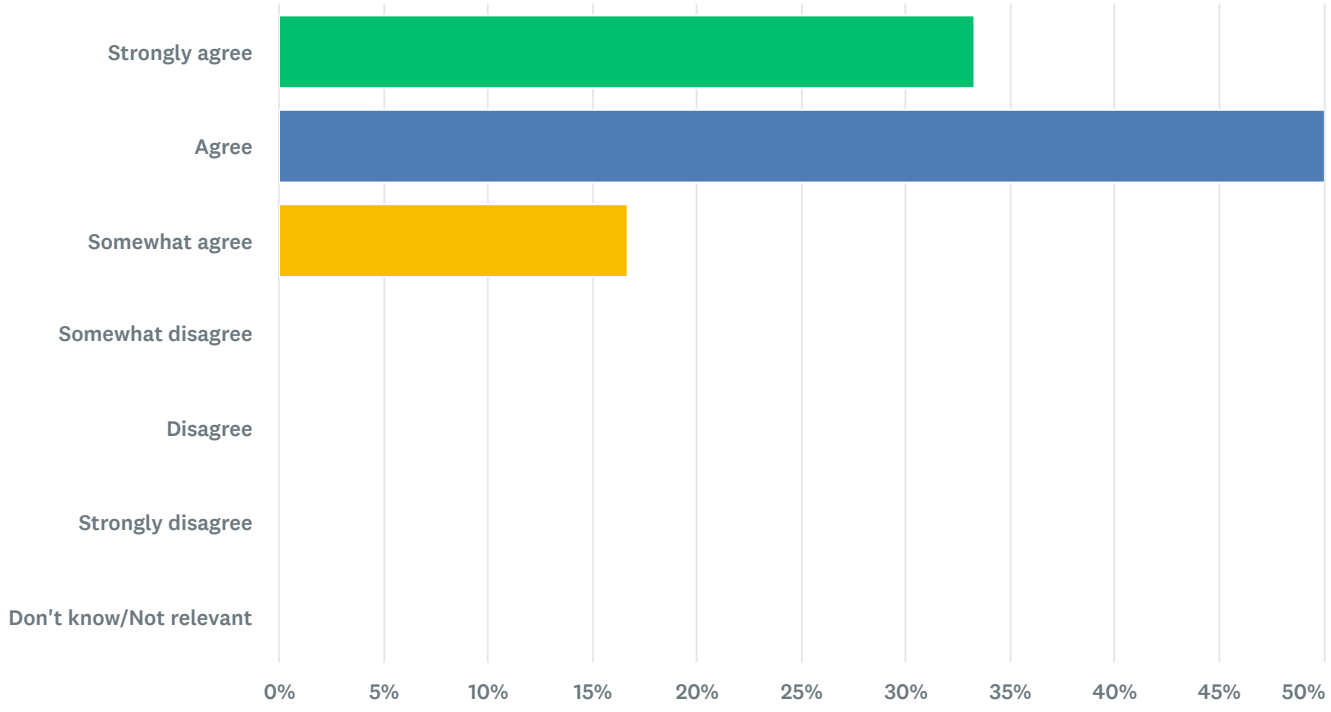


Answer Choices	Percentage	Responses
Strongly agree	25.00%	3
Agree	75.00%	9
Somewhat agree	0%	0
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q19 12 responses

The Committee's review of quarterly procurement reports and any prudential reports, business cases or unsolicited proposals has been effective.

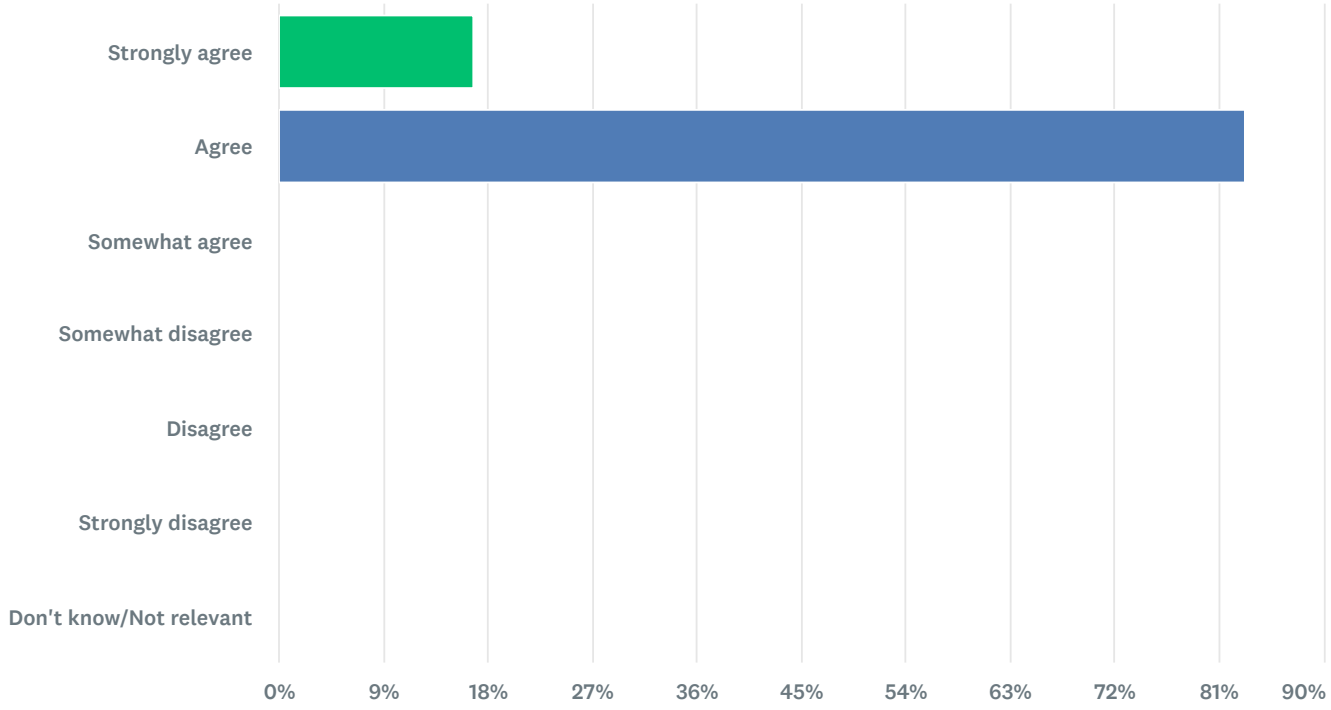


Answer Choices	Percentage	Responses
Strongly agree	33.33%	4
Agree	50.00%	6
Somewhat agree	16.67%	2
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q20 12 responses

The Committee's review of Council's risk management policies, systems, exposures and management of risk has been effective.

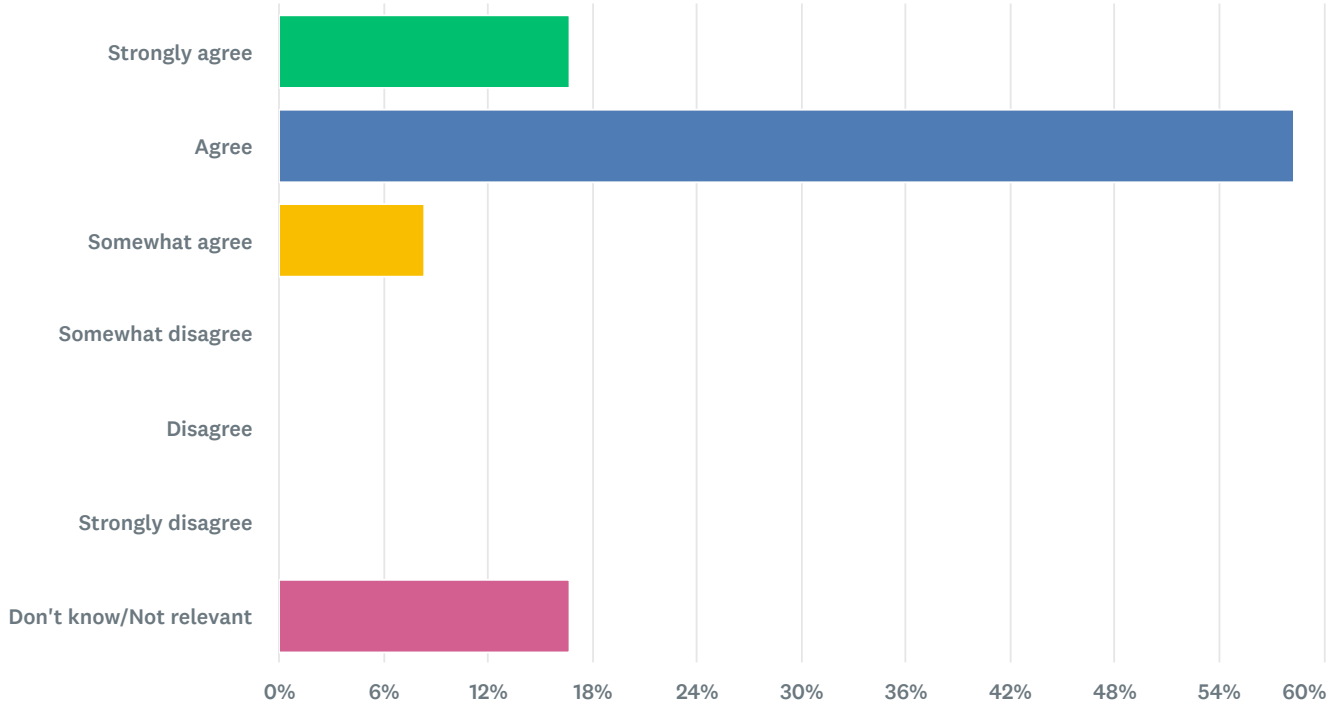


Answer Choices	Percentage	Responses
Strongly agree	16.67%	2
Agree	83.33%	10
Somewhat agree	0%	0
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q21 12 responses

The Committee is satisfied with its capacity to monitor and advise the Council on internal controls, internal audit plan and the effectiveness of significant Council activities.

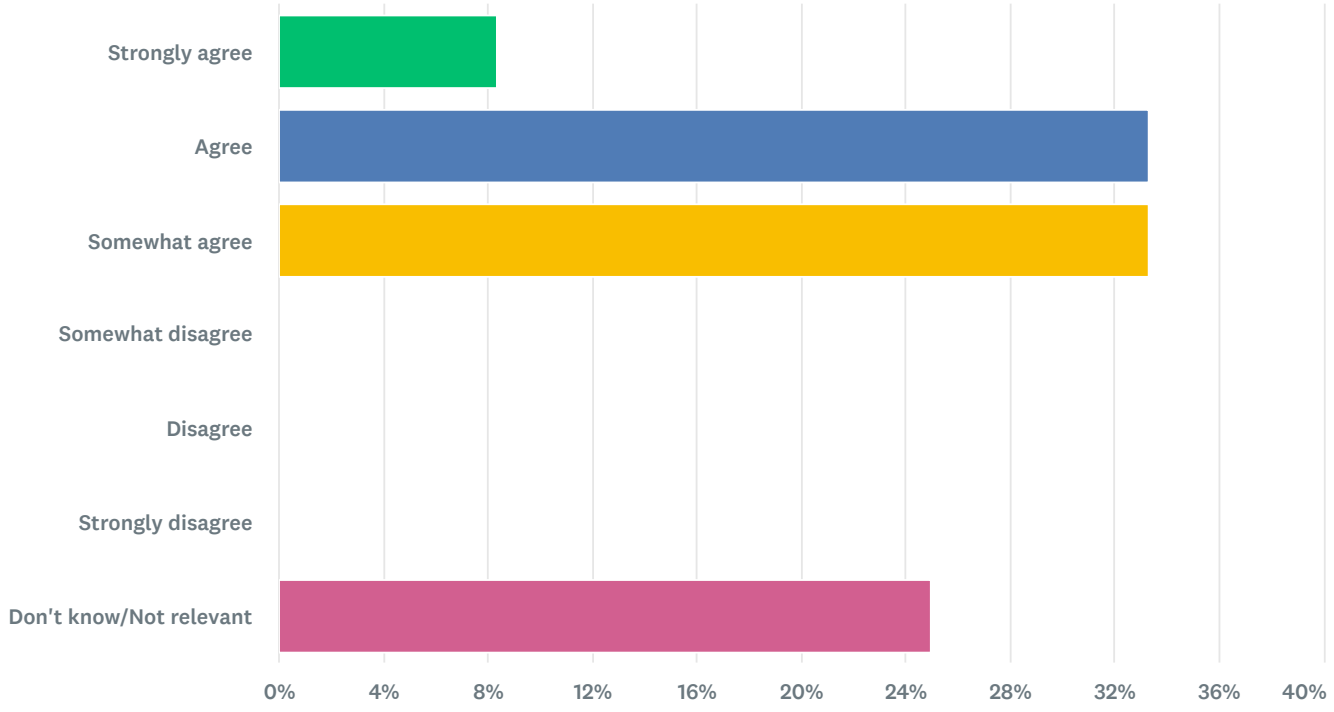


Answer Choices	Percentage	Responses
Strongly agree	16.67%	2
Agree	58.33%	7
Somewhat agree	8.33%	1
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	16.67%	2
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q22 12 responses

The Committee is satisfied with the external delivery of Counci's internal audit and service review program

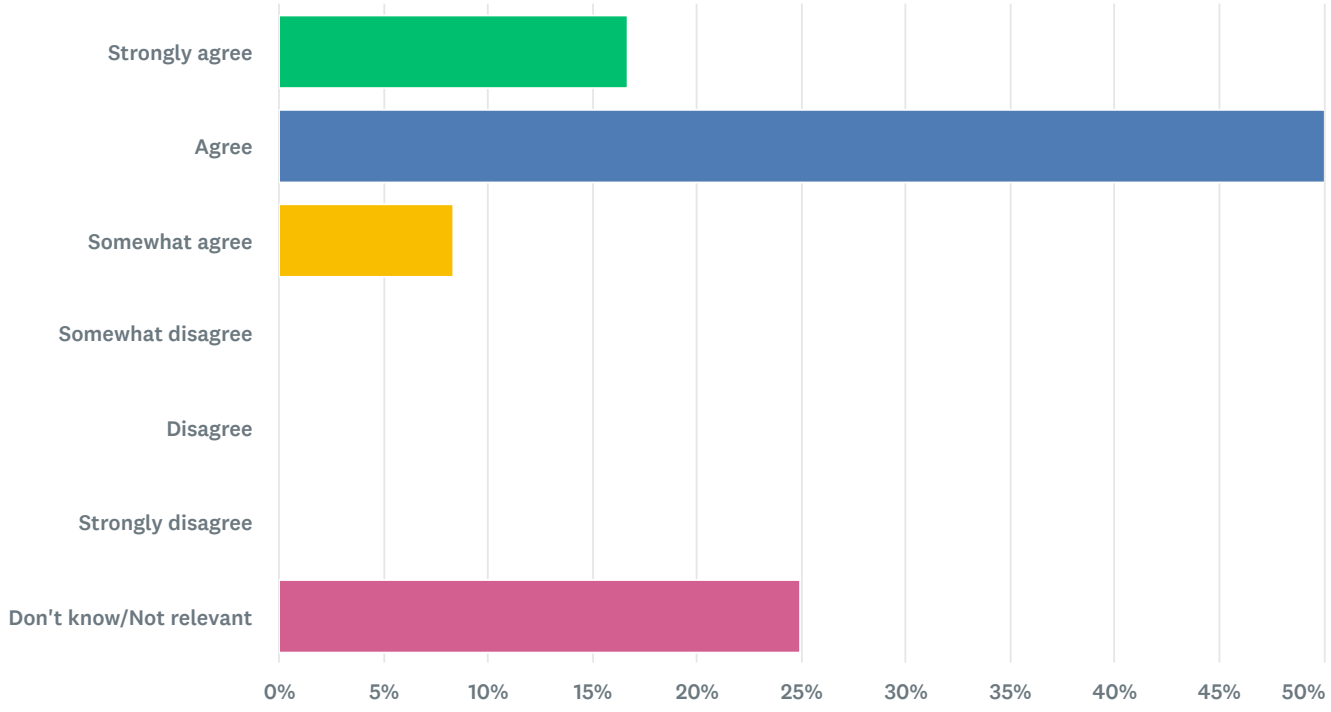


Answer Choices	Percentage	Responses
Strongly agree	8.33%	1
Agree	33.33%	4
Somewhat agree	33.33%	4
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	25.00%	3
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
1	Service review yet to start	9/16/2026 5:24 PM

Q23 12 responses

The Committee is satisfied with its capacity to monitor and advise Council on the effectiveness of systems of control related to ethics, integrity and culture.

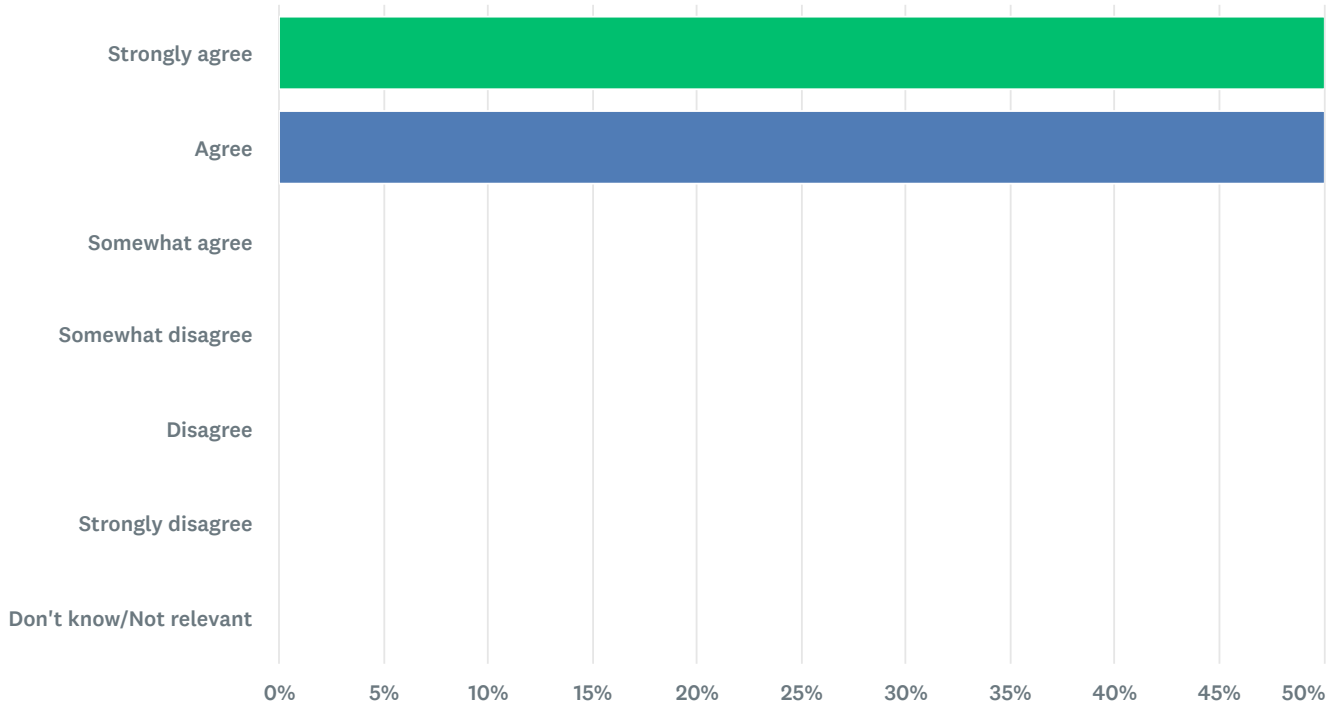


Answer Choices	Percentage	Responses
Strongly agree	16.67%	2
Agree	50.00%	6
Somewhat agree	8.33%	1
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	25.00%	3
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
1	only the committee can answer the last few questions	9/20/2026 12:23 PM

Q24 12 responses

Overall, the Audit and Risk Committee is fulfilling its mandate effectively.

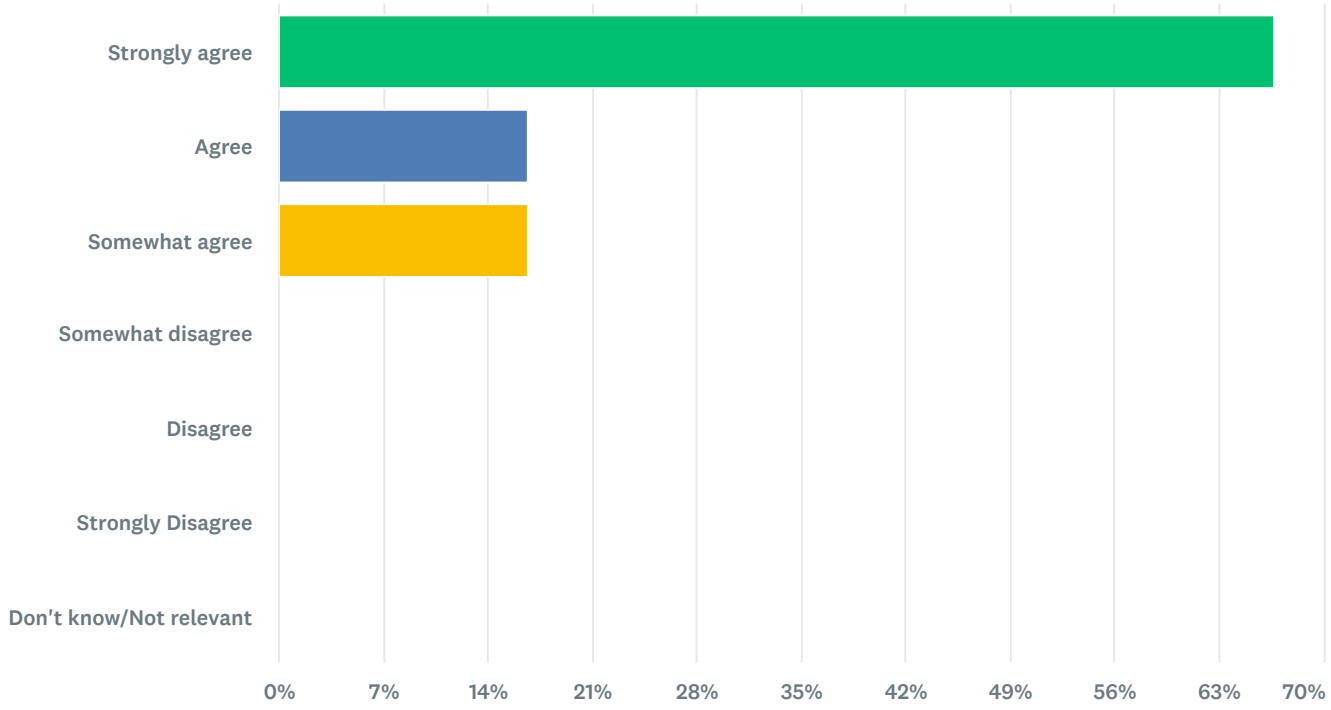


Answer Choices	Percentage	Responses
Strongly agree	50.00%	6
Agree	50.00%	6
Somewhat agree	0%	0
Somewhat disagree	0%	0
Disagree	0%	0
Strongly disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q25 12 responses

The recommendations of the Committee provide valuable guidance to Council Members in their deliberations.



Answer Choices	Percentage	Responses
Strongly agree	66.67%	8
Agree	16.67%	2
Somewhat agree	16.67%	2
Somewhat disagree	0%	0
Disagree	0%	0
Strongly Disagree	0%	0
Don't know/Not relevant	0%	0
Total		**12**

#	OTHER (PLEASE SPECIFY)	DATE
1	Agree it provides valuable guidance, but don't believe Elected Members are utilising the benefits of the Audit and Risk Committee to their full advantage.	9/15/2026 1:27 PM

Q26 Please comment on areas of strength

Answered: 12 Skipped: 0

#	RESPONSES	DATE
1	None come to mind	9/28/2026 9:18 AM
2	The Committee demonstrates a sound understanding of the operational challenges facing a regional council and provides practical, balanced advice. Members ask insightful questions that promote better decision making without becoming involved in operational matters, allowing management to remain accountable for delivery while benefiting from independent oversight.	9/27/2026 3:54 PM
3	Years of experience in the audit field combined with up to date knowledge provides Council with confidence the advice provided is well informed and considered.	9/24/2026 2:34 PM
4	committee follows 99% off all guidelines set ny both committee's	9/23/2026 4:28 PM
5	Their understanding of local government and, more recently, a more flexible outlook on how and why it can take time to change direction or introduce more sustainable economic actions and solutions. I hold all committee members in the highest respect as individuals and in fulfilling their role. I am fully supportive of the committee.	9/22/2026 3:11 PM
6	I think the committee have extensive knowledge, great advice and I think the questions they ask are thought provoking	9/20/2026 12:28 PM
7	One of the Committee's key strengths is its ability to provide independent, constructive challenge to administration. The Committee encourages management to think more strategically, critically assess risks and assumptions, and consider broader governance implications when developing recommendations. Members bring valuable expertise and insights that support robust discussion and improved decision-making.	9/18/2026 4:14 PM
8	Quality of members are of an extremely high standard	9/18/2026 1:28 PM
9	Good experience in independent members	9/16/2026 5:26 PM
10	Governance, knowledge and diligence around the meetings and the communication is effective.	9/15/2026 1:33 PM
11	Open and honest, and explains things clearly and in a way that is easy to understand.	9/15/2026 1:21 PM
12	Recognising the need for management to cut costs	9/15/2026 1:15 PM

Q27 Please comment on areas requiring improvement

Answered: 12 Skipped: 0

#	RESPONSES	DATE
1	none come to mind	9/28/2026 9:18 AM
2	An area for improvement may be increased attendance by Elected Members at relevant Audit and Risk Committee meetings. This would enhance understanding of key governance, financial and risk matters and strengthen the connection between the Committee's work and broader Council decision-making. The Committee should also continue to maintain a strong focus on emerging strategic risks and organisational resilience.	9/27/2026 3:54 PM
3	Nil	9/24/2026 2:34 PM
4	N/A	9/23/2026 4:28 PM
5	I cannot identify any.	9/22/2026 3:11 PM
6	n/a	9/20/2026 12:28 PM
7	There appears to be an opportunity to strengthen the interface between the Audit and Risk Committee and the broader Council. While the Committee undertakes significant governance and risk oversight responsibilities, this work is not always visible or well understood by all Elected Members. The Elected Member representative role could be more effective in facilitating two-way communication, ensuring key risk, governance and assurance matters are understood by Council and that Council perspectives are effectively conveyed back to the Committee. Strengthening this connection would improve governance maturity, transparency and alignment between the Committee and elected body.	9/18/2026 4:14 PM
8	None that I can think of	9/18/2026 1:28 PM
9	Internal Audit and Risl	9/16/2026 5:26 PM
10	Engagement of Elected Members, or alternate means of engaging Elected Members if day periods are difficult for their attendance. Lack of feedback from Council Members at each meeting.	9/15/2026 1:33 PM
11	Unsure	9/15/2026 1:21 PM
12	Ensure and monitor cost reductions	9/15/2026 1:15 PM

Q28 Please explain where you believe the Committee does/does not add value to the Council

Answered: 12 Skipped: 0

#	RESPONSES	DATE
1	financial governance and fiscal accountability are really important to the WCC	9/28/2026 9:18 AM
2	The Committee adds value by providing independent oversight and assurance across risk, governance, financial management and audit activities. I find the Committee's members bring valuable experience and perspective, ask relevant questions and provide constructive challenge that helps strengthen decision-making and accountability. An opportunity to further enhance this value would be greater attendance by Elected Members at relevant meetings, which could improve understanding of key risk and governance matters and strengthen the connection between the Committee's work and Council's strategic decision-making.	9/27/2026 3:54 PM
3	Nil	9/24/2026 2:34 PM
4	N/A	9/23/2026 4:28 PM
5	The committee adds value through their combined knowledge, and their desire to work with Council to achieve the outcomes we all seek without reverting to being just an authoritative group overseeing Council to comply with their directives. The members' overall comments, advice and general discussions always add value to Council.	9/22/2026 3:11 PM
6	n/a	9/20/2026 12:28 PM
7	The Committee adds value to Council through its independent oversight, expertise and constructive challenge of administration. It encourages strategic thinking around risk, governance and continuous improvement, helping to strengthen decision-making, accountability and organisational performance. An area for improvement is strengthening engagement with the Elected Members as the Committee's work and value may no always be well understood by all Elected Members.	9/18/2026 4:14 PM
8	refer to #26 - add value	9/18/2026 1:28 PM
9	Not applicable	9/16/2026 5:26 PM
10	The risk to be run is that the ARC becomes overly bureaucratic, politically driven, or focused entirely on backward looking compliance rather than forward looking strategy. At the current time I see that the ARC provides value by acting as an independent, objective party that provides guidance on improving governance, finances and manages risk and presents a well-rounded view outside of the sphere of local government. At the present time, the value is in the conversation and relationships. I believe there is a good balance between looking at past compliance, and where council wants to be.	9/15/2026 1:33 PM
11	unsure	9/15/2026 1:21 PM
12	X	9/15/2026 1:15 PM

Q29 How can the Committee improve its performance? What are some example development activities that would benefit the Committee?

Answered: 12 Skipped: 0

#	RESPONSES	DATE
1	maybe appear as a team at a council meeting every 6 months	9/28/2026 9:18 AM
2	The Committee performs well and could further enhance its effectiveness through ongoing governance and risk management development, along with a continued focus on emerging and strategic risks. I also believe greater attendance by Elected Members at relevant meetings would strengthen understanding of the Committee's role and the key issues facing Council. Any improvements are largely about building on the Committee's existing strengths rather than addressing significant shortcomings.	9/27/2026 3:54 PM
3	Nil	9/24/2026 2:34 PM
4	N/A	9/23/2026 4:28 PM
5	I cannot identify any,	9/22/2026 3:11 PM
6	n/a	9/20/2026 12:28 PM
7	Overall, the Committee is highly capable and skilled. The greatest opportunity for improvement lies in strengthening strategic engagement, broadening discussions beyond financial matters where appropriate, and enhancing the connection between the Committee and the elected body.	9/18/2026 4:14 PM
8	None that I can think of	9/18/2026 1:28 PM
9	Nothing	9/16/2026 5:26 PM
10	Skill-Building Workshops: Run targeted training sessions on specific duties, such as reading financial statements, governance updates, or stakeholder engagement. Mentorship Pairing: Connect newer members with experienced peers to build confidence and share institutional knowledge. External Briefings: Invite outside advisors or specialists to present on major industry trends or regulatory change.	9/15/2026 1:33 PM
11	More interaction with Elected Members	9/15/2026 1:21 PM
12	Push more strongly for management to achieve cost reductions	9/15/2026 1:15 PM

Q30 Do you believe the Committee's Terms of Reference require any changes, and if so, in what areas?

Answered: 12 Skipped: 0

#	RESPONSES	DATE
1	no	9/28/2026 9:18 AM
2	No	9/27/2026 3:54 PM
3	Nil	9/24/2026 2:34 PM
4	N/A	9/23/2026 4:28 PM
5	Nothing to add here.	9/22/2026 3:11 PM
6	n/a	9/20/2026 12:28 PM
7	The ToRs were updated in 2026 to accommodate the option for a greater degree of free flowing discussion at meetings.	9/18/2026 4:14 PM
8	no	9/18/2026 1:28 PM
9	Nothing	9/16/2026 5:26 PM
10	Nil	9/15/2026 1:33 PM
11	No	9/15/2026 1:21 PM
12	Nil	9/15/2026 1:15 PM

Q31 What could the Council Administration do MORE and/or LESS of in the context of the Committee fulfilling its mandate?

Answered: 12 Skipped: 0

#	RESPONSES	DATE
1	take on more of the advise	9/28/2026 9:18 AM
2	From my perspective, Council Administration provides the Committee with good information and support. Continued focus on concise, strategic reporting and open communication around key risks and issues will help the Committee remain effective. Overall, I believe the current level of support is appropriate, with the focus being on maintaining the strong working relationship and transparency that already exists.	9/27/2026 3:54 PM
3	Nil	9/24/2026 2:34 PM
4	N/A	9/23/2026 4:28 PM
5	Not so much what Council Administration could do, but the Elected Member rep could speak to the committee's minutes when presented at a Council meeting for adoption and highlight specific points of interest - also encouraging EMs to ensure they have actually read each agenda and minutes. Once the agenda is out the EM rep could encourage feedback and/or questions from EMs for him/her to raise at committee meetings.	9/22/2026 3:11 PM
6	happy to hear from committee on this	9/20/2026 12:28 PM
7	Seek advice from the committee on this	9/18/2026 4:14 PM
8	nothing	9/18/2026 1:28 PM
9	Nothing	9/16/2026 5:26 PM
10	Nil	9/15/2026 1:33 PM
11	Unsure	9/15/2026 1:21 PM
12	Heed the warnings on costs and work more strongly to reduce them	9/15/2026 1:15 PM

Q32 Is the Audit and Risk Committee satisfied with its level of remuneration? If no, what do you think is a reasonable level of remuneration?

Answered: 12 Skipped: 0

#	RESPONSES	DATE
1	unsure	9/28/2026 9:18 AM
2	I am unsure what they receive.	9/27/2026 3:54 PM
3	Not sure	9/24/2026 2:34 PM
4	N/A	9/23/2026 4:28 PM
5	Unable to answer this question.	9/22/2026 3:11 PM
6	?	9/20/2026 12:28 PM
7	Committee to advise	9/18/2026 4:14 PM
8	NA	9/18/2026 1:28 PM
9	Yes	9/16/2026 5:26 PM
10	n/a	9/15/2026 1:33 PM
11	Unsure	9/15/2026 1:21 PM
12	X	9/15/2026 1:15 PM

Q33 Any other comments?

Answered: 12 Skipped: 0

#	RESPONSES	DATE
1	No	9/28/2026 9:18 AM
2	NIL	9/27/2026 3:54 PM
3	No	9/24/2026 2:34 PM
4	Nil	9/23/2026 4:28 PM
5	No, other than very happy with the current committee's performance.	9/22/2026 3:11 PM
6	no	9/20/2026 12:28 PM
7	Nil	9/18/2026 4:14 PM
8	No	9/18/2026 1:28 PM
9	No	9/16/2026 5:26 PM
10	nil.	9/15/2026 1:33 PM
11	No :-)	9/15/2026 1:21 PM
12	X	9/15/2026 1:15 PM

2.0 ITEMS FOR DECISION

2.9 Audit and Risk Committee Terms of Reference Reviewed

Audit and Risk Committee Meeting:	9 October 2025		
Author's Title:	Sue King; General Manager Corporate	**File No.:**	0-159
Director:	Corporate		

Attachments

1 – Revised Audit and Risk Committee Terms of Reference

Officer Direct or Indirect Conflict of Interest: *In accordance with Local Government Act 1999, Section 120*		**Status:** *Information classified confidential under Section 90(2) of the Local Government Act*	
☐ **Yes**	☑ **No**	☐ **Yes**	☑ **No**

Reason –Nil

PURPOSE

The purpose of this item is to present a revised Audit and Risk Committee Terms of Reference and seek the Committee's recommendation to Council for adoption.

BACKGROUND / DISCUSSION

Clause 11.1 of the Committee's Terms of Reference provides that the Committee will review its Terms of Reference annually. The Terms of Reference were last reviewed in October 2025

On this basis, the Committee's Terms of Reference have now been reviewed, taking into account current practice and the Committee's Annual Performance Evaluation.

Only minor changes have been made to reflect current practice along with minor grammatical amendments, as per Attachment 1, with the exception of Clause 11.25. The Committee is invited to consider and discuss whether this clause is relevant to the role of the Audit and Risk Committee.

The revised draft is now presented for the Committee's review, and if considered appropriate, for recommendation to Council for adoption. Any additional feedback during the Audit and Risk Committee meeting is welcome.

RECOMMENDATION

That the Audit and Risk Committee:

1. **Recommends that the Committee provides feedback and adopts the revised Audit and Risk Committee Terms of Reference provided at Attachment 1.**

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

1. ESTABLISHMENT

1.1 The Audit and Risk Committee (the Committee) is a formally constituted Committee of Council pursuant to sections 41 and 126 of the *Local Government Act 1999* and operates as an independent and objective advisory Committee to Council.

2. OBJECTIVES

2.1 The primary objective of the Committee is to add value through the provision of independent advice and assurance to Council on accounting, financial management, internal controls, risk management and governance matters.

2.2 It will ensure that the resources of the City of Whyalla are being optimised and will assist Council accomplish its objectives by contributing to a systematic and disciplined approach to evaluating and improving the effectiveness of financial and risk management, control, and governance frameworks and policies.

2.3 As part of Council's governance obligations to the community, Council has constituted the Committee to facilitate:

2.3.1. Oversight of relevant activities to ~~facilitate achieving~~achieve City of Whyalla's objectives.

2.3.2. Enhancing the credibility and objectivity of internal and external financial reporting.

2.3.3. Effective management of risk and the protection of Council assets.

2.3.4. Compliance with laws and regulations as well as use of best practice guidelines.

2.3.5. The effectiveness of internal audit and maintaining a reliable system of internal control.

2.3.6. The provision of an effective means of communication between the external auditor, any internal audit function, management/administration, and Council.

2.3.7. The continuous development and review of Council's ethical practices.

3. COMPOSITION

3.1 The Committee will comprise:

3.1.1. Three independent persons who are not members of any council.

3.1.2.1 Council Member (who is not the Mayor).

3.2 Members of the Committee (when considered as a whole) will have skills, knowledge and experience in financial management, risk management and governance.

3.3 The Chair of the Committee will be appointed by Council from one of the three (3) independent members.

3.4 In the absence of the Chair, an independent member will act as Chair.

3.5 The Chief Executive Officer will ensure appropriate support is provided to Committee. This resource will ordinarily be the Council's General Manager Corporate or their designate.

AUDIT AND RISK COMMITTEE
TERMS OF REFERENCE

4. INDEPENDENT MEMBERS

4.1 The term of an independent member will be 4 years or as otherwise determined by Council to facilitate appointments being made on a rotational basis, which in turn will ensure succession planning and continuity of membership despite changes to Council's elected representative.

4.2 Council may resolve to re-appoint an independent member.

4.3 If Council proposes to remove an independent member from the Committee, it must give written notice to the independent member of its intention to do so and provide that independent member with the opportunity to be heard at a Council meeting which is open to the public if that independent member so requests.

4.4 Remuneration will be paid to each independent member of the Committee, to be set by Council from time to time.

4.5 At a minimum, the remuneration paid to the independent member will be reviewed within 12 months from the date of a Council (periodic) election.

5. COUNCIL MEMBER REPRESENTATIVE

5.1 The term of the Council Member representative will be as determined by Council resolution.

5.2 Council may appoint up to two proxies for the Council Member representative to attend meetings in the event the Council Member representative is unavailable.

5.3 No additional allowance will be paid to the Council Member representative (or proxy) over and above the allowance already received by the Council Member.

5.4 The Council Member representative will update the Committee on relevant Council considerations since the last meeting, will raise matters (within the scope of the Committee's Terms of Reference) with the Committee on behalf of the Council, and act as a conduit of information between the Council and the Committee, and the Committee and Council.

5.5 The Council Member representative will provide a verbal report to Council on the key matters and recommendations from the Committee meeting when the minutes and/or Committee recommendation reports are presented to Council for adoption.

6. AUTHORITY

6.1 The Committee reports to Council and provides appropriate advice and recommendations on matters relevant to the Committee's Terms of Reference.

6.2 The ability of the Committee to operate in a manner that adds value and maintain independent judgment is vital. In doing so, the Committee:

6.2.1 Has the authority to conduct or direct any investigation (see also Clause 11.3.1 of this Terms of Reference) required to fulfil its responsibilities including, through the Chief Executive Officer, the authority to seek any information it requires from Council employees.

6.2.2. Through the Chief Executive Officer, may request any information or request external resources such as legal, accounting or other advisers, consultants or experts be engaged as it considers necessary from time to time in the performance of its duties.

6.2.3. May make recommendations to the Council as it sees fit.

6.3 Council or the Chief Executive Officer may refer any matter to the Committee within its Terms of Reference.

7. MEETINGS

7.1 The Committee shall hold at least one meeting in each quarter.

7.2 Special meetings of the Committee must be convened at the request of the Chair or at least two members of the Committee.

7.3 A quorum for a meeting of the Committee shall be three (3), being at least two (2) independent members and the Council Member representative or their proxy.

7.4 Council members may attend any meeting of the Committee.

7.5 The Chief Executive Officer or ~~his~~ their delegate will attend all meetings except when the Committee is meeting on a confidential basis with Council's internal or external auditor.

7.6 Representatives of Council's external auditor will be invited to attend all meetings at their discretion but must attend meetings at which there will be consideration of the annual financial report and results of the external audit.

7.7 The Committee will meet with both the external auditor and internal auditor (if appointed) without management present at least once per year.

7.8 An annual schedule of meetings and work program will be developed and agreed to by the Committee members. The schedule of meetings may include at least one joint workshop with the Council and the Committee.

7.9 The time and place for the conduct of meetings will be determined by the Committee provided that all meetings will be held in a public environment and within a City of Whyalla building except where the meeting shall be virtual.

7.10 The Committee may consider and determine its own meeting practice, processes and procedures within the parameters of the Local Government Act 1999 and the Local Government (Procedures at Meetings) Regulations 2000.

8. MINUTES OF MEETINGS

8.1 Minutes will be kept of all Committee meetings including a record of any business arising and progress against recommendations made during internal / external reviews.

8.2 ~~Within 72 hours of a Committee meeting, the Chairperson will receive and review the draft minutes. Once reviewed by the Chairperson,~~ The draft minutes will be circulated to Committee members within five days after a meeting of the Committee ~~for comment.~~

8.3 The endorsed minutes will be forwarded to the next General Council meeting ~~that is not being held in the same week as the Committee meeting.~~

8.4 The minutes will be confirmed at the next Committee meeting. On the confirmation of the minutes, the Chairperson will initial each page and place their signature and the date of confirmation at the foot of the last page of the minutes.

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AUDIT AND RISK COMMITTEE
TERMS OF REFERENCE

9. REPORTING

9.1. A copy of the agenda and reports will be forwarded to the Committee at least five (5) days before the committee meeting and will also be forwarded to all Council Members for information. ~~prior to the conduct of the Committee meeting.~~

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9.2 Where the Committee makes a recommendation to Council, the matter will be listed as a separate agenda item for consideration by Council at the next General Council meeting that is not being held in the same week as the Committee meeting.

9.3 The Committee shall report annually to the Council, summarising the activities of the Committee during the previous year.

9.4 The Committee's annual report will be included in the Council's annual report for the period to which it relates.

10. FUNCTIONS OF THE COMMITTEE

The Committee will meet its objectives and discharge its duties through the following activities.

10.1 Strategic Management

10.1.1 Review Council's strategic management plans, long term financial plan, and annual business plans and budget prior to presentation to Council and comment on matters including but not limited to:

- the assumptions underpinning the plans (including rating / funding considerations)
- the consistency between plans
- the adequacy of the plans in the context of maintaining financial sustainability
- the efficiency, effectiveness and sustainability of significant programs and activities
- managing, deploying, improving and developing the resources available to Council.

10.1.2 Review Council's material presented to ESCOSA and then review and provide comment on ESCOSA's advice to Council regarding Council's financial sustainability.

10.2 Financial and Prudential Management

10.2.1 Consider and review Council's annual financial statements (and any significant amendment of the financial statements previously considered by the Committee prior to adoption by Council) to ensure they present fairly the state of affairs of Council. The Committee will include in its considerations:

(a) compliance with accounting standards, policies and practices and any other reporting requirements, and any changes in these since the last annual financial statement were compiled;

(b) the process used to make significant accounting estimates;

(c) significant adjustments to the financial reports (if any) arising from the external audit process;

(d) significant variance in the financial statements from prior years;

(e) trends which have become evident from the annual financial statements over the last ~~5 year~~5-year period;

(f) management representations attesting to the accuracy of the end of year financial statements and any significant matters evident from these statements; and

(g) the external auditor's summary management report detailing the results and significant findings from the audit and management responses.

10.2.2 Recommend adoption of the annual financial statements to Council after making the above enquiries and if considered appropriate.

10.2.3 Review and monitor Quarterly Budget Review Reports (required under s.~~S~~9 of the Local Government (Financial Management) Regulations 2011 – Statutory reports to Council).

10.2.4 Review any prudential report obtained by Council under ~~section~~ s. 48(1) of the Local Government Act 1999.

10.2.5 Review recommendations contained in business cases or unsolicited proposals in respect of significant activities, business/commercial activities or major projects. Such reviews will have regard to Council's various policies and the requirements of ~~Section~~ s. 48 of the Local Government Act 1999, which relates to prudential requirements for certain activities.

10.3. External Audit

10.3.1 Oversee any tender process undertaken and recommend to Council the appointment of the external auditor.

10.3.2 Oversee:

(a) the adequacy of the terms of arrangement and engagement and audit fees for the external auditor prior to the commencement of each audit;

(b) the independence and objectivity of the external auditor and its compliance with all relevant requirements; and

(c) the adequacy of the external auditor's proposed audit plan (and any additional agreed upon procedures), approach and scope, including materiality levels.

10.3.3 Meet with the external auditor without the presence of management at least once each year to discuss the external audit process and outcomes.

10.3.4 Liaise with Council's auditor in accordance with any requirements prescribed by the regulations.

10.3.5 If appropriate, recommend to the Council that the external auditor or another appropriately qualified person examine and report on any matter related to financial management, risk management, internal controls and governance processes that would not otherwise be addressed as part of the annual external audit.

10.3.6 Monitor and evaluate management's responses to the findings and recommendations of the external auditor, including progress against agreed actions and the implementation of improvements.

10.4. Risk Management

10.4.1 Review and evaluate the effectiveness of policies and systems established and maintained for the identification, assessment, monitoring, management, and review of strategic, financial, and operational risks on a regular basis. This includes providing comment to Council on the adequacy of Council's risk framework and policies, risk appetite statements and management of risks.

10.4.2 At least annually, review Council's risk exposure and the adequacy of Council's emergency management, business continuity, strategic and operational risk registers and mitigation measures.

10.4.3 Receive reports on any risk, governance or integrity audits undertaken or summary reports made on Council and its activities. Such reports may include, but are not limited to cyber security, public liability, WHS, Ombudsman/ICAC, legislative compliance and go towards ensuring standards of good public administration are achieved and maintained.

10.4.4 Monitor and evaluate management's responses to the findings and recommendations of risk reports, including progress against agreed actions and the implementation of improvements

10.5. Internal Audit, Internal Controls and Service Reviews

10.5.1 If relevant, oversee Council's engagement of an internal audit and service review service provider(s).

10.5.2 Review and monitor the program and scope of the service reviews, including whether the program systematically tests community expectations and the ongoing capacity of Council to deliver the service within acceptable financial sustainability parameters or in other words, the efficiency and effectiveness of services.

10.5.3 Review and monitor the outcomes of service reviews and their recommendations. Make recommendations to Council as to service provision and service level standards based on community expectations and the ongoing financial sustainability of Council or in other words, the efficiency and effectiveness of services.

10.5.4 Review and monitor the program and scope of internal audit activities, taking into account Council's risk profile.

10.5.5 Monitor and evaluate the adequacy of Council's internal controls over significant risk, including financial and non-financial management control systems, revenue, expenditure, assets and liability activities.

10.5.6 Monitor and evaluate Council's compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements.

10.5.7 Oversee the facilitation between the service review / internal audit service provider and external auditor to promote compatibility, to the extent appropriate, between

their programs of review.

10.5.8 Monitor and evaluate management's responses to the findings and recommendations of service, internal audit and internal control reviews, including progress against agreed actions and the implementation of improvements.

11. OTHER

11.1 Performance assessment, induction and professional development

11.1.1 The Committee will review its performance against these Terms of Reference annually.

11.1.2 There will be a program for inducting new members to the Committee.

11.1.3 The annual performance assessment of the Committee will include reviewing whether there is a need for any professional development to maintain the skills and knowledge needed by Committee members to perform their role effectively.

11.2 Ethics, Integrity and Culture

11.2.1 Provide feedback that systems of control on ethical standards, behavioural standards and conflicts of interest for Council Members, senior executives and employees are adequate.

11.2.2 Address issues brought to the attention of the Committee, including responding to requests for advice within these Terms of Reference from the Council or the Chief Executive Officer.

11.2.3 Review Council's arrangements for its employees to raise concerns, in confidence, that the Council is not acting lawfully, ethically or in a socially responsible manner and that there are suitable protections if they do.

11.2.4 Oversee Council's standards of good public administration are achieved and maintained, including that Council has in place a Fraud, Corruption, Misconduct & Maladministration Prevention Policy~~fraud and corruption policy.~~

11.2.5 Ensure that the Council is informed of:

(a) any material breaches of ethical standards, behavioural standards, conflicts of interest and the Fraud, Corruption, Misconduct & Maladministration Prevention Policy ~~fraud and corruption policy~~ by a Council Member or senior executive; and

(b) any other material breaches of ethical standards, behavioural standards, conflicts of interest and fraud and corruption that call into question the culture of the Council

about which the Committee becomes aware of.

Commented [LS1]: Is this the role of the Audit and Risk Committee?

11.3 Other

11.3.1 Propose and review the exercise of powers under section 130A of the Local Government Act 1999 as considered relevant.

11.3.2 Make recommendations to Council on any matter relevant to these Terms of Reference.

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2. ITEMS FOR DECISION

2.10 CHANGE OF DATE FOR OCTOBER AUDIT AND RISK COMMITTEE MEETING

Audit and Risk Committee: 9 October 2026
Author's Title: Sue King – General Manager Corporate Services
File No.: 0-159
Directorate: Corporate

Annexures:

Officer Direct or Indirect Conflict of Interest:
In accordance with Local Government Act 1999, Section 120

☐ **Yes** ☑ **No**

Status:
Information classified confidential under Section 90(2) of the Local Government Act

☐ **Yes** ☑ **No**

Reason – N/A

PURPOSE

To seek endorsement from the Audit and Risk Committee to change the date of the October Audit and Risk Committee Meeting and Joint Workshop.

SUMMARY

The Committee endorsed the Meeting Schedule for 2027 at the 28 August 2026 meeting; however, due to the timing of the Council and Audit and Risk Annual Reports and other end of financial year reporting requirements it is necessary for this meeting to occur in the first week of October. This allows for the Annual Report (including the Audit and Risk Annual Report) to be presented to Council at the October Ordinary Council Meeting.

RECOMMENDATION

The Audit and Risk Committee endorse the rescheduling of the October 2027 meeting and joint workshop from Friday 22 October 2027 to Friday 8 October 2027.

3 ITEMS FOR NOTING

3.1 Quarterly Report – Procurement 1 July to 31 August 2026

Audit and Risk Committee: 9 October 2026
Author's Title: Diane Aspey, Procurement Coordinator
File No.: 0-159
Directorate: Corporate

Annexures – Nil

Officer Direct or Indirect Conflict of Interest:
In accordance with Local Government Act 1999, Section 120

☐ **Yes** ☑ **No**

Status:
Information classified confidential under Section 90(2) of the Local Government Act

☐ **Yes** ☑ **No**

Reason – not applicable

PURPOSE

The purpose of this report is to provide information regarding Council's procurement activities during the period **1 July to 31 August 2026**.

SUMMARY

The Procurement Policy requires quarterly reporting on procurement exemptions.

This report also provides a snapshot of the following procurements which have been undertaken by Council during the quarter:

- Tenders undertaken;
- Procurement Policy Exemptions;
- Procurement Process Exemptions;
- Use of local vs non-local goods, works and services; and
- Comparison of purchase orders and local vs non-local spend to same quarter of the previous year

All figures included in this report are GST exclusive, in line with the budget.

RECOMMENDATION

The Audit and Risk Committee receive and note the Quarterly Report – Procurement for the period 1 July to 31 August 2026.

3.1 Quarterly Report – Procurement 1 July to 31 August 2026

REPORT

BACKGROUND

In adopting better governance practices, this report is prepared to ensure the Audit and Risk Committee and Council Members are informed about procurement outcomes achieved by the Council.

Council's Procurement Policy exemptions from the policy to be appropriately approved, recorded and reported quarterly to the Audit and Risk Committee and Council.

DISCUSSION

1. TENDERS (greater than $250,000):

The following tenders were undertaken/are in progress for the period **1 July to 31 August 2026**:

PROCUREMENT	TENDERS REQUESTED	TENDERS RECEIVED	STATUS
Surf Life Saving Club Building	Open Tender via SA Tenders & Contracts Website	6	Currently being evaluated

2. EXEMPTIONS:

From 1 July to 31 August 2026 the following 2 procurement exemptions were made:

2.1 Procurement Policy Exemptions

PROJECT TITLE	VALUE (GST EX)	NATURE & REASON FOR EXEMPTION (Clause 7 of Procurement Policy)	HOW COUNCIL IS RECEIVING VALUE FOR MONEY FROM THIS PROCUREMENT	EXEMPTION APPROVED BY
Visitor Information Fencing	$24,047	To match existing fence, we replaced some panels near office last year so we will need it all to match	Two quotes were obtained from the same supplier, providing different powder-coating options. Following consideration of the environmental conditions at the site, it was decided to proceed with the double powder-coating option even though it was the more expensive option but over the longer term it will be the best value for money as this provides an increased level of protection and is considered the most suitable option to support the long-term durability and longevity of the panels, particularly given the site's proximity to the OneSteel facility and the OneSteel basin, where the surrounding environment may contribute to accelerated corrosion.	GMI

PROJECT TITLE	VALUE (GST EX)	NATURE & REASON FOR EXEMPTION (Clause 7 of Procurement Policy)	HOW COUNCIL IS RECEIVING VALUE FOR MONEY FROM THIS PROCUREMENT	EXEMPTION APPROVED BY
Foreshore Camera Installation	$20,027	These works were considered urgent as Foreshore cameras have been offline for an extended period while other options to reinstate were investigated. These options were considered too expensive, with a VPN network with radio connected cameras considered only viable option. While there are multiple electrical companies available locally, only one has data expertise available for this work, so an Adelaide based supplier would likely have been the only other option.	This supplier is used regularly for many routine tasks, and their pricing is always competitive, they are often appointed ahead of other suppliers. The pricing on this job was considered reasonable based on level of work required. Around 75% of the cost was for equipment that needed to be purchased, with labour making up other 25%. It should also be noted that this work replaced the need to undertake a project that was expected to cost upwards of $150,000.	CEO

The following positions are authorised to approve exemptions from undertaking procurement processes as specified in Council's Procurement Policy:

- Up to $100,000 – General Manager
- Above $100,000 – Chief Executive Officer

The following is a summary of Policy Exemptions for the 2026/2027 year:

Exemptions by Department	Amount	Percentage
City Growth	0	0.00%
Corporate	1	50.00%
Infrastructure	1	50.00%
Executive	0	0.00%
Total	**2**	**100.00%**

Exemptions by Procurement Thresholds ($)	Amount	Percentage
0 – 40,000	2	100.00%
40,001 – 250,000	0	0.00%
250,001 +	0	0.00%
Total	**2**	**100.00%**

** Note - Item 2.2 Procurement process exemptions are not included in the above figures**

2.2 Procurement Process Exemptions

The following exemptions primarily relate to instances where procurement processes have been undertaken using one threshold but the final cost ended up in a higher threshold once quotes were received, meaning a different procurement approach should have been used. In a small number of instances they may relate to staff not following due process, in these cases further explanation will be provided on how repeat occurrences will be avoided. When these exemptions are approved the approval encompasses the following:

- Notes the approach undertaken not being in line with the requirements of the Procurement & Contract Management Policy;
- Negates the need to go out to the market again to seek quotes using the required procurement approach; and
- Approves the award of the Works/Services to the successful contractor

From 1 July to 31 August 2026 the following procurement process exemption was approved:

PROCUREMENT THRESHOLD USED	PROCUREMENT PROCESS USED	SUCCESSFUL QUOTE VALUE (GST EX)	EXEMPTION APPROVED BY
Under $40,000	**Nil**		
$40,000 to $250,000	Marina Stormwater Installation	$97,697	**CEO**
	These additional works were discovered during the Whyalla Boat Ramp Upgrade Works. Upon seeking a quotation from the contractor it seemed high therefore a second quote was sourced which was much lower and the second contractor was awarded the Works. Due to the urgency of the additional Works a Process Undertaken Exemption was approved and the second contractor was awarded the Works without a full RFQ process being undertaken which was required for a spend at this level.		
Above $250,000	Nil.		

3. LOCAL PURCHASES:

As a contributor to Whyalla's economy, Council is committed to purchasing from local suppliers where possible, as well as ensuring value for money procurement outcomes.

There was an overall spend of $16,220,189.89 broken down as follows:

- Local spend $5,713,872.53; and
- Non-local spend $10,506,317.35

Out of a total of 982 purchase orders raised for goods, works or services for the quarter:

- 436 were local; and
- 257 were non-local

A total of 61.84% were local purchases and 36.45% were non-local purchases for goods, works or services. Non-local purchases for this period were reviewed and were for the following reasons:

- Tendered goods/works/services
- Training/Conferences/Accommodation
- Advertising
- Software licences/Renewals/Subscriptions
- Souvenirs VIC
- Fuels & Oils
- Grants/Donations
- Maintenance/Warranty Work
- Specialised products & services
- Memberships/Subscriptions
- Events – Specialised Products/Services
- Continuation/Variation to Tendered Works/Services
- Online payments licences/approvals/rego checks/Plan SA
- Licences

The following is a list of where we are spending money locally for goods, works or services:

- General/Building Maintenance
- Linemarking & Linemarking Maintenance
- Tyres and Repairs
- Plant Hire & Maintenance
- Excavation & Haulage
- Painting & Supplies
- Fuels and Oils
- Pest Management
- Security Services & Banking of Cash
- Haulage
- Fire and Safety
- Electrical Works & Tagging and Testing
- Labour Hire
- Glazing
- Plumbing
- Catering
- Consumables
- Cleaning
- Landscape supplies
- Auto Supplies/Maintenance/Repairs

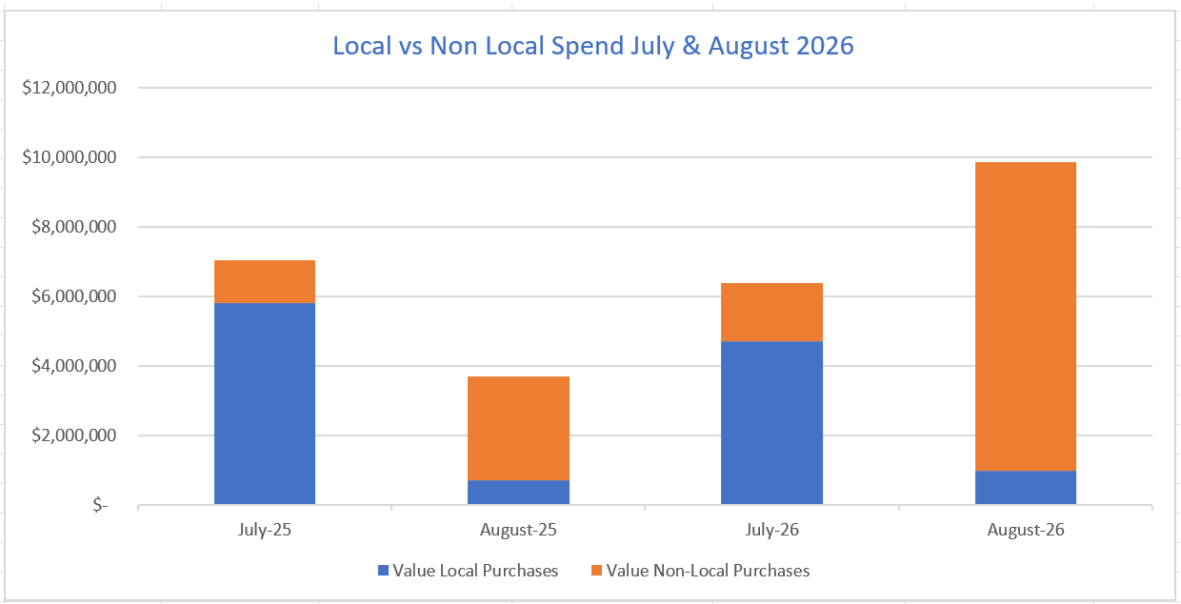
- Locksmith supplies/maintenance
- Signage
- First Aid Supplies
- Pre Employment Medicals
- Accommodation/Venue Hire
- Concreting
- Event Supplies & Services
- Rubbish Collection/Weed Clean Up
- Asbestos Removal
- Alarm System Installations
- Gardening
- Smoke Detector Replacements
- Traffic Signal Maintenance
- Office Furniture/Stationery Supplies
- Engineering Consultancy
- Waste Management & Disposal
- Vehicle Trade In/Replacements
- Flight Bookings
- Window & Pressure Cleaning
- Tree Removals
- Hard Waste Collection
- Point Lowly Toilet Cleaning/Litter Collection
- Turf Laying

The lists above show areas of significant spend and are not exhaustive.

The following tables represent local vs non-local purchase order number and value comparison for 1 July to 31 August 2026 and includes a comparison with the previous year.

2026	July	August	Total
Local Purchases	237	199	**436**
Non-Local Purchases	144	113	**257**
Value Local Purchases	$4,718,096	$995,776	**$5,713,873**
Value Non-Local Purchases	$1,653,176	$8,853,142	**$10,506,317**

2025	July	August	Total
Local Purchases	291	199	**490**
Non-Local Purchases	149	148	**297**
Value Local Purchases	$5,815,943	$713,454	**$6,529,397**
Value Non-Local Purchases	$1,209,814	$2,994,371	**$4,204,185**



Non-local spend for August 2026 included the following tendered works and where purchase orders were raised for continuation of works/services for the financial year:

- Tendered Goods/Works/Services
- Continuation and Variation of Current Contracts
- Software/Memberships/Licence/Subscription Renewals

Legislation

Local Government Act (SA) 1999

Officer Direct or Indirect Interest – Nil

Risk Assessment

Non-compliance with the Procurement Policy and *Local Government Act (SA) 1999* may expose Council to reputational, legal and financial risks.

Social Considerations – Nil

Community Engagement – Nil

Environmental Implications – Nil

Communication - Nil

Conclusion

61.84% of purchase orders raised during the period **1 July to 31 August 2026** were for Goods, Works and Services from local suppliers.

3. ITEMS FOR NOTING

3.2 SERVICE REVIEW PROGRAM

Audit and Risk Committee: 9 October 2026
Author's Title: Sue King, General Manager **File No.:** 0-159
Directorate: Corporate Services

Attachments:

Officer Direct or Indirect Conflict of Interest:
In accordance with Local Government Act 1999, Section 120

☐ **Yes** ☑ **No**

Status:
Information classified confidential under Section 90(2) of the Local Government Act

☐ **Yes** ☑ **No**

Reason – N/A

PURPOSE

To update the Audit and Risk Committee on the implementation, governance and assurance of Council's service review program, including the controls supporting objective internal reviews.

SUMMARY

Although the *Local Government Act 1999* does not expressly require service reviews, the obligations in sections 6, 7 and 122 relating to efficient service delivery, community needs and strategic planning support their use as a good governance and continuous improvement mechanism.

At conclusion of the BDO service review arrangement in 2025, Council assessed alternative delivery models to establish a sustainable, organisation wide approach that strengthens service planning, customer value, efficiency and accountability.

Following budget analysis in late 2025 and unsuccessful attempts to establish shared service review arrangements, an internally facilitated model was selected. This model is intended to build sustainable organisational capability and reduce reliance on external providers, while retaining independent review at key points in the process.

An external specialist has been engaged to facilitate the development and implementation of a three-year service review program across the organisation. The framework aims to strengthen service planning, establish appropriate service levels and standards, improve service performance data, identify efficiency and productivity opportunities, and support evidence-based resource allocation and decision-making.

Year one of the program focuses on executive and management training, development of a Service Review Program Plan, review of the service catalogue, and completion of model service reviews and service plans. The intent is to build internal capability and embed a consistent approach to service reviews across Council, with future service reviews largely undertaken by trained internal facilitators.

The governance framework will support the integrity and objectivity of internally facilitated reviews through clear accountability, separation of review and service-delivery roles, conflict declarations, evidence-based findings and independent challenge. The Executive Leadership Team will endorse the methodology and service-selection criteria, with an Executive Sponsor overseeing each review. Outcomes will be reported to the Audit and Risk Committee and Council for feedback before implementation. External expertise or independent validation will be used where risk, complexity, contested findings or perceived conflicts warrant additional assurance.

Service reviews are intended to assess service effectiveness, efficiency and customer value. They do not replace Council's Internal Audit Program, which will continue to provide independent assurance over governance, risk management and internal controls.

STRATEGIC PROGRAM DESIGN AND PROGRESS

The program is being implemented through a staged capability and assurance approach designed to strengthen service delivery, accountability and continuous improvement across the organisation.

The pilot phase will test the effectiveness of the service review framework, including the quality of service, cost, risk and performance information generated, as well as the effectiveness of the governance and independence controls. Progression to broader implementation will be informed by an evaluation of pilot outcomes, facilitator capability, data quality, resource requirements and realised benefits. ARC will receive periodic reporting on review outcomes, agreed actions, benefits realised and any matters requiring escalation or external assurance.

The Executive Leadership Team has completed the initial prioritisation process and selected Customer Experience and Regulatory Services as the first services to be reviewed. These services were prioritised due to their strategic importance to community satisfaction, service performance, regulatory compliance and organisational risk. The reviews will provide an opportunity to test the methodology in two highly visible service areas while informing future program rollout across the organisation.

RECOMMENDATION

That the Audit and Risk Committee:

1. **notes progress in establishing the internally facilitated service review program and the proposed phased rollout over three years;**
2. **notes the governance and assurance controls proposed to manage actual or perceived conflicts of interest and maintain objectivity; and**
3. **requests periodic reporting on the review pipeline, material findings, implementation of agreed actions, realised benefits and use of external assurance.**

3. Items for Noting

3.3 People and Culture Metrics

Audit and Risk Committee:	9 October 2026		
Author's Title:	Ellisha Papoulis, Manager People and Culture	**File No.:**	0-159
Directorate:	Corporate		

Attachments:

Attachment 1 – People and Culture (HR) Metrics
Attachment 2 – Work Health and Safety (WHS) Metrics

Officer Direct or Indirect Conflict of Interest: *In accordance with Local Government Act 1999, Section 120*		**Status:** *Information classified confidential under Section 90(2) of the Local Government Act*	
☐ **Yes**	☑ **No**	☐ **Yes**	☑ **No**

Reason – Not applicable.

PURPOSE

The purpose of this report is to provide the Audit and Risk Committee (ARC) with an overview of the People and Culture metrics established at the October 2025 ARC meeting, to be reported to the Committee on a biannual basis, and their relevance to the Chief Executive Officer's Key Performance Indicators (KPIs). Specifically, this report will:

- Provide an overview of the key workforce metrics established to support bi-annual reporting to the Committee, in accordance with Sections 9.1 and 10.1 of the Chief Executive Officer's KPIs for 2025/26 and 2026/27.
- Provide an update on the 2026 Annual Work Health and Safety (WHS) Plan, as it relates to the Chief Executive Officer's Key Performance Indicator (KPI) 10.1.

SUMMARY

Consistent with the CEO's 2025/26 and 2026/27 KPIs, key metrics have been developed in the People and Culture space across Human Resources (HR) and Work Health and Safety (WHS) functions to ensure Council's operational and strategic risks are being appropriately managed and that governance and statutory requirements are met.

The agreed metrics and reports are attached as Attachments;

- **Attachment 1** provides an overview of the key People and Culture (HR) metrics.
- **Attachment 2** provides an overview of the agreed Work Health and Safety (WHS) metrics.

RECOMMENDATION

That the Audit and Risk Committee:

1. **note the reports against the CEO's KPI targets and provide feedback for any additional information requested in the bi-annual reporting.**

Whyalla City Council

People & Culture Analytics

AUTHOR:	**Lauren Green, People and Culture Business Partner**
DATA:	**Wenona Waugh, People and Culture Support Officer**
VERSION NUMBER:	**1**
DATE:	**25 September 2026**

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1 Workforce profile and Capacity

Overall workforce numbers decreased slightly from 159 employees in April 2026 to 157 employees in September 2026. The average workforce age also reduced, from 46.58 years to 46.15 years, while average tenure increased from 10.8 years to 11.34 years. Both the reduction in overall workforce numbers and the lower average workforce age can be attributed to the retirement of several long-serving Employees during this period.

Employees aged 55 years and over continue to represent a significant proportion of the workforce, comprising 55 employees, or approximately 35 per cent of total headcount. Of these, 48 employees are aged between 55 and 64 years, making this the largest workforce age cohort. The remaining seven employees are aged 65 years and over.

The concentration of employees aged 55 years and over continues to present a medium term workforce sustainability and succession risk, particularly for roles requiring specialist knowledge, operational licences or significant organisational experience.

The ageing workforce profile highlights the importance of proactive workforce planning, including succession planning, knowledge transfer and transition to retirement arrangements to support continuity. Consistent with the BDO review outcomes, People and Culture is committed to strengthen workforce data analysis and reporting and develop a workforce plan that identifies key workforce trends, risks and emerging needs, including those associated with an ageing workforce.

Council currently has six (6) school-based trainees engaged, who are employed by Career Employment Group and hosted by Council, therefore not captured in the People and Culture analytics.

Age Group	Tenure	Head-count by Tenure	Total Headcount	Age Group	Tenure	Head-count by Tenure	Total Headcount
September 2026				**April 2026**			
0-19	0-2 years 3-5 years 5-10 years 10-20 years	1	1	0-19	0-2 years 3-5 years 5-10 years 10-20 years	1	1
20-34	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	25 12 2 1	40	20-34	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	23 11 3 1	38

35-49	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	14 8 3 5 6	36	35-49	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	12 8 3 8 4	35
50-54	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	8 2 1 5 9	25	50-54	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	8 1 2 6 10	27
55-64	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	4 8 6 11 19	48	55-64	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	9 7 5 10 18	49
65+	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	1 2 2 2	7	65+	0-2 years 3-5 years 6-10 years 11-20 years 21+ years	2 1 3 3	9
Totals Sept 2026	**Average Age**	**Average Tenure**	**Total Headcount**	**Totals April 2026**	**Average Age**	**Average Tenure**	**Total Headcount**
	46.15 years	**11.34**	**157**		**46.58 years**	**10.8 years**	**159**

Note: Average age and tenure are estimated using weighted mid-points of age and tenure bands.

2 Transition to Retirement

Council supports transition to retirement pathways and has recently reviewed it's Active Ageing Charter. There is one formal transition to retirement plan in place which has reduced the fulltime hours of work to a part time arrangement, allowing for use of accrued leave to cover fulltime wages until retirement in November 2026.

3 Attraction and Recruitment

Recruitment activity remained steady during the reporting period, with 17 recruitment processes commenced, of which 5 remain in progress.

The average time to fill roles improved to 35.3 days for May to September 2026, compared with 68 days for October 2025 to April 2026. The longer average in the previous period was attributed to the recruitment of senior roles and the Christmas/New Year period.

Sept 2026 A&R Report Metric - Average Time to Fill	Days
May 2026 – Sept 2026	35.3

Previous A&R Report Metric - Average Time to Fill	Days
Jul 2025 – Sept 2025	55
Oct 2025 – Apr 2026	68

4 Retention and Turnover

The average turnover rate decreased from 12.6 per cent for the period October 2025 to April 2026 to 8.28 per cent for the period May to September 2026, with a total of 13 employee departures recorded during the reporting period.

Employee departures were predominantly associated with retirement planning (3), employees establishing local businesses (2), and relocation to other local government organisations (1). Resignations for other reasons accounted for 30.8 per cent of total separations (4). The remaining departures consisted of casual employee separations and probationary period terminations (2).

Sept 2026 A&R Report Metric - Average Turnover Rate	%
May 2026 – Sept 2026 (5M)	8.28

Previous A&R Report Metric - Average Turnover Rate	%
Jul 2025 – Sep 2025 (3M Only)	3.11
Oct 2025 – Apr 2026 (6M)	12.6

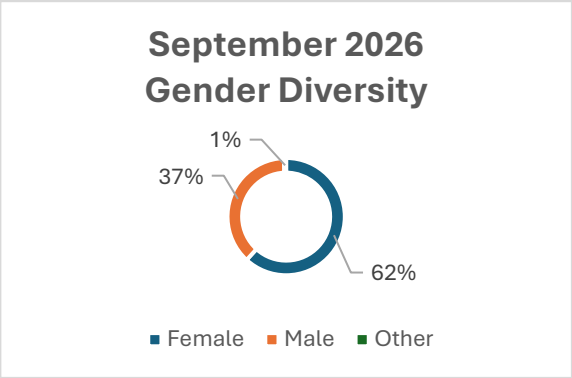
5 Diversity and Workforce Composition

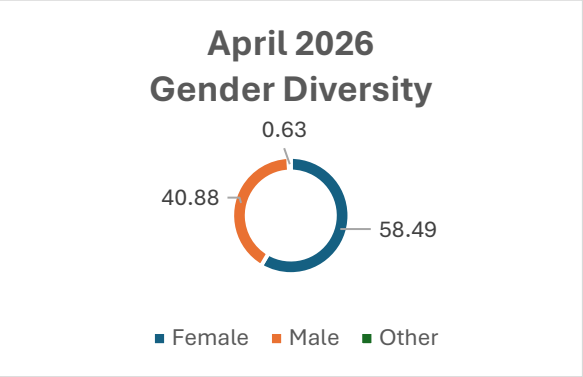
The gender composition of the workforce remains broadly stable. As at September 2026, 61.78 per cent of employees identify as female, 37.58 per cent as male and 0.64 per cent as other, compared with 58.49 per cent female, 40.88 per cent male and 0.63 per cent other in April 2026.

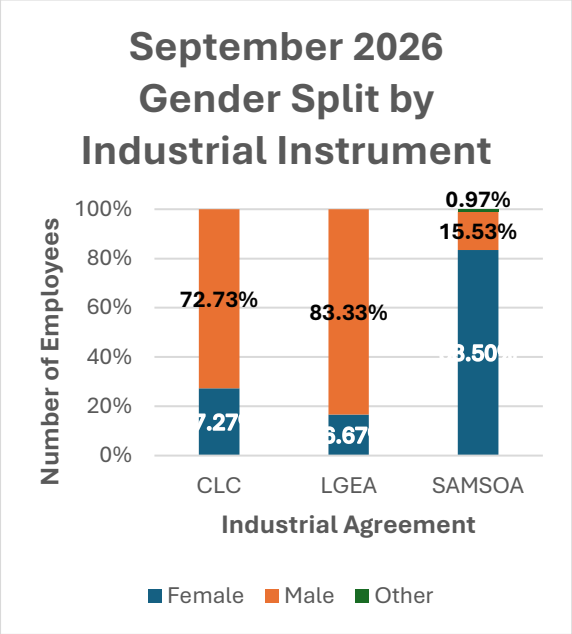
Award based gender patterns remain broadly consistent with the previous reporting period:

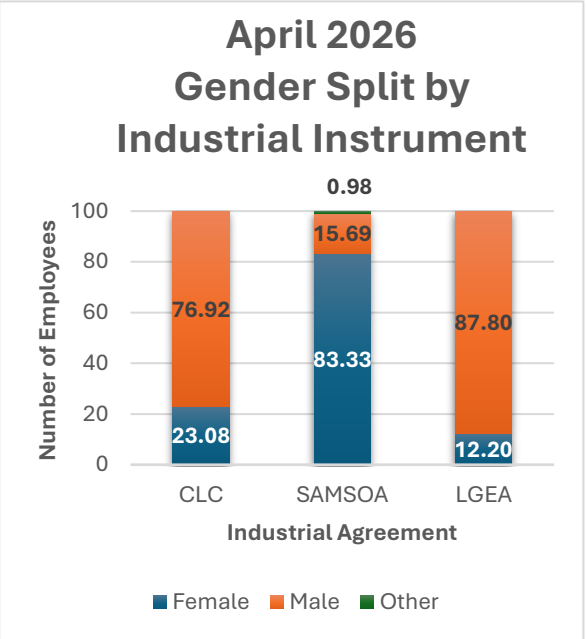
- South Australian Municipal Salaried Officers Award (SAMSOA) roles continue to be predominantly female, at 83.50 per cent.
- Local Government Employees Award (LGEA) roles continue to be predominantly male, at 83.33 per cent, although the proportion of female employees increased to 16.67 per cent.

- Common Law Contract (CLC) roles remain predominantly male, at 72.73 per cent. This is a modest decrease from 76.92 per cent in the previous reporting period.









6 Performance Development Plans (PDP) and Performance Improvement Plans (PIP)

At the end of the 2025 to 2026 PDP cycle, a completion rate of 56% of close out of PDPs has been achieved. The close out cycle measures the success of SMART goals or KPIS, WHS, alignment to Council's values and presents an optional wellbeing section The close-out helps build into the new cycle commencement where new SMART goals or KPIS will be set. Communication of employees outstanding has been provided to People Managers and escalation points copied in to ensure PDPs are closed out.

Meetings are being scheduled to commence the 2026 to 2027 PDP cycle. There is currently one (1) Performance Improvement Plans (PIP) in place.

PDP	Completion %
September 2026 (End of Cycle)	56%
April 2026 (Start of Cycle)	97%

Whyalla City Council

Work Health Safety Analytics

AUTHOR: **Ellisha Papoulis, Manager People and Culture**

VERSION NUMBER: **1**

DATE: **25 September 2026**

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1 CEO KPI

Reference	Goal	Objective	KPI	Target
Item 1	**Goal 9 - Organisational Performance (9.1) (WHS METRICS)**	"Develop and report on WHS (Including LTI Days) metrics to support Organisational Development…"	WHS (Including LTI Days) half-yearly update on performance against key workforce metrics established by end of September 2025. First report to Audit and Risk Committee October 2025. Biannual reports provided to Audit and Risk Committee.	Milestones met by due dates
Item 2	**Goal 10 - Risk Management and Compliance (WHS ANNUAL PLAN)**	Maintain a healthy and safe workplace by developing and implementing a WHS annual work plan to ensure compliance with all WHS legislation and report biannually to Audit Committee on progress	Annual WHS Plan developed by end of August 2025 Bi-annual Reports provided to Audit and Risk Committee (as per 9.1)	Milestones met by due dates

Item 3	**Goal 10.1 - Risk Management and Compliance (BASELINE MEASURES)**	Baseline measures are reported against 2024/2025 Workers Compensation Data	*(As per 9.1)* Half yearly updates on performance against key workforce metrics established by end of September 2025. First report to Audit and Risk Committee October 2025.			Milestones met by due dates

2 Work Health Safety (WHS) Measure and KPI Baseline

WHS Measure 24/25 Baseline	KPI Baseline	Oct 25-April 26	May 26 – Sep 26	Organisational KPI
Workers Compensation Claims	12	6	3	●
Lost Time Incidents	6	2	1	●
Lost Time Incident (Days)	62	61	~30	●
Medical Treatment Injuries (MTI)		0	1	
Total Incidents		53	49	
Total Incidents with Injuries	-	21	16	
First Aid Incidents	-	15	1	
Near Miss Reports	8	2	1	●
Hazard Reports Lodged	-	16	21	

3 Commentary around WHS Measure and KPI Baseline

The Organisational KPI for both 2025/26 and more recently 2026/27 was adopted based on the 2024/25 Work Health and Safety (WHS) performance metrics.

As previously reported, caution should be exercised when benchmarking current WHS performance against historical internal results and interpreting whether performance that does not achieve or exceeds the historical benchmark should be viewed as either negative or positive. While historical organisational data provides useful information on trends over time, comparisons can be influenced by changes in reporting practices, workforce demographics, operational activities and safety culture.

Benchmarking against the Local Government Risk Services (LGRS) portfolio would provide a more consistent and meaningful assessment of Council's WHS performance relative to comparable local government organisations and broader industry trends.

Workers Compensation Claims

Whilst the total number of workers compensation claims remains below the established KPI baseline, total number of claims alone does not fully reflect the impact of workplace injuries on the organisation.

Key detail around rollover workers compensation claims below:

- A psychological claim submitted in March 2026 was rejected by LGAWCS in July 2026. Where a claim cannot be determined by Day 10, interim benefits are applied. Whilst the claim has been rejected, the LGRS portal reflects 70 days of LTI, and a value of $53,669 was paid between March and July 2026.

- A retrospective approved psychological claim resulted in 201 lost-time injury (LTI) days and costs of $92,529. The claim was approved in January 2026 and was backdated to September 2024. As of 24 September 2026, the individual has successfully returned to her pre-injury hours and role following extensive support and collaboration between all parties involved in her recovery. The claim is now closed, with ongoing check-ins and support to be provided as required.

- A serious fall resulted in an LTI of 75 days at a cost of $51,664. The LTI transitioned to a Medical Treatment Injury and as of this reporting period has returned to full-time hours, remaining on a treatment plans until stairs can be utilised as part of normal duties.

New claims for the period:

- A LTI claim was lodged on 15/7/2026, a worker at the Civic Depot tripped and fell on a piece of plant that was incorrectly stored. The worker sustained a fracture to

her forearm as a result. The LGRS portal has not accurately updated to the LTI days but estimated at ~30. The worker has returned to work in September 2026 on a Stage 2 RTW plan, with modified hours and duties.

- A secondary claim for aggravation of a previously rejected injury has been submitted to LGAWCS on 13 September 2026. LGAWCS is currently reviewing this claim.
- A claims pack was completed on 25 September 2026 and awaits determination. W worker has slipped on sand at the Whyalla Early Learning Centre 25/9/2026 injuring her knee. Whilst there is a maintenance schedule in place to blow/sweep the sand back to sandpits, a review as part of the investigation is occurring to determine whether textured non-slip paint or other engineering should occur to reduce the repeat of incident. The claim is likely to result in >7 LTI, expenses for medical imaging and other medical supports.

Accordingly, while claim numbers remain lower than the baseline, the severity and duration of individual claims have had a substantial impact on organisational lost time outcomes.

Notifiable Incidents

A notifiable incident was reported to the Education Standards Board (ESB), as the regulatory authority for Whyalla Early Learning Centre, on 25 June 2026.

Medication was being prepared by staff, with the excess medication intended to be discarded back to the bottle, when the child unexpectedly took the syringe and self-administered the overdraw of medication.

Immediate action including calling Poison Control was undertaken, the child was taken to Whyalla Hospital for monitoring and was discharged following observation.

As part of the investigation, a critical reflection and Root Cause Analysis were undertaken and provided to the ESB. The causal factors identified that the medication policy and procedure in place at the time did not provide adequate measures to ensure medication was prepared away from children. The investigation also identified the need to maintain appropriate staff ratios while medication was being prepared and administered.

As an outcome of the investigation:

- The medication administration policy and procedure were reviewed;
- A staff meeting was held to discuss the revised medication administration policy and procedure and ensure staff understood the updated requirements;

- The impacted child's Behaviour Support Plan was reviewed and updated to include relevant medication administration procedures;

The ESB substantiated and recorded the following breaches of the Education and Care Services National Regulations 2011 against the approved provider:

- Regulation 93(1) – Administration of medication
- Regulation 95 – Procedure for administration of medication

The ESB accepted the strategies proposed for implementation and issued a caution letter to Whyalla Early Learning Centre. No further action was proposed in relation to the matter.

Near Miss Reports

Near miss reporting is a key lead indicator that enables hazards to be addressed before they result in injury, damage, or other incident outcomes. One near miss report occurred for the period, where an object was thrown at a worker operating a ride on mower at civic park this is reflected as both a safety and psychological hazard.

Total number of Incidents/Injuries

A total of 14 injuries were reported for the period. Three resulted in First Aid (FA) Injuries, the LTI and MTI are reported in the workers compensation field. The remainder were Report Only (RO). The leading mechanism of harm was slip, trip and falls. 8 of the 14 reports were from the Whyalla Early Learning Centre. 4 occurred at the Whyalla Grundel Street Building.

Date	Area	Type	Affected Body Locations	Nature of Injury
23/09/2026	WELC	LTI	Knee, right	Trauma to joints and ligaments
11/09/2026	WELC	MTI	Finger, left index	Contusion, bruising and superficial crushing
04/09/2026	WELC	FA	Ankle, left Knee, right	Trauma to joints and ligaments
10/08/2026	CIVIC	RO	Back, middle upper Elbow, left Elbow, right Back, left lower Back, right lower Knee, left Knee, right Neck Shoulder, left Shoulder, right	Trauma to muscles
28/07/2026	WELC	RO	Spine, lower Back, left lower Back, right lower	Trauma to muscles
24/07/2026	Depot	RO	Back, left lower	Muscle/tendon strain (non-traumatic)

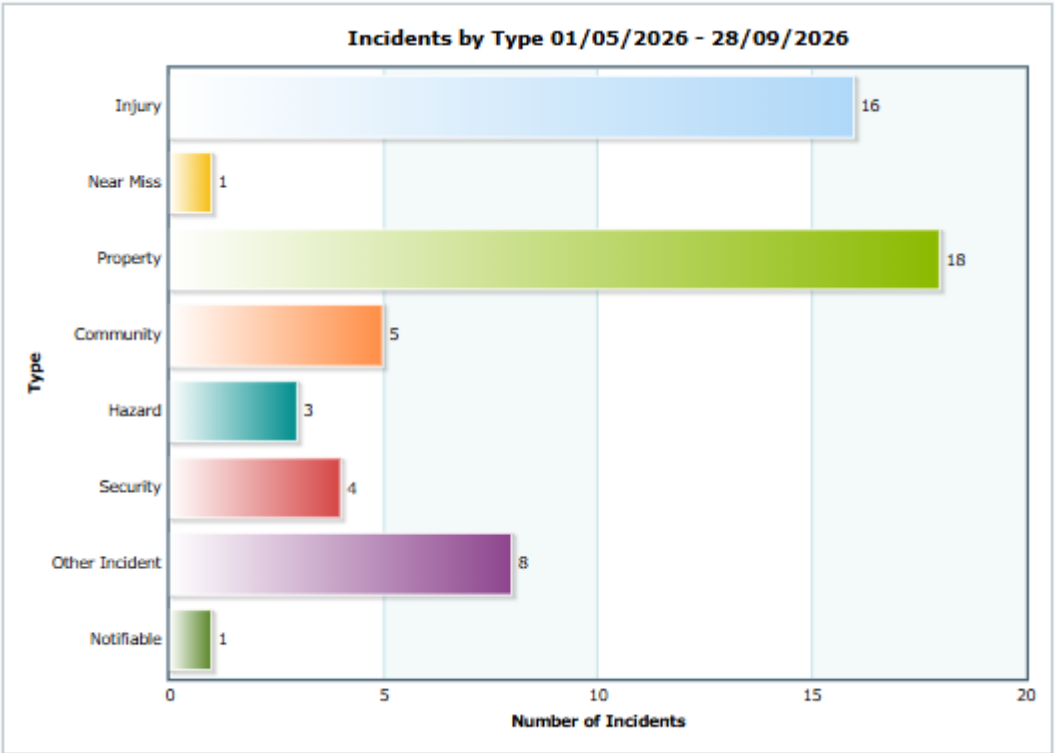
13/07/2026	Civic Park	LTI	Forearm, left front	Traumatic Joint/Ligament and Muscle/Tendon Injury
09/07/2026	WELC	RO	Knee, right	Trauma to joints and ligaments
07/07/2026	WELC	RO	Chest, centre	Trauma to muscles
06/07/2026	WELC	RO	Foot, right Ankle, right Shin, right Knee, right	Trauma to muscles and tendons, not elsewhere classified
29/06/2026	CIVIC	RO	Buttock, left Knee, right	Contusion, bruising and superficial crushing
29/06/2026	WELC	RO	Thigh, right	Other specified injuries, not elsewhere classified
28/06/2026	WELC	FA	Foot, left Shin, left Knee, left Thigh, left Hip, left Abdomen, left Hand, left	Multiple injuries
15/06/2026	CIVIC	FA	Wrist, left Wrist, right Knee, left Knee, right Shoulder, left Shoulder, right	Soft tissue injuries due to trauma or unknown mechanisms with insufficient information to code else

Total Number of Property incidents

Property Damage remains a leading report, with 18 reports over the period.

Two (2) of the incidents related to Council staff operating vehicles which had stone flicks during highway driving.
One (1) was the result of a member of the public reversing into Council's Steelworks/City Tour Bus
One (1) public truck travelling east on the Lincoln Highway and crashed through the Whyalla Airport airside fence coming to a stop before the area of Runway 17
One (1) was a council vehicle fire at the Whyalla Airport, currently under investigation.
Six (6) were the result of vandalism/damage to Council property; including broken windows, small fire being lit in the Civic playground carpark, graffiti on a sign, forced entry to garden sheds, forced entry in the Whyalla Early Learning Centre resulting in graffiti and vandalism to the yards,
One (1) was a member of the public inadvertently damaging the fuel bowser at the airport – driving off with the nozzle attached.
One (1) was a report of property damage to the 'Nest'; a hire building located next to the Whyalla Public Library and the Whyalla Homestead Museum. Found at the location was drug paraphernalia, rubbish and clothing strewn around the area.
One (1) contractor incident at the sand replenishment project, contractor damaged the top rail of a balustrade when operating an excavator.
Four (4) incidents were the result of use of council plant (whipper snipper/mower)

resulting in rock-flicks to vehicles or property resulting in glass crack or breakage.



Hazard Reporting

Hazard reporting has increased from 16 to 21. Hazard Reports should not necessarily be viewed negatively and may reflect improved reporting and hazard awareness.

A CAPA is assigned to a Hazard, which can be effectively monitored through the Corrective and Preventative Action Register, providing greater organisational visibility, oversight and governance through the Work Health Safety Committee and Executive Leadership Team.

Date	Location	Summary	Status	Due
27/08/2026	Whyalla Child Care Centre	The emergency exit gate in the senior yard (closest to the carpark) has dropped and is now not opening properly. this requires staff to lift the left gate while unlocking to open. This is a hazard to staff lifting the heavy awkward object and also an entrapment issue during an emergency evacuation.	Open	26/09/2026
21/08/2026	Whyalla Child Care Centre	A leak has been identified in the Squids room near the emergency exit door. This	Open	20/09/2026

		was reported to Building and Maintenance in early 2026. The work in this area was delayed as the solar panels are getting replaced in late 2026 or early 2027. It is believed the leak may be coming from the solar panels. The area is continuing to leak and is now getting mould on the roof.		
14/08/2026	Whyalla Visitor Information Centre	on the morning of the 14/08/2026 visitor information staff attended to the area of the 24-hour bay toilets picked up general rubbish items and discovered items and toilet paper full of human faeces spread around car park area. We then conducted a sweep of the gardens and found two adult nappies full of faeces also. This is the second occurrence observed in this location within a week. this poses a...	Open	13/09/2026
06/08/2026	Whyalla Child Care Centre	Educator lifted the lid of the box around the water controllers in the senior yard. The lid fell all the way backwards, hitting against the back of the box. This resulted in the screws and bolts holding the lid on becoming loose. This left a small gap between the box and the lid.	Closed	05/09/2026
30/07/2026	Whyalla Child Care Centre	Doors in the older part of the centre and a few doors in the newer part of the centre that can be accessed by children do not have finger guards installed on the doors. This is a safety issue for finger crushing and entrapment. Compliance issue identified during ESB assessment of our environment. This needs to be fixed by the 26/9/2026 to meet compliance.	Closed	29/08/2026

30/07/2026	Whyalla Child Care Centre	It was identified during a recent visit form the ESB that some of the emergency exits for the centre are not able to fit an emergency evacuation cot or 6-seater pram through them. It appears that some of the emergency exits could be deleted to ensure easy flow of evacuation through the centre.	Closed	29/08/2026
30/07/2026	Whyalla Child Care Centre	Chemicals in childcare centres are required to be stored in lockable cupboards. in the emu bathroom there is no lockable cupboard. The chemicals are stored on a shelf. This was identified by the ESB in a recent assessment of the environment.	Closed	29/08/2026
30/07/2026	Whyalla Child Care Centre	Gate to staff courtyard is unable to be latched and as this is on an evacuation route this creates a hazard for supervision of children during an emergency evacuation. The gate has a lock, but it is broken.	Closed	29/08/2026
30/07/2026	Whyalla Child Care Centre	Recently ramps were removed out of the squid's room door. This appears to be impacting some of the tiles on the floor of the exit as they are coming loose and the children are finding bits of tiles in the yard. Other tiles in both the cuttlefish yard and squids' yard are broken and hazardous.	Open	29/08/2026
30/07/2026	Whyalla Child Care Centre	During recent visit from the ESB it was flagged that our stage in the senior yard does may not provide enough shade until the trees and plants around it are mature. A shade audit was completed that recommends a shade option be sought be for the	Open	29/08/2026

		stage area while the trees are growing.		
13/07/2026	Civic Building on Grundel	Hazard - Slip, Trip, Fall and Hygiene Hazard - Upstairs Toilet – Used paper hand towels have been observed on the floor in the upstairs men's toilets. This creates a potential slip and trip hazard and requires workers or cleaners to pick up used towels, presenting an additional hygiene concern.	Closed	12/08/2026
13/07/2026	Civic Building on Grundel	The wheel on the compactus has degraded. The risk is that the compactus is now heavy to manoeuvre which may give rise to a repeated mechanical injury.	Open	12/08/2026
29/06/2026	Other	Hancock's electrician attended Jubilee Park for test and tag of the bollards under contract. It was discovered that Bollard PTO46 is highly dangerous (John mentioned that the electrician felt the electrical current despite the rubber gloves and boots, it was reported that he did not receive a jolt). If someone was to turn the RCD on while touching the bollard, they could be electrocuted.	Closed	29/07/2026
16/06/2026	Whyalla Public Library	Used discarded needles found in nappy bin in the disabled public toilet at the library by contractor as they were performing the monthly swap of the bins.	Closed	16/07/2026
01/06/2026	Civic Building on Grundel	Whilst entering the reception area from the southern door (from main stairway area), the door was difficult to open due to the wind providing resistance from the opened main (public) entry door. Once in the main reception area, the door suddenly closed, with force, due to the wind.	Closed	01/07/2026

25/05/2026	Whyalla Public Library	Ongoing issues with a couple of individuals sleeping in the area, anti-social behaviour and drug use.	Closed	24/06/2026
19/05/2026	Civic Building on Grundel	Doorstops entering into the canteen/reception foyer double doors poses a tripping hazard. Member of public attending a meeting has tripped.	Closed	18/06/2026
13/05/2026	Civic Building on Grundel	Replacement of Chairs** X2 Chairs in Customer Service slowly decline when adjusted to a raised position, resulting in inconsistent seating height during use. One front office chair & one N Tonkin chair. It also appears the footrest under the front counter does not raise.	Closed	12/06/2026
13/05/2026	Civic Building on Grundel	Sitting at the tables, applied pressure through the wood which fell off. Believe termite infestation exists.	Closed	12/06/2026
05/05/2026	Whyalla Child Care Centre	Nappy change bench in the Squids/Dolphin's bathroom has a cupboard under that is used to store spare clothes and hats. When staff or children are accessing this space, they are at risk of hitting their head on the jutting out bench. 2x incidents of staff hitting their heads have been logged in the last 6 months.	Open	31/12/2026
05/05/2026	Whyalla Child Care Centre	we have two older cement ramps on the cuttlefish and squids room doors that do not meet the requirements for disability egress ramps and pose a hazard as the gradient on them is too high. They get slippery especially when sand or rain gets on them.	Closed	31/12/2026

4 Work Health Safety Plan – Rebate Plan 2026

The 2026 plan will conclude on 30 September 2026 and comprises 43 strategic actions to improve and strengthen work health safety outcomes across Drug and Alcohol Management, Fitness for Work, Training Needs Analysis, Hazard Management, Psychosocial Risk and Volunteer Management.

As of September 2026 has completed 93% (40) of actions, with three remaining actions to be validated at the next RSA meeting on 14 October 2026. The three actions remaining are linked to Contractor Management Procedure, adoption, induction and review and monitoring.

Planning will commence in October for the next Plans and Programs Review which informs areas for improvement for development to the 2026/27 Rebate Action Plan.

5 Training Needs Analysis Compliance

The Training Needs Analysis identifies a total of 6,304 organisational training and competency items, of which 4,560 have been completed and 1,735 remain outstanding, representing an overall compliance rate of 73.48%.

Historical data indicates a positive improvement in compliance, increasing from 56% in September 2025 to 61% in January 2026, and subsequently to 73.48% in September 2026.

Further work is underway to:

- Incorporate Training Needs completion into probationary reviews, with required training to be completed prior to approval of the probationary period.
- Incorporate Training Needs compliance into Professional Development Plan reviews, with individual plans established to achieve the required level of compliance.
- Partner with Winning Safety Solutions to identify critical and high-risk competencies and map throughout Skytrust.
- Issue consolidated reports to individuals with overdue training. Reports were distributed in September 2026, with a four-week timeframe established for completion and outstanding matters to be escalated to the ELT.
- Modernise and streamline training booking processes to improve accessibility and efficiency.

Council has also engaged the specialist services of a Skytrust Subject Matter Expert through Winning Safety Solutions to address non-conformances identified through a requested sample audit undertaken in March 2026.

In addition, Skytrust is supporting Council to address BDO recommendations, including the identification of critical competencies and a review of existing induction requirements. This work aims to reduce the overall number of inductions while consolidating and streamlining content where appropriate.

3.0 ITEMS FOR NOTING

3.4 Review CEO's Annual Report on the Effectiveness of the Organisation's Culture

Audit and Risk Committee: 9 October 2026
Author's Title: Ellisha Papoulis – Manager People and Culture **File No.:** 0-159
Directorate: Corporate Services

Attachments:

1 – Culture Development and Leadership Plan
2 – Values and Behaviour Framework
3 – August 2026 Culture Pulse Survey
4 – Culture Journey Timeline

Officer Direct or Indirect Conflict of Interest:
In accordance with Local Government Act 1999, Section 120

☐ **Yes** ☑ **No**

Status:
Information classified confidential under Section 90(2) of the Local Government Act

☐ **Yes** ☑ **No**

Reason –

PURPOSE

The purpose of this report is to provide the Audit and Risk Committee (ARC) with an update on:

- achievement of the CEO's organisational culture and workforce KPIs for 2025/26;
- achievement against the CEO's organisational culture and workforce KPIS for 2026/27
- key workforce and culture outcomes;
- emerging people, culture, WHS and governance risks; and
- management actions being taken in response

Supporting evidence is provided through Attachments A - D.

SUMMARY

Council has completed the foundational phase of its Culture Development and Leadership Program **(Attachment 1)** and is progressing from development and implementation into measurement and embedding.

The CEO's 2025/26 culture-related KPI milestones were achieved, including establishment of the organisational culture baseline, development of the Culture and Leadership Development Plan and commencement of regular HR and WHS metrics reporting.

Implementation has continued through leadership development, consultation and adoption of the Values and Behaviours Framework **(Attachment 2),** culture activities, performance and accountability initiatives, employee engagement and culture measurement.

The *August 2026 Culture Pulse Survey* **(Attachment 3)** provides an early measure of effectiveness. Across all respondents:

- 90% were aware of Council's Values;
- 87% were personally committed to the intended culture;
- 85% understood what the Values look like in their role;
- 33% agreed they had observed leaders aligning their behaviour to the Values; and
- 39% believed Council's culture was moving in a positive direction.

The survey achieved a 43% response rate. Accordingly, the results provide useful directional evidence but should not be considered fully representative of the whole workforce.

The results indicate a strong foundation of employee awareness and commitment, while also identifying ongoing areas for management attention, particularly leadership consistency, accountability, fairness, trust, psychological safety and cross-Council collaboration.

KPI AND OUTCOME ASSESSMENT

1. 2025/26 KPI

KPI	**Outcome**
8.1 Culture assessment commenced	**Achieved**
8.2 Culture Development Plan developed and implemented	**Achieved**
Goal 9Workforce metrics established and reported to ARC	**Achieved**

The 2025/26 requirements established the baseline and framework from which ongoing organisational culture improvement is now being measured.

2. 2026/27 KPI

The 2026/27 CEO KPIs move from establishing Council's culture framework to measuring its implementation and effectiveness.

KPI	**Target / Measure**	**Current Position**	**Status**
8.1 – Implementation of Culture and Leadership Development Plan	Implement the Plan in accordance with milestones and deliver planned culture and engagement initiatives	Leadership development, culture activities, Values integration, employee recognition and culture measurement have commenced in accordance with the Plan. Refer Annexures A and D.	**On Track**
	Pulse Survey(s) demonstrate improvement over time	The August 2026 Pulse Survey provides the first measurement for the current implementation phase. Results demonstrate strong awareness and commitment, while identifying leadership consistency and accountability as areas requiring continued focus. Further survey periods are required to	**In Progress – trend not yet established**

		establish a trend.	
	Brief Council on high-level survey results and improvement actions	This report provides the high-level results and management response for referral to Council.	**On Track**
8.2 – Accountability and alignment with corporate Values	Evidence of ELT/SLT actions to engage staff, improve culture and lead change	Leadership development, direct workforce engagement, performance conversation capability and change leadership activities have been undertaken. Pulse Survey findings provide an early measure of workforce experience.	**On Track**
	>90% of staff have a current PDP	Participation in PDP is mandatory. Cycle 1 (Opening cycle) of the PDP commenced in line with the release of the organisational/CEO KPI in September. Results are being consolidated post 30 September 2026 to determine the % achieved in Cycle 1.	**Pending measurement for Cycle 1**
9.1 – Organisational Performance	Half-yearly reporting against established workforce metrics	People and Culture Metrics continue to be reported to ARC on a biannual basis, including workforce planning, TNA, Values and Behaviours, PDP/PIP and WHS measures under the cover *People and Culture Metrics* – Reports furnished to date: December 25, April 26 and October 26.	**On Track**

Overall Assessment

Implementation of the Culture and Leadership Development Plan is progressing in accordance with the 2026/27 program. *The Culture Journey Timeline* provides the consolidated record of implementation activity undertaken from the initial cultural assessment of August 2025 through to the September 2026 leadership and Pulse Survey activities. At this stage, the delivery-based KPI measures are on track.

The outcome-based measures relating to sustained cultural improvement require further data over 2026/27 before achievement can be determined. The next pulse survey will be due February 2027.

The August 2026 Pulse Survey therefore provides an early indicator of effectiveness rather than evidence, in isolation, that sustained organisation wide cultural improvement has been achieved.

KEY RISKS AND MANAGEMENT RESPONSE

The *August 2026 Culture Pulse Survey* identifies the following areas requiring continued management focus:

- **Leadership consistency and credibility**: continued leadership development, visibility and role-modelling.
- **Accountability and performance management**: strengthening performance conversations and consistent application of behavioural expectations.
- **Fairness, trust and psychological safety**: reinforcing consistent standards, respectful behaviour and safe mechanisms for raising concerns.
- **Cross-Council collaboration**: reducing silos and strengthening shared accountability.
- **Change and workload fatigue**: sequencing culture initiatives and integrating them into normal business processes.
- **Legacy perceptions:** ensuring previous experiences do not unduly shape perceptions of current and future organisational culture, encouragement to 'explore new evidence'.
- **Change management capability:** maintaining a consistent and structured approach to organisational change so employees understand the rationale, expectations and impacts of change, while reducing the risk of change fatigue, disengagement or inconsistent adoption. Change management features as a 2027 program in the *Culture Development and Leadership Plan.*

Management responses are aligned to the expectations established through Council's Values and Behaviours Framework and the implementation priorities contained within the *Culture and Leadership Development Plan.*

The *Culture Development and Leadership Plan* provides for ongoing six-monthly Pulse Surveys and a future Culture Values Assessment (CVA) retest to assess change over time.

OUTCOME

Council has established the frameworks, behaviours, leadership development and measurement mechanisms required to support organisational culture improvement.

Early results demonstrate strong awareness and commitment to Council's Values; however, leadership consistency and accountability remain the principal areas requiring continued focus.

Further longitudinal measurement will be required to determine whether these foundations translate into sustained improvement in organisational culture and workforce outcomes.

RECOMMENDATION

That the Audit and Risk Committee

1. **note that the CEO's 2025/26 organisational culture KPI milestones were achieved;**
2. **note that implementation of the Culture and Leadership Development Plan is progressing;**
3. **note the *August 2026 Culture Pulse Survey* findings and associated limitations arising from the 43% response rate;**
4. **note the identified cultural risks and management actions being taken; and**
5. **recommends the report to the Ordinary Council Meeting as evidence of progress against the relevant CEO KPI requirements.**

Whyalla City Council

Culture and Leadership Development Plan

February 2026

Prepared by:

REVEUR
ASIA PACIFIC



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2 Executive Summary

Whyalla City Council's (WCC) vision for 2030 and beyond articulates an inspiring future, one of a thriving, clean, and progressive regional city where every resident experiences a deep sense of belonging, shared pride, and genuine opportunity. As Whyalla transforms its industrial heritage into a world-leading, zero-carbon future, while honouring the enduring connection and wisdom of the Barngarla People, the role of organisational culture becomes critical. A strong, values-driven culture within Council is essential to translating this ambitious vision into lived experience, enabling collaboration, adaptability, and leadership excellence that will support sustainable growth, shared advantage, and long-term community confidence. This requires the intentional evolution of Council's organisational culture to create an environment where people are empowered to come to work with clarity of purpose and accountability, supported by a positive and inclusive workplace that values contribution, enables high performance, and ultimately delivers meaningful outcomes for the Whyalla community.

As with all organisations, WCC's workplace culture has evolved through the **behaviours** that have been **encouraged, discouraged, and tolerated** by leaders, people, and the systems within the environment of WCC. Elements of this culture enable the attainment of the organisations goals whilst some elements will be limiting overall organisational effectiveness. The Culture Development Plan provides a systemic approach to defining and achieving the required strategically aligned target culture.



To define the required strategically aligned target culture, it was first necessary to understand the current culture. To do this a Culture Values Assessment (CVA) was undertaken in September-October 2025, which enabled the engagement of Elected Members, Leaders and Employees to contribute their views about the current and what is desired for the future culture.

The culture assessment identified that the workforce brings to the workplace and values:

Family, Honesty, Accountability, respect, caring, empathy, approachability, community-minded, Positive Attitude, Continuous Improvement, Humour / Fun Trust.

In the current environment, they experience community-mindedness and teamwork (particularly in their immediate teams). However, they reported several potentially **limiting values present**, including hierarchy, silo mentality, confusion, bureaucracy, blame, conflict avoidance, control, cost reduction, empire building, which may be inhibiting their ability to deliver at their best.

Into the future the workforce is **seeking** continued focus on community-mindedness and teamwork, along with increased presence of accountability, continuous improvement, leading by example, balance, collaboration, open communication, employee engagement, respect, and trust to enable a work environment to deliver on the required goals and objectives.

Cultural Entropy is a measure of the amount of wasted energy in the organisation that is consumed in unproductive work

The Culture Values Assessment indicated an overall Entropy score of **36%**. The demographic data demonstrates some variance in the cultural entropy scores between departments and positional levels.

The listening groups revealed a workforce seeking a stronger voice, deeper collaboration, and greater consistency in how accountability is applied across the organisation. Those regularly called upon to deliver outcomes want to feel genuinely recognised and valued for their contributions.

A clear theme emerged for leadership to strengthen connection to the organisational vision, ensure

consistency in how accountability is enacted, and model values-aligned behaviours. There is also a strong aspiration to foster an environment grounded in trust and psychological safety, where people feel trusted, extend trust to others, and are supported to bring their best in service of their community.

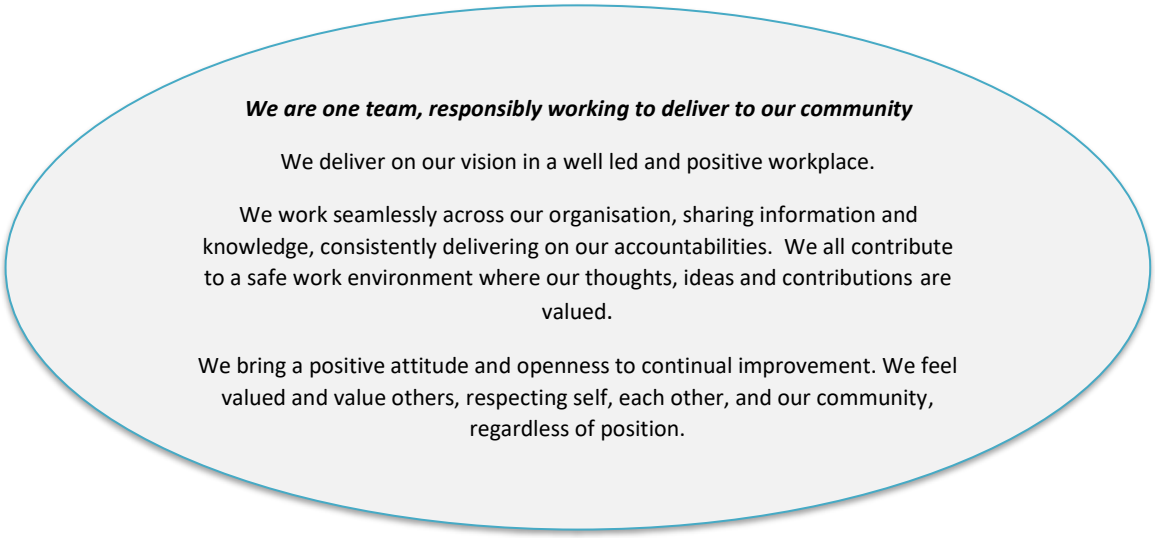
The Culture Diagnostic detailed overview and listening groups analysis background information is outlined in ***Appendix A***.

In January 2026, the ELT come together to define the target culture, acting upon the feedback from the workforce, taking into consideration:

- the CVA and listening group feedback,
- the strategic imperatives of the organisation.
- the current espoused values (and the level of engagement with these).

The target culture definition process highlighted a high degree of alignment between the culture that is strategically needed and the desired culture from an employee perspective. This is a powerful position to leverage and to effectively engage the employee base in actively contributing to the creation of the target culture.

The Whyalla City Council Target Culture can be described as



%The Executive Leadership Team (ELT) undertook a considered review of the values and behaviours required to enable the target culture aligned to WCC's strategic direction. This consideration and further consultation with the workforce resulted in the decision to revise the current espoused values to the following:

Context / Value	We Belong	We Collaborate	We Deliver	We Serve
	Trust, Open Communication, Inclusion, Courage	*Teamwork, Collaboration, Respect, Open Communication*	*Accountability, Clarity, Leading by Example, Empowerment*	*Community-minded, Continuous Improvement, Sustainability*
As Individuals and as Teams	I treat others with respect and speak up constructively when behaviour or actions are disrespectful or misaligned with our values.	I proactively share information, involving the right people at the right time to develop solutions, aligning on decisions, and supporting them once agreed.	I am clear about my responsibilities and follow through on commitments, raising risks early if delivery is at risk.	I have the customer and community front of mind in my decisions
	I listen to and genuinely consider different perspectives, addressing concerns and behaviour issues openly and respectfully.	I proactively and constructively resolve conflicting priorities, including those beyond my immediate team, with a focus on collective success	I openly give and receive constructive feedback with good intent.	I work together with others to deliver timely, high-quality services and identify ways to improve how we serve the community.
As Leaders	We are accessible, actively listen, and act consistently on performance issues and values-aligned behaviours.	We actively connect teams, resolve cross-council priorities, and role model collaboration beyond our own areas.	We set clear expectations, model accountability, and act early and consistently on performance and behaviour.	We enable timely decision-making and support continuous improvement in service delivery.
In Community	We engage with community members respectfully, listen to their perspectives, and respond in ways that demonstrate they have been heard.	We work across teams and departments to provide coordinated, seamless services to the community.	We deliver services as promised and communicate clearly and promptly when timeframes, outcomes, or expectations change.	We act professionally, efficiently and constructively to address customer requests and feedback

The Culture Development Program provides a systemic approach to achieving the target culture.

Section One of the document defines the target culture, outlining the values, behaviours, beliefs, and feelings that will underpin the achievement of the target culture.

Section Two outlines the Culture Development Program and is divided into 4 areas centred on the culture levers designed to achieve a significant shift towards the target culture:

1. Priority focus area – Culture Behavioural Program
2. Quick Wins
3. Priority Opportunities – Integration with Planned Organisational Initiatives
4. System and Symbol – Culture Integration

The Culture Development Program activates the following **Cultural Levers**:

- the Behaviour levers of **Top Team** (ELT/SLT) and **People Development.**
- the System levers of **Business Management Processes**, **Performance Management,** and **Communication,** and **External Relationships**
- the Symbol lever of **Quick Wins.**

Communication is a key lever enabling cultural transformation, and as such a comprehensive Culture Communication Strategy and Plan will be developed to sit beside WCC's Corporate Communications Plan and leverage existing internal communication mechanisms within WCC. The Culture Communication Plan will be designed to support the organisation to continue to build understanding, engagement, and ongoing commitment to the target culture.

The following provides the background, rationale, and detail of WCC's Culture Development Plan.

SECTION ONE

Defining Whyalla City Council's Target Culture



3 About the Culture Development Plan

3.1 Purpose of the Document

This document sets out the background to the development of the target culture, presents the agreed target culture for WCC and recommends a Culture Development Plan to deliver the agreed target culture. The focus of this document is on the delivery of Stage One of the plan, which runs from March 2026 through to October 2027 when it is recommended a retest of the cultural assessment be undertaken. Following the retake of the CVA, it is recommended that a revised Culture Development Plan be co-developed with the People and Culture team to determine key areas of focus for the subsequent years.

3.2 Objectives

The objectives of the WCC Culture Development Plan are to:

- Describe the current culture.
- Present the agreed target culture.
- Outline the Behaviours, Beliefs, Values and Feelings that will underpin the achievement of the target culture.
- Outline a development program to continue to build leadership capability and understanding about culture, culture leadership and the link between culture and the achievement of the broader strategy of the organisation.
- Provide the cultural activities roadmap to achieve the strategic objectives of WCC.

3.3 Methodology

The Culture Development Plan (CDP) has incorporated elements of the Walking the Talk methodology.

Within this methodology, Culture is defined as “the patterns of behaviour that are encouraged or discouraged, by people and systems, over time” (Ned Morse). These patterns of behaviour, and their underlying values, can be grouped together to form six cultural archetypes, and most target and current cultures can be described through one or a combination of these.

The six archetypes:



- **Achievement** – A culture in which individuals, teams and the organisation are expected to deliver what they agree to deliver and keep their word.
- **Customer Centric** – This organisation is designed from the outside in. Everyone understands the customer, and cares about their impact on the customer’s world.
- **One Team** – A culture where the good of the whole is placed above the individual.
- **Innovation** – A culture which strives to do what has never been done before, to improve, be unique and to operate at the highest standards.
- **People First** – A culture where people are valued, encouraged, and supported. People are the centre of the operation – a sense of fair exchange occurs.
- **Greater Good** – A culture in which there is a responsibility for the organisation’s impact and contribution to society beyond the immediate stakeholders.

In any organisation you will have elements of each archetype present, however there are usually one to three archetypes that dominate and require more focus to deliver on the strategy. It is not necessary to be strong in everything to be effective. In fact, focus tends to lead to a more successful outcome.

The target culture has been built upon the Walking the Talk framework of:

- **Have** (the description of the Cultural Attributes).
- **Do** (the Behaviours, Symbols and Systems creating the cultural messages) and.
- **BE** (Beliefs, Values and Feelings that are at the core of driving individual's behaviours).

Have: *Cultural Attributes*

In our lives and in business we have a certain set of outcomes e.g., business outcomes, financial results, safety results, community and employee satisfaction scores etc. and in addition to that, you have certain sorts of culture attributes which support the achievement of these business or financial outcomes. The 'Have' level describes the cultural outcomes the business is working towards i.e., how our people and others will describe our business when the target culture is the norm.

DO: *Behaviour, Symbols & Systems*

Culture is the patterns of behaviour that are encouraged or discouraged by Behaviours, Symbols and Systems over time. People receive messages about how they need to behave to fit in and adapt accordingly. Therefore, a key part of the framework is an analysis of the messages carried by the Behaviours, Symbols and Systems that have created the WCC culture. When the Organisation observes certain cultural patterns are present it can analyse the Behaviours, Symbols and Systems to understand what may be driving this.

BE: *Beliefs, Values and Feelings*

The last part of the framework is an analysis of the Beliefs, Values and Feelings that enable the culture. In order to intrinsically engage and motivate people to 'live' these values and behaviours, it is essential to connect to their **belief and emotional inner operating systems** (the BE level).. When an organisation observes certain patterns of behaviour are present, it can look to Beliefs, Values and Feelings to understand what may be enabling this.

- ***Beliefs***. Organisations build shared beliefs about the community, management philosophy, their place in the world, what works and what doesn't, which becomes influential in the way decisions are made and therefore influences the culture. What motivates people to perform better, for example, will influence the way a reward system is designed. Beliefs are sometimes spoken about and sometimes unconscious.
- ***Values.*** Values describe the organisation's moral position, the right way to do things, what is important or a principle by which the organisation tries to live. Values usually play out in some sort of hierarchy, which is visible when it is not possible to fulfil all values in one decision. In every organisation, certain values become the determining factor in the majority of decision than others.
- ***Feelings.*** Although values and beliefs are the key BE-level determinants of culture, feelings can influence culture too, especially if they are embedded and persistent. For example, if mistrust has built up over a long period of time, it will produce patterns of behaviour including control, lack of transparency, etc.

3.4 Overview of the Process

Through engagement with the workforce and leaders of WCC from the very outset, we continue to build internal capability for culture leadership, highlighting and strengthening the links between culture and the broader strategy of the organisation.

The following activities were undertaken:

- **Culture Values Assessment (CVA) Survey** - to understand the current culture, in particular its enabling and potentially limiting aspects; to gain a view of the desired culture; and to engage the Elected Member, Leaders and the Workforce in the culture assessment process.
- **Listening Groups** – Five listening groups were conducted in December 2026 to debrief and discuss the CVA results, their perspectives and experience of the culture. The listening groups comprised one senior leadership group, a team leader/ coordinator group, two employee groups and the Elected Member group. Overall, approximately 60 employees were engaged to gain deeper insight and context in relation to the CVA feedback.
- **Development of the target culture** – In consideration of the strategic direction of the Council and **hearing the feedback** from the workforce, the ELT met to define the target culture.
- **Workforce Consultation** – to socialise and seek feedback on a draft set of values and behaviours resulting in the refinement of these values and behaviours.
- **Development of the Cultural Development Plan (CDP)** - which identifies the focus for change from a cultural point of view, and more specifically, develops the Stage One program for WCC to begin to bridge the gap between their current and target culture.

Appendix A outlines the CVA survey results and listening group analysis, which significantly informed the development of the target culture and Culture Development Plan.

The following section outlines WCC's target culture, culture development plan and program of key initiatives designed to facilitate the achievement of the target culture.

4 The WCC Target Culture

4.1 Defining the Target Culture

The target culture articulates the workplace environment that WCC is aspiring to achieve through the culture development process.

The target culture has been developed by analysing and integrating the information gathered from the following:

- **Whyalla Strategic Plan 2025-2034, the 2030 and Beyond Vision and the WHS work fully life fully vision**
- **Current Culture** from the CVA and Listening Groups
- **Desired Culture** from the CVA and Listening Groups
- **Draft Values and Behaviours** Consultation Feedback

Research on organisational success differentiators has consistently identified that an organisation's culture is a key enabler for the delivery of its strategic goals. As such, WCC's Strategic Plan 2025-2034 was utilised as the core strategic anchor when determining and describing WCC's target culture.

As described in the Strategic Plan, the four themes lay the foundation for a thriving, clean, and progressive regional city where every resident experiences a deep sense of belonging, shared pride, and genuine opportunity.

Key strategic priority		Corporate objectives
Our People and Community	Empowered people embrace their community to achieve a sense of belonging	1.1 Create a vibrant, diverse, actively engaged community with a sense of purpose.
		1.2 Collaborative partnerships in our community
		1.3 Promote and encourage artistic and cultural endeavours in the community
Our Liveability	A quality lifestyle in a safe and connected community	2.1 Create a city that is attractive and showcases our natural and built assets
		2.2 Ensure that assets and facilities infrastructure are maintained and managed to meet the community's needs
		2.3 Advocate for outcomes that improve the quality of life of Whyalla's residents
		2.4 Retain access to vital public transport services
Our Industries and Business	Sustainable employment and training opportunities that deliver economic prosperity	3.1 Our city will offer education and training
		3.2 Deliver outcomes outlined in the Economic Development Strategy
		3.3 Our city will be part of the transformation to a cleaner, more sustainable future
		3.4 Environment and Sustainability
Our Leadership	Leadership that creates and shares a prosperous future for the community of Whyalla	4.1 Whyalla Council Members commit to serving the Community

To achieve the strategic plan, it will be essential for WCC Leaders and workforce to have clarity of their responsibilities, have the autonomy to be accountable for their responsibilities, and operate as a united and collaborative workforce.

Accountability, a people focus and a one team mindset emerged as an essential focus to achieve the strategic goals. There is a need to build a workforce that feels valued, respected, trusted, trusting empowered, responsible and proud of the services they provide to their community.

4.2 Describing the WCC Target Culture

Bringing all of the diagnostic data and outcomes together, the **WCC Target Culture** can be described as follows:

We are one team, responsibly working to deliver to our community

We deliver on our vision in a well led and positive workplace.

We work seamlessly across our organisation, sharing information and knowledge, consistently delivering on our accountabilities. We all contribute to a safe work environment where our thoughts, ideas and contributions are valued.

We bring a positive attitude and openness to continual improvement. We feel valued and value others, respecting self, each other, and our community, regardless of position.

The From – To

The following describes the shift from the current culture to the future culture, the **From – To** perspective that will assist people in understanding what the main focus of the target culture is and what the target culture will look, sound and feel like.

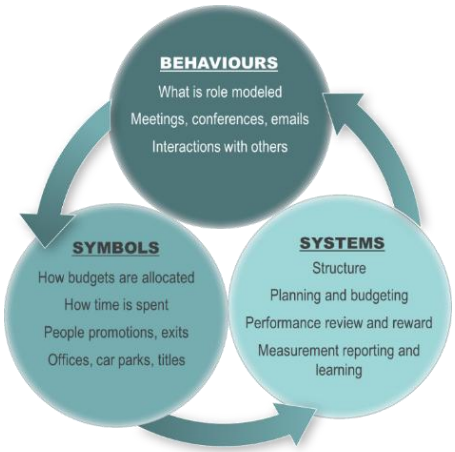
Table 1: WCC Culture – **From-To**

From	To
Inconsistent individual accountability, disempowerment, aversion to change, lack of clarity, blame and fear.	Achievement-focused, every person is being fairly held to account, able to speak up without fear of being diminished. Seeking feedback, resourced to deliver and proud to work for Council.
People not feeling valued, consulted or heard. People feel they are not trusted to do their job.	Leaders and People respectfully engage with each other, genuinely consult, listen to, encourage and are open to ideas. People are recognised, valued and are open to and contribute to continuous improvement
People experience some teamwork within immediate teams; however, are limited by silo mentality, poor co-operation, and communication across departments.	People work collaboratively within and across teams to ensure seamless service provision both externally and internally. Information is shared openly to support delivery to customers.
Community-centric intent is strong, but there is inconsistent application.	People have a mindset that community service is everyone's role. Clarity of customer expectations and consistency of policy application.

Behaviours (Values, Behaviours, Beliefs and Feelings)

Culture is created by the messages that are both spoken and unspoken, thus indicating 'what is truly valued around here'. People receive messages about how they need to behave to fit in and adapt their behaviours accordingly.

To create a work environment (culture) which delivers on WCC's term plan, it is necessary to effectively bring the culture to life for every employee.



To do this, it is essential to connect their '*Head with their Heart*' and this is achieved by articulating the culture through the messages people receive through the Behaviours (Values, Behaviours, Beliefs and Feelings), Symbols and Systems present in the organisation.

To create the desired culture, it is imperative that there is alignment of and consistency in messages being sent through each of these three key areas.

One of the first areas to create and send the desired messages is through the core values and behaviours that people are expected to operate by day to day.

Based upon the consultation with the workforce and consideration of the Strategic Plan 2025-2034, the ELT articulated the core values (to guide decisions and behaviours) which, when applied by Elected Members, Leaders, and Employees, will be instrumental in underpinning the target culture and the organisation's ability to successfully deliver on its strategic imperatives.

As part of the ELT's revision of the values and Behaviours, the following values framework was developed to provide context and background to why the value was considered most significant into the next 18 to 24 months.

Table 2: Values framework

We Belong *(Trust, Inclusion, Open Communication, Courage)*
Why this matters now Across the organisation, there are examples of people supporting one another, building connections within teams, taking pride in their contributions, and being connected to the organisation's purpose and team. At the same time, some people report feeling undervalued, under consulted, and hesitant to speak up when they have questions, ideas, or when things are unclear or not working. Past experiences of mixed messages, limited consultation, or inconsistent responses have, at times, reduced trust and confidence that it is safe to raise concerns or offer different perspectives. This value builds on the organisation's existing sense of care and connection, while strengthening trust, openness, and courage. It enables the shift from caution and silence to participation, inclusion, and shared ownership, where people feel genuinely valued and safe to contribute.

What this value means in practice

- People are valued for their contribution, experience, and perspective
- Open, honest, and timely communication is the norm
- Consultation occurs in the planning stage, where possible
- Different views and diversity of opinions and experience are welcomed and explored respectfully
- Leaders are visible, accessible, and actively listen

Culture shift

From: pockets of connection existing alongside hesitation, disengagement, and fear of speaking up.
To: trust, inclusion, courage, open dialogue, and a strong sense of being valued and belonging.

We Collaborate

(Teamwork, Respect, Collaboration, Open Communication)

Why this matters now

Many immediate teams work well together and demonstrate strong commitment, care for colleagues, and a willingness to "pitch in" when it matters. In urgent situations, people often go above and beyond to support each other and get the job done.

At the same time, collaboration is experienced unevenly across departments and locations. Siloed ways of working, duplication of effort can limit shared understanding, slow decision-making, and reduce overall effectiveness. Collaboration is often strongest within teams, and less consistent across the organisation as a whole.

This value builds on the existing strengths of teamwork, while strengthening a shared mindset that supports collaboration beyond boundaries. It reinforces the shift from "my team or area" to "our organisation", where collective success is prioritised and diversity of roles, perspectives, and expertise is genuinely valued.

What this value means in practice

- Collaboration across teams, departments, and locations is expected
- Information, expertise, and resources are shared proactively
- Respect for different roles, pressures, and perspectives
- Organisational outcomes are prioritised over departmental interests
- Helping each other succeed is part of everyone's role

Culture shift

From: strong local teamwork existing alongside silos, gaps in communication, duplication, and occasional internal competition.

To: shared ownership, two way communication, engagement, cooperation, and collective success across the whole organisation.

We Deliver

(Accountability, Clarity, Leading by Example, Empowerment)

Why this matters now

Many people across the organisation demonstrate strong commitment, pride in serving the community, and work to deliver their best work. At the same time, staff experience inconsistency in how accountability is applied, unclear roles and decision-making, and inconsistent performance and talent management. This can result in uneven workloads and confusion about priorities.

What this value means in practice

- Roles, responsibilities, and decision authority are clear
- Commitments are honoured
- Accountability is applied fairly and consistently across the organisation
- Performance issues and behaviours are addressed early and constructively
- Leaders model ownership, communication, and decisiveness

This value strengthens what already exists in terms of commitment, care, and pride while providing clearer structure, fairness, and consistency. It anchors the shift from effort and intention to shared ownership and reliable outcomes, enabling all people to deliver consistently, with confidence and clarity.

Culture shift

From: strong community pride, alongside confusion, avoidance, inconsistent standards, and gaps in communication.
To: clarity, fairness, shared accountability, empowered decision-making, and reliable delivery.

We Serve

(Community Minded, Continuous Improvement, Sustainability)

Why this matters now

There is great pride throughout the organisation in serving the community and a sense of responsibility for the effective use of public resources. Many people care about the impact of their work and are highly conscious of cost management.

At the same time, increasing workload pressures, cost constraints, and reliance on established ways of working can limit the organisation's capacity to innovate, improve systems and behaviours, and sustain high-quality service. When people are stretched or feel constrained, service can become more reactive, and opportunities to improve how work is done is not pursued.

This value honours the organisation's strong community commitment while creating space for

empowerment, learning, and improvement. It supports the shift from reactive delivery under pressure to purposeful, sustainable service, where people trust, are trusted, support and are supported, and are enabled to continuously improve outcomes for the community.

What this value means in practice

- The community is central to decisions and priorities
- Everyone understands how their role contributes to community outcomes
- Continuous improvement and learning are encouraged and supported
- Systems and processes evolve to improve service and reduce frustration

Culture shift

From: strong community commitment existing alongside some experiences of high workload, and "that's how it's always been done" thinking.

To: purpose-led community service, continuous improvement, empowered decision-making, and future focus

The following table provides the key behavioural commitments to support the values and attainment of the target culture.

Table 3: WCC Values and aligned Behaviours

Context / Value	We Belong	We Collaborate	We Deliver	We Serve
	Trust, Open Communication, Inclusion, Courage	*Teamwork, Collaboration, Respect, Open Communication*	*Accountability, Clarity, Leading by Example, Empowerment*	*Community-minded, Continuous Improvement, Sustainability*
As Individuals and as Teams	I treat others with respect and speak up constructively when behaviour or actions are disrespectful or misaligned with our values.	I proactively share information, involving the right people at the right time to develop solutions, aligning on decisions, and supporting them once agreed.	I am clear about my responsibilities and follow through on commitments, raising risks early if delivery is at risk.	I have the customer and community front of mind in my decisions
	I listen to and genuinely consider different perspectives, addressing concerns and behaviour issues openly and respectfully.	I proactively and constructively resolve conflicting priorities, including those beyond my immediate team, with a focus on collective success	I openly give and receive constructive feedback with good intent.	I work together with others to deliver timely, high-quality services and identify ways to improve how we serve the community.
As Leaders	We are accessible, actively listen, and act consistently on performance issues and values-aligned behaviours.	We actively connect teams, resolve cross-council priorities, and role model collaboration beyond our own areas.	We set clear expectations, model accountability, and act early and consistently on performance and behaviour.	We enable timely decision-making and support continuous improvement in service delivery.
In Community	We engage with community members respectfully, listen to their perspectives, and respond in ways that demonstrate they have been heard.	We work across teams and departments to provide coordinated, seamless services to the community.	We deliver services as promised and communicate clearly and promptly when timeframes, outcomes, or expectations change.	We act professionally, efficiently and constructively to address customer requests and feedback

In order to intrinsically engage and motivate people to 'live' these values and behaviours, it is essential to connect to their belief and emotional inner operating systems (the BE level). As such the below table outlines potential beliefs that people will need to hold in order to live the values. Also, the feelings that may motivate people to consciously live the values and behaviours. Support, tools, and techniques to facilitate mindset and belief shifts of leaders and employees are woven into the content of the Culture Behavioural Program and the Leadership Development initiatives which are major components of the Culture Development Plan.



"It is not hard to make decisions when you know what your values are".
Roy Disney

Table 4: Beliefs and Feelings

Values	Beliefs (I believe…)	Feeling
We Belong	• It is important to share information with colleagues to achieve the best outcomes for our customers. • That through giving and receiving constructive feedback, I will continue to grow and develop • In speaking up respectfully when something doesn't feel right. • That open and transparent communication strengthens trust. • That diversity of perspectives makes us stronger.	Empowered Valued Informed Safe Positive Trusted Supported Engaged
We Collaborate	• My and my colleagues' contributions, ideas and opinions are valued • That better outcomes are created when we work together and support each other. • That people are honest and trustworthy. • In bringing a positive attitude to everything I do. • That we achieve more when we break down silos. • In recognising and celebrating contributions and achievements. • Assuming positive intent	
We Deliver	• In taking personal accountability for my decisions and actions. • That it is a safe and supportive environment to have necessary conversations. • In being open to and sharing new ideas and new ways of doing things. • In taking responsibility for my safety and the safety of those around me. • That delivering on commitments builds trust with colleagues and the community. • That learning from mistakes improves our performance and outcomes.	
We Serve	• That every role in Council contributes to delivering value to our customers. • That our work makes a meaningful difference to the community • I am here for the community (internal and external)	

Symbols and Systems:

Using a systemic approach to create the target culture, it is also necessary to consider the key Symbols and Systems required to augment the behaviours that send messages about what is valued. In order to position the organisation to make significant shifts towards the target culture, the following tables outline the most important Symbols and Systems to focus energy and effort upon.

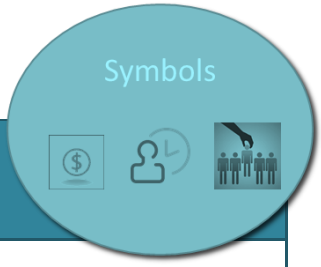


Table 5. Target Culture Symbols

Archetype	Symbol
Achievement	Time is spent planning and seeking collaboration with relevant people
	Vision, strategy, and priorities stay consistent long enough to determine their success
	People are delivering on their role with recognition and addressing of performance consistently applied
People First	Leaders are visible and regularly interact with people throughout the organisation
	People are given the responsibility and chance to prove themselves
	People placement, the best person for the job is promoted
One Team	Combined social events are common - celebration
	Knowledge management systems are extensive and facilitate the sharing of information and knowledge
	People are moved between departments to encourage cross-collaboration
Customer Centric	Stories of exceeding customer experience are widespread
	People at the front line are enabled to make responsible decisions to deliver to the agreed customer service standards
Greater Good	Long-term focus to contribute to the good of the community
Innovation	Resources and time are assigned to continuous improvement and idea development



Table 6. Target Culture Systems

Archetype	System
Achievement	Goals and expectations are clear
	Alignment between performance and reward
	Visibility and transparency of performance
	Information used is fact-based, realistic and clear
People First	Performance management is treated seriously and based on the importance of learning and development
	Training is targeted at the developmental needs of individuals
	Work life balance policies are consistently applied
	Robust succession planning framework is in place
One Team	Communication systems give open access to information across the organisation including good feedback loops
	Collaboration on goal setting is common with reward systems encouraging one team behaviours
	Procedures demonstrate trust in staff
	Remuneration system encourages people to facilitate the success of others
	People hold each other to account through constructive feedback and conversations
Customer Centric	Customer satisfaction is a key measure with focus on process improvement.
	Customer satisfaction is a key measure

4.3 WCC Target Culture Piano

In order for the culture to be in tune, it is necessary to bring all of the systemic elements together, to align the strategic goals (the HAVE -what is to be delivered) with the messages sent through the behaviours, symbols, systems (the DO) and the internal operating systems of the values, beliefs and feelings(the BE). The following table brings these elements together for WCC's target culture.

Table 7: Target Culture Piano

HAVE	**Financial / Business Results**	*Whyalla City Council's vision for 2030 and beyond articulates an inspiring future, one of a thriving, clean, and progressive regional city where every resident experiences a deep sense of belonging, shared pride, and genuine opportunity. . A strong, values-driven culture within Council is essential to translating this ambitious vision into lived experience, enabling collaboration, adaptability, and leadership excellence that will support sustainable growth, shared advantage, and long-term community confidence*
	Cultural Attributes	***We are one team, responsibly working to deliver to our community*** We deliver on our vision in a well-led and positive workplace. We work seamlessly across our organisation, sharing information and knowledge, consistently delivering on our accountabilities. We all contribute to a safe work environment where our thoughts, ideas and contributions are valued. We bring a positive attitude and openness to continual improvement. We feel valued and value others, respecting self, each other, and our community, regardless of position.
DO	**Behaviour**	We Deliver – **I am clear about my responsibilities and follow through on commitments, raising risks early if delivery is at risk,** I openly give and receive constructive feedback with good intent. We Belong: **I treat others with respect and speak up constructively when behaviour or actions are disrespectful or misaligned with our values,** I listen to and genuinely consider different perspectives, addressing concerns and behaviour issues openly and respectfully We Collaborate - **I proactively share information, involving the right people at the right time to develop solutions, aligning on decisions, and supporting them once agreed,** I proactively and constructively resolve conflicting priorities, including those beyond my immediate team, with a focus on collective success We Serve - **I have the customer and community front of mind in my decisions,** I work together with others to deliver timely, high-quality services, and identify ways to improve how we serve the community.. We act professionally and efficiently and constructively to address customer requests and feedback
	Symbols	**Time is spent planning and seeking collaboration with relevant people,** Vision, strategy, and priorities stay consistent long enough to determine their success,People are delivering on their role with recognition and addressing of performance consistently applied, **Leaders are visible and regularly interact with people throughout the organisation.** People are given the responsibility and chance to prove themselves, **People placement, the best person for the job is promoted,** Combined social events are common – celebration, **Knowledge management systems are extensive and facilitate sharing of information and knowledge,** People are moved between departments to encourage cross-collaboration, **Stories of exceeding customer experience are widespread,** People at the front line are enabled to make responsible decisions to deliver to the agreed customer service standards, Long term focus to contribute to the good of the community, Resources and time are assigned to continuous improvement and ideas development
	Systems	**Goals and expectations are clear**, Alignment between performance and reward , **Visibility and transparency of performance**, Information used is fact-based, realistic and clear, **Performance management is treated seriously and based on the importance of learning and development**, Training is targeted at the developmental needs of individuals , **Work life balance policies are consistently applied,** Robust succession planning framework is in place, **Communication systems give open access to information across the organisation including good feedback loops**, Collaboration on goal setting is common with reward systems encouraging one team behaviours, **Procedures demonstrate trust in staff**, Remuneration system encourages people to facilitate the success of others, **People hold each other to account through constructive feedback and conversations,** Customer satisfaction is a key measure with focus on process improvement, **Customer satisfaction is a key measure.**
BE	**Beliefs**	I believe - In taking personal accountability for my decisions and actions.That it is a safe and supportive environment to have necessary conversations,In being open to and sharing new ideas and new ways of doing things, In taking responsibility for my safety and the safety of those around me, That delivering on commitments builds trust with colleagues and the community, That learning from mistakes improves our performance and outcomes. **It is important to share information with colleagues to achieve the best outcomes for our customers, That through giving and receiving constructive feedback, I will continue to grow and develop. In speaking up respectfully when something doesn't feel right, That open and transparent communication strengthens trust., That diversity of perspectives makes us stronger** My and my colleagues' contributions, ideas and opinions are valued, That better outcomes are created when we work together and support each other, That people are honest and trustworthy, In bringing a positive attitude to everything I do, That we achieve more when we break down silos, In recognising and celebrating contributions and achievements, Assuming positive intent**.** That every role in Council contributes to delivering value to our customers, That our work makes a meaningful difference to the community, I am here for the community (internal and external)
	Values	Values – **We Deliver,** We Belong**, We Collaborate,** We Serve
	Feelings	Feelings – **Empowered,** Valued**, Informed,** Safe**, Positive,** Trusted**, Supported,** Engaged

SECTION TWO

Whyalla City Council

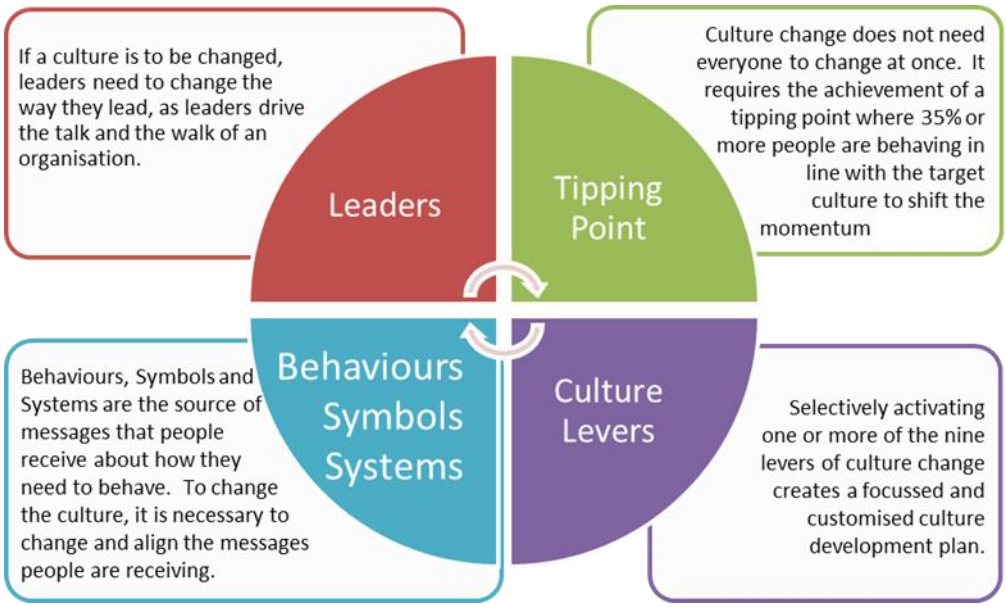
CULTURE DEVELOPMENT PROGRAM



5 The Culture Development Program

5.1 Introduction to the Culture Development Program

The Culture Development Program has been based on a number of Culture Transformation Principles.



Culture Levers

There are nine cultural change levers within the Behaviours, Symbols and Systems model which can be activated, to varying degrees, in order to create a focussed and customised culture development program and achieve the biggest shifts towards the target culture.



Table 8. Levers of Cultural Change

Cultural Lever	Behaviour, Symbol, or System	Lever Description
Top Team		This lever incorporates initiatives that support the most senior leaders of the group to lead culture. Initiatives are designed to build leadership capability, to role model required behaviours and values, to encourage or discourage patterns of behaviours in their people.
People Development		This lever's initiatives are designed to provide specific support for the next layer of management (Combined management Team, Coordinators and Team leaders), and key influencers, in leading and influencing the shift towards the target culture. The initiatives build self-awareness, as well as awareness of how this group impact the culture and assist in building the required behaviours, skills, and beliefs that they need to role model.
People Placement		People in key roles send strong messages about the culture and its values through their behaviour. Therefore, People Placement can be a very symbolic lever. This lever should demonstrate the considerations and values alignment through initiatives built into the selection, promotion, succession planning and the exiting of people.
Workplace Design		This lever incorporates initiatives that deal with the physical and virtual environment in which people work. The workplace design can incorporate initiatives that enable people to behave in line with the target culture and in particularly engender openness, collaboration, communication, and trust.
Quick Wins		This lever incorporates various initiatives which change the culture and often do not involve a lot of additional time or money. The initiatives can have significant impact and demonstrate shifts quickly. Many of these initiatives involve choices about where time is spent, visible signage and language used.
Business Management Processes		The processes to which people work must enable them to behave in line with the target culture. The initiatives within this lever are centred on a range of processes that are used to manage the resources in the business e.g., people and financial. The processes centre on strategic and operational planning, budgeting, reporting and measurement and authority levels (delegation levels).
Performance Management		The performance management system is the formal mechanism to communicate what is important and what is rewarded. Initiatives within this lever are designed to align the performance management process with the target culture to ensure all are working towards common goals, receive constructive feedback on performance and are rewarded for the 'values aligned' attainment of goals.
External Relationships		This lever incorporates initiatives that focus on the relationships with external groups with which the organisation interacts. Initiatives centre on how the voice of these groups e.g., customers, suppliers, unions, are heard by the organisation and ultimately, how the organisation responds to them.
Communication		Communication is an essential lever to include in the planning process, as the initiatives incorporate how employees communicate with each other, the information they share and their engagement in the cultural change process.

5.2 Culture Development Program

The Cultural Development Plan provides a systemic approach to achieving the target culture. The plan incorporates priority focus areas, outlining priority areas centred on the culture levers designed to achieve a significant shift towards the target culture.

Where possible and known, the CDP integrates these initiatives into the plan and identifies additional initiatives recommended to attain a significant shift towards the target culture.

The Culture Development Program activates the following **Cultural Levers**:

- the Behaviour levers of **Top Team** (Elected Members/ELT/SLT) and **People Development.**
- the System levers of **Business Management Processes**, **Performance Management, Communication, and**
-
- the Symbol lever of **Quick Wins.**

The Culture Development Plan has been divided into 4 areas:

- **Priority Focus Areas** which will create the momentum for change and drive the most significant shifts in the culture. These priority areas will be where the leadership invest the majority of their time. The major component is a **Cultural Behavioural Program** to facilitate the understanding, engagement of, and commitment to the culture, across all levels of the organisation. A program that supports the leaders to create and lead the culture through a Cultural Leadership Program alongside an Employee Culture Engagement Program that facilitates bringing the culture to life for every employee, relative to their roles.

- **Quick Win areas** which will signal change with minimal time and financial investment.

- **Integration with Planned Organisational Initiatives**
  There are a number of existing initiatives underway across Council, particularly within the People and Culture portfolio, that provide strong platforms to embed and accelerate the target culture. Integrating the cultural priorities with these initiatives will both strengthen their impact and ensure alignment across the organisation.

  Key areas of integration include the performance management framework, succession planning processes, psychosocial risk and wellbeing strategies, and onboarding and recruitment practices.

- **Systems and Symbol levers: Culture Integration.** There are key systems and symbol culture lever initiatives that will support the evolution of the culture that can be integrated into the organisation's initiatives. Implementation will require consideration of sequencing and alignment with the organisation's broader priority focus areas to avoid overwhelm and further workload fatigue, and to maximise impact.

5.2.1 Priority Focus Areas Year 1: March 2026- March 2027

1. **Culture Behavioural Program (Collective and Individual)**
    a. Cultural Leadership Program
        - Leading Culture Workshops (Bring the Culture to life and strengthening culture leadership topic)
        - Elected Members Culture Leadership and updates
    b. Individual Leadership Development (ELT and SLT)
    c. Employee Culture Engagement
    d. Culture Integration - Culture Activities – Keeping Culture Conscious
    e. Internal Culture Communication Strategy and plan (integrated with Corporate Communication Plan)
2. **Quick Wins**
    a. Staff Engagement – Leadership visibility
    b. One Team – Clarity of Roles and Responsibilities
    c. Employee value and recognition

5.2.2 Other Focus Areas: March 2026- December 2027

3. **Priority Opportunities – Integration with Planned Organisational Initiatives**

    a) Performance Management System: integration of target culture and strengthening of performance conversation capability and occurrence.
    b) HR People Initiatives
    c) Conscious Continuous Improvement

4. **Systems and Symbols Culture Integration**
    a. Informed workforce
    b. Connection to Council
    c. Change Management Framework
    d. Enhancing Community Awareness and Education

Indicative Timeline

Section 5.4 outlines an indicative timeline for the initiatives and would be subject to further discussion to ensure the program is paced in line with the operational requirements of WCC and designed to facilitate the sustained embedding of the intended benefits of the initiatives towards the creation of the target culture.

Measurement and Monitoring

Section 5.5 outlines recommended monitoring and measurement initiatives across the first 18 months to gauge engagement and progress in relation to creating the target culture. It is recommended that a CVA retake is undertaken in September 2027, with the results being used to present a revised Culture Development, determining the key areas of focus for the next year.

5.3 Cultural Development Program Overview

Priority Focus Areas: Culture Behavioural Program (Collective and Individual) and Key Culture lever organisational initiatives Development
A major component is the **Cultural Behavioural Program** to facilitate the understanding, engagement of, and commitment to the culture across all levels of WCC. A program that supports the leaders to create and lead the culture through a Cultural Leadership Program, alongside an Employee Culture Engagement Program that facilitates bringing the culture to life for each and every employee relative to their roles.

Initiative	Culture Lever	Audience	Delivery Responsibility	Action	Expected Benefit	Proposed Timing
a) **Leading Culture Program**	Top Team 	ELT / SLT / Team Leaders and Coordinators	External Provider	**Leading Culture** The **Leading Culture Workshop** is designed to build leaders' capability to enable leaders to consciously and consistently lead the creation of the organisation's target culture. The workshop will guide leaders through an endings and beginnings transition, enabling them to adopt empowering mindsets and release limiting beliefs. This creates the conditions for leaders first to lead self, and in turn lead others and the organisation in alignment with the desired culture. Leaders build a practical understanding of the neuroscience of leadership, alongside evidence-based tools and techniques that support the creation of psychologically safe, high-performing work environments. The workshop focuses on translating the organisation's values into everyday leadership behaviours, enabling leaders to actively bring the culture to life through clear behaviour commitments. Leaders develop individual leader action plans, supported by mechanisms for ongoing progress monitoring, measurement of behavioural change, and peer accountability and support ensuring sustained impact beyond the workshop.	Builds the capability of leaders to shape and manage culture. Facilitate an empowered and future focused leader mindset Gives leaders the tools that they need to enable success in the new culture. Leaders develop individualised action plans to create and lead culture in their area of responsibility. Department Leadership Teams build cohesion and implement department-specific actions.	March 2026
	Top Team 	Elected Members	External Provider	**Councillor Culture Leadership** Two updates of 1 hour each to be held with Elected Members, to provide updates on progress on the Culture Development Program and support understanding of how they create the target culture. .	Supports the Elected Members understanding of the target culture and contribution to attaining WCC's goals. Continues to support their understanding of their roles and their contribution to the attainment of the target culture.	March 2026 August 2026
	People Development 	Coordinators / Team Leaders	External Provider	**Leading Culture** The **Leading Culture Workshop** is designed to build leaders' capability to enable leaders to consciously and consistently lead the creation of the organisation's target culture. The workshop will guide leaders through an endings and beginnings transition, enabling them to adopt empowering mindsets and release limiting beliefs. This creates the conditions for leaders to first lead self, and in turn lead others and the organisation in alignment with the desired culture. Leaders build a practical understanding of the neuroscience of leadership, alongside evidence-based tools and techniques that support the creation of psychologically safe, high-performing work environments. The workshop focuses on translating the organisation's values into everyday leadership behaviours, enabling leaders to actively bring the culture to life through clear behaviour commitments.	Builds understanding, engagement and commitment to WCC's target culture and what it means for these leaders. Builds the capability of leaders to shape and manage culture. Gives leaders the tools that they need to enable success in the new culture. Leaders develop individualised action plans to create and lead culture in their area of responsibility. Department Leadership Teams build cohesion and outwork department-aligned actions.	March 2026

Initiative	Culture Lever	Audience	Delivery Responsibility	Action	Expected Benefit	Proposed Timing
				Leaders develop individual leader action plans, supported by mechanisms for ongoing progress monitoring, measurement of behavioural change, and peer accountability and support ensuring sustained impact beyond the workshop This positions Coordinators and Team Leaders with same leadership development experience as ELT and SLT, creating an understanding of the target culture and a common language to support collective leadership of the culture through the organisation		
	People Development 	ELT / SLT/ Team Coordinators and Team Leaders	External Provider	**Strengthening Culture Leadership– Culture Leadership Development Topics** The Culture Leadership development topics are designed to build leadership capability and deepen and strengthen the networks and collaborative relationships across WCC. Each round focuses on a specific topic intrinsically linked to creating and leading the target culture. In each session, leaders will deep dive into the topic and be equipped with practical tools to support them to build skill. Leaders then apply learnings 'on the job' and regularly meet with their 'coaching group' to further embed learnings and build collaboration and relationships across departments. The sessions are scheduled 2 months apart to facilitate on the job application, reflection and embedding of learning. These sessions have a spacious design establishing a conducive environment for deeper conversations, sharing of experience, and building relationships across departments. Session recommended topics: • Building psychologically safe teams and leading accountability • Holding Effective Performance Conversations • Building Trust and Communication • Neuroscience of Leading self and others through Change	Builds leadership effectiveness in the key leadership competencies required to create the target culture environment and achieve strategic direction. Promotes cross-group collaboration, trust and one team mindset. Example of scheduling of topics: Apr, June, August/Sept, Nov/ Dec	April/ May 2026 July 2026 August/ Sept 2026 November 2026
b) Continued Individual Leadership development	People Development 	ELT/SLT	External Providers	**Continue Individual SLT Leadership Development** Enhance leadership effectiveness through leadership coaching. It is recommended; that leaders undertake 360-degree feedback development to further build leadership effectiveness and capability of the senior leaders of WCC. A series of individual coaching engagements are undertaken to support the continual and conscious leadership development of the SLT	Builds individual leader awareness around their behavioural patterns and underlying beliefs, so that they can consciously align, and role model their leadership behaviours. Initiatives already underway	February 2026- December 2026
c) Employee Culture Engagement	People Development 	Employees	External provider, Leaders, and Internal HR Representative	**Employee Engagement – Awareness, understanding and commitment.** **<u>Values Refresh: All Employees</u>** Launch the refreshed Values and associated behaviours, bringing these to life with tangible and practical activities designed for the specific organisational groups. **<u>Employee Culture Cascade Workshops</u>** The **Employee Culture Cascade Workshop** is a four-hour, interactive workshop designed to build a shared understanding of the organisation's culture and how every employee contributes to bringing it to life.	Employees understand the revised values with strong linkage to their feedback and organisational purpose. Employees understand, engage with, and connect to the culture, values, and behaviours specific to their roles.	March 2026 April /May 2026

Initiative	Culture Lever	Audience	Delivery Responsibility	Action	Expected Benefit	Proposed Timing
				Delivered to all employees (recommended in intact teams, or alternatively in cross-functional groups) the workshop establishes a common language for culture and a collective understanding of the organisation's target culture, values, and associated behaviour commitments. Participants gain clarity on the day-to-day behaviours they are expected to demonstrate and how these behaviours shape individual, team, and organisational outcomes. A central element of the workshop is an endings and beginnings transition, supporting employees to consciously let go of unhelpful habits or assumptions and to step into a future-focused, empowered mindset aligned with the desired culture. This creates psychological readiness for change and reinforces personal ownership of culture at every level. The workshop emphasises practical application, encouraging participants to reflect on how they show up at work, how they work with others, and how their everyday choices directly influence the culture they experience **Pulse Surveys** Held at six (6) monthly intervals (post the employee culture cascade workshops, the survey engages all employees to provide input into the progress towards the target culture.	Builds understanding, a common language and practical application amongst all employees around the target culture and what it means for them day to day. At the end of the Culture Cascade Workshops employees will: • Be aware of how culture is created and how it supports their individual and collective success. • Understand more about our Target Culture and the Values and Behaviour Commitments. • Be familiar with some frames of thinking and common language to build their skill and ability to live the values. • Learn and practice ways to constructively provide feedback on behaviour. • Provide an individual commitment as to how they will contribute to the creation of the target culture. Employees continued to be engaged in culture progress feedback, connecting changes in observed behaviours by self and their leaders.	1)September 2026 2) April 2027
Culture Activities	Business Management Process 	All Employees	Leaders	**Monthly Culture Activities - Integrated into existing team meetings/gatherings.** Development of a structured program of 'on the job' culture activities designed to embed culture into day-to-day thinking and make it tangible in each part of WCC. Activities focus on key topics e.g., cross-group teamwork and where appropriate are customised to fit within operational parameters. Activities are leader-led and undertaken each month at appropriate or existing team gatherings e.g., toolbox talks, and monthly team meetings.	The structured program keeps culture and practical application conscious in the day-to-day way of operating. Leader-led and customised for groups enable input and ownership by leaders and all employees.	May 2026 - ongoing
Culture communication strategy and plan	Communication 	All Employees	External Provider and Internal Communication Lead	**Culture Communication Strategy and Plan** Development of a comprehensive Culture Communication Strategy and Plan that will integrate with WCC's Internal Communication and Engagement Strategy and leverage the existing internal communication mechanisms within WCC. The Culture Communication Strategy and Plan will support the external communication plan, the internal corporate communication plan and individual leader connection and alignment with Culture Development Program activities and support the organisation to continue to build understanding, engagement, and ongoing commitment to the target culture.	Raise stories of positive culture alignment and connections with the bigger picture. Supports making culture tangible and builds an understanding of how people contribute towards culture. Keeps culture and how it supports the attainment of a positive work environment and WCC outcomes conscious.	March 2026 - Ongoing

Quick Wins

The following outlines a number of Quick Win initiatives which facilitate momentum toward target culture. Quick Wins are usually initiatives that are minimal in cost and provide a strong symbolic connection to the commitment to creating target culture.

Initiative	Culture Lever	Audience	Delivery Responsibility	Action	Expected Benefit	Timing
Staff Engagement – SLT /SMT Visibility	Quick Win 	All Employees	ELT / SLT	**Leadership Visibility** The ELT proactively and consistently visit council depots and satellite sites to connect with staff both informally and formally. Visits incorporate talking with staff and acknowledging their efforts with a 'hello', 'thank you", and/ or "well done". Revise CEO Update to a two-way communication forum (All Staff Forum) in which ELT provides updates, staff are able to bring ideas, questions for discussion and an opportunity to input into solutions for ongoing issues.	Employees are kept informed and engaged in decisions, events, and successes. The ELT is seen engaging together while developing and leading across the whole of WCC. Leaders are visible and demonstrate an authentic interest in employees, respect, and value, leading to deeper commitment and motivation through recognition and genuinely seeking their feedback and input.	January 2026 - Ongoing
One Team	Quick Win 	All Employees	Leaders	**Clarity of Roles and Responsibilities** Structured activities to share team profiles which build understanding of roles and responsibilities. Undertake actions that support team members to get to know each other better, put names to faces, and who is responsible for what and who to go to for what etc. For example, • Encourage regular visits/meetings between interdependent teams or between departments. Team members from a different departmental team visit another interdependent team meeting or morning tea to share knowledge and information on their respective roles, responsibilities, where and how the teams integrate. Share what is working between the teams and what is not.	Build understanding of team, goals, and challenges areas to leverage coordination and collaboration. Creates unified organisation with Improved openness, knowledge and Information sharing collaboration across groups, inclusion, and teamwork.	July- ongoing
Employee Value and Recognition	Quick Win 	All Employees	ELT / SLT / Team Leaders and Coordinators	**Timely recognition of aligned and misaligned behaviours** Leaders consciously look for opportunities to provide timely, positive, and authentic recognition for good work; providing ideas for improvement; making it okay to make mistakes, taking responsibility and sharing the learning. Leaders proactively and effectively act on issues required to be addressed in a timely manner.	Builds a sense of pride, engagement, respect, and connection by employees to the organisation. Breaks down silos and builds relationships and trust between employees and leaders. Increased recognition throughout the employee base.	Ongoing

Priority Focus Area: Priority Opportunities: **Integration with Planned Organisational Initiatives**. The WCC Strategy 2024-2034 outlines a considered program with many of the initiatives directly relating to key culture levers initiatives that are required to attain significant shifts towards the target culture. Whilst the program of work may require pacing to facilitate a high degree of success in the adoption of changes and sustainable benefit realisation, with conscious integration of and connection to the target culture, will significantly contribute to shifts in culture. The following tables recommend the most important initiatives to focus on as a priority and which will delivery significant cultural shift.

Initiative	Culture Lever	Audience	Delivery Responsibility	Action	Expected Benefit	Timing
Performance Management Alignment	Performance Management 	All Staff	WCC People and Culture	**Performance Management Process Review** Leaders with the capability and confidence to manage performance effectively, including conducting timely, constructive performance conversations, play a critical role in role modelling accountability. By setting clear expectations and supporting employees to deliver on their goals, leaders enable individuals to perform at their best and realise their potential. The Performance Agreement process is a key mechanism for aligning individual contributions with Council priorities. To reinforce the importance of performance, values, and the target culture, it is essential that values are embedded within this framework at a behavioural level, both clearly articulated and actively assessed and discussed. To further embed accountability, it is recommended that Performance Agreements be enhanced to include an explicit assessment of behaviours aligned to the target culture. This component could be weighted as part of the overall annual performance outcome, signalling that how results are achieved is as important as what is achieved.	People have a clear understanding of accountabilities and behavioural expectations and have regular discussions with leaders on their progress and development opportunities. Leaders are skilled at having constructive and proactive performance conversations recognising achievements and supporting focus on growth and development areas.	March 2026 ongoing
HR People Initiatives Alignment	People Development, People placement 	All Staff	WCC People and Culture	**Integration of Cultural Elements into the Organisation Development Initiatives** Conscious integration and inclusion of cultural elements to support alignment with the target culture. • Onboarding process including recruitment, induction and selection and existing processes. • Succession Planning Strategy and approaches • Integration with Workplace Health and Safety Vision 25 • Integration with Psychosocial Safety Reviews • Reward and Recognition program - a holistic program with a mix of informal and formal reward and recognition of the demonstration of the values and behaviour commitments.	The target culture and behavioural expectations are clearly articulated as employees enter the Council. People in key roles send strong messages about the culture and its values through their behaviour. Deliberate considerations and values alignment through initiatives built into the selection, promotion, succession planning and exiting of people. Potential leaders are assessed not only on what they do but how they do it. Inclusion of how people demonstrate values-aligned behaviour as a criterion for involvement in the talent pool sends a strong message to others as to how to behave and what is rewarded.	March 2026 ongoing
Conscious Continuous Improvement	Business Management Processes 	All Leaders and Employees	ELT / SLT / Team Leaders and Coordinators	**Continuous Improvement** Leaders actively and proactively engage with their teams to listen to and discuss the key challenges and opportunities in their day to day. Leaders empower employees to identify and action continuous improvement opportunities in their control and identify and action improvement and learning opportunities. Where the challenge or opportunity requires escalation, the leader takes carriage of the issues. This is integrated into a continuous improvement framework. Learnings and feedback are shared within and across departments with successful and unsuccessful ideas recognised.	Employees feel empowered and acknowledged for raising improvement ideas and aware of the outcomes (benefits and learning) from their suggestions. Leaders are able to role model Continuous Improvement behaviours in how they engage with their people in this process.	July 2026 ongoing

Systems and Symbols Integration

In addition to the priority areas, the following table lists systems and symbol culture lever opportunities which will contribute to the culture program. These initiatives would need to be scheduled to cater for other operational and budgetary requirements.

Initiative	Culture Lever	Audience	Delivery Responsibility	Action	Expected Benefit	Timing
Information flow and coordination	Communication 	All Employees	All	**Informed workforce** Review and leverage existing communication systems and frameworks to strengthen the clarity, consistency, and timeliness of information flowing throughout the organisation. Clear vertical communication will support the workforce understanding of strategic direction, decisions, and priorities. Strengthen cross-departmental communication to enhance coordination, increase visibility of interdependencies, and improve both internal collaboration and external community outcomes. Promote and enable genuine two-way communication mechanisms that foster psychological safety, creating an environment where individuals feel confident to seek clarification, raise questions constructively, and address perceived gaps in information. This includes reinforcing shared accountability for communication, where all employees take responsibility for both providing and proactively seeking information.	People are receiving relevant messaging in a timely manner that facilitates their engagement and informs them. Leaders, through to Team leaders/coordinators, are taking personal responsibility to cascade relevant information to their people in a way that works for their specific areas. Increases cross-cooperation and a one team mindset. Builds a sense of pride and connection among employees to WCC. Builds community confidence and enhanced reputation of WCC and its employees.	June 2026 ongoing
Connection to Council - Clarity of Purpose and Contribution	Business Management Processes 	All Employees	ELT / SLT	**Development of Strong Connection with Purpose of Council** Leaders actively engage their teams in meaningful conversations that strengthen ownership and connection to Council outcomes. By clarifying line of sight between individual roles and broader organisational impact, leaders can build motivation, pride, and commitment to delivering value for both internal customers and the community. Leaders are also encouraged to share their own connection to purpose through personal stories, using a structured framework to support reflection and dialogue. By creating space for individuals to explore and articulate their own stories of connection to purpose, teams can cultivate deeper intrinsic motivation and a shared commitment to delivering on Council's mission each day.	Builds and reinforces pride in working for Council. Employees have good understanding of how they contribute to the success of the council, what they and others are responsible for. Builds understanding of team goals, challenges and areas to leverage for coordination and collaboration. Creates unified organisation with improved openness, collaboration across groups, inclusion and teamwork.	January 2027 - June 2027
Change Management Framework	Business Management Processes 	All Employees	TBD	**Development and implementation of Change Management Framework** Develop and implement a structured Change Management Framework to enable effective delivery and sustainable benefit realisation of change initiatives across the organisation. The framework will be supported by a practical suite of tools and resources to guide robust planning, meaningful consultation, impact assessment, and targeted interventions. This approach will strengthen the organisation's capacity to support people to understand, engage with, and successfully adopt new initiatives, ensuring change is implemented thoughtfully, consistently, and with lasting impact.	Effective change management practices support overall success and achievement of sustainable benefits.	July 2027
Council Persona	External Stakeholders 	Community and all employees		**Enhance Council's Reputation and Persona** Shift city's persona both within the community and externally, how the community feels / thinks; how the city's viewed internally and externally. develop a Council Persona Framework (aligned to the Community Plan, core values, Flourishing Whyalla and engagement charter	Strengthen community trust and reputation by aligning leadership behaviour, service delivery, and communications with a consistent, values-driven civic identity. Increases workforce pride, cultural cohesion, and decision-making alignment, positioning Council as a confident and trusted leader in Whyalla's future.	Current
Building Community Awareness and Education				**Community Awareness and Education** Continue to strengthen community awareness and understanding of the service standards delivered by WCC. Through a coordinated external communications strategy, proactively showcase the value, impact, and professionalism of Council's services. This approach will enhance WCC's reputation within the Whyalla community, foster greater respect for the work undertaken by employees, and build internal pride in the contribution Council makes to the community it serves.	The workforce feel valued and proud to work with WCC. Customers respect WCC workers and show increased acknowledgement for work well done. Reduce customer complaints.	Ongoing

WCC Culture Development Program Indicative Timeline

Culture Initiative	Audience	March	April	May	June	July	August	September	October	November	December	Jan -June 2027	July - Dec 2027	2028 Beyond
		2026										2027		2028
Customised Culture Initiatives - Behavioural Program	Leaders (ELT/SLT)	Leading Culture (BTCTL) 1 day												
	Team Leaders / Coordinators	Leading Culture (BTCTL) 1 day												
	ELT/SLT/TL and Coord		Strengthening Culture Leadership Cohort Topic 1		Strengthening Culture Leadership Cohort Topic 2			Strengthening Culture Leadership Cohort Topic 3		Strengthening Culture Leadership Cohort Topic 4				
	All	Values Refresh Launch						Pulse Survey				Pulse Survey (April)		
	Employees		Employee Culture Cascade Workshops (3-4 hours)		Monthly Activities									
	Elected Members	Elected Rep Update					Elected Member Update							
Quick Wins	Leaders (ELT/SLT)	ELT/SLT Visibility												
	Leaders		Clarity of Roles											
	Leaders		Employee Value and Recognition											
Priority Opportunities - Integration with Planned Organisational Initiatives	People and Culture	Performance Management												
	People and Culture	HR People Initiatives												
	Leaders				Conscious Continuous Improvement									
Systems and Symbol Integration	Leaders					Informed Workforce								
	Leaders											Connection with Council		
	TBD												Change Management Framework	
	TBD													
Culture Communication		Communication Strategy												
	Represents ongoing focus (leaders and workforce)													

5.4 Measurement and Monitoring

The measurement of progress towards the target culture will be achieved through the following mechanisms:

- **6 Monthly Pulse Surveys**. All WCC employees will be invited to participate in Pulse Surveys which will measure the awareness, engagement, and commitment to the target culture. The surveys will identify trends and progress over time and assist in identifying any key areas requiring additional focus and support. ***Timing Approx.: September 2026 and March 2027***

- **Cultural Entropy Reduction** - Culture Values Assessment (CVA) retest. To identify shifts in the culture and associated reduction in cultural entropy, it is recommended that the CVA retest to be undertaken approximately 18-24 months into the Culture Development Program. The CVA results would then be used to present a revised Culture Development determining the key areas of focus for the next year ***Timing Approx.: Sept October 2027***

SECTION THREE

Whyalla City Council's

Appendix A:
Culture Development Plan
Diagnostics and Process



6 Appendix A: Culture Assessment Diagnostic

6.1 WCC's Current Culture

To shape the target culture of WCC it was imperative to understand the current culture of the business, along with the values which drive the behaviour of leaders and employees within the organisation.

To fully assess the current and desired culture, the Barrett Cultural Values Assessment (CVA) tool was utilised. The CVA provides a detailed diagnostic report of an organisation's culture, including information on the alignment of the current culture with the desired culture (as defined by survey participants), the amount of wasted energy and lost productivity experienced as a result of the current culture and guidance on focus areas to transform the organisation.

The full CVA results are included alongside this plan as Reference Documents.



6.2 Cultural Values Assessment Survey

The CVA was undertaken across WCC during September 2026. All WCC Elected Members, Leaders and employees were invited to participate through either online or paper surveys. Participants were asked to select:

- Ten values that represent who they are (personal values).
- Ten values that represent how the WCC culture operates (current culture).
- Ten values that represent for them the elements necessary for the WCC culture to achieve high performance (desired culture).

The CVA results provide a view of the top 10 personal, current culture and desired culture values for an organisation. It also calculates a cultural entropy score (the percentage of all the potentially limiting values relative to the total number of value votes) which provides a measure of the amount of energy in the organisation that is consumed in unproductive work. Table 1 below outlines cultural entropy ranges and their associated business implications:

Table 1: Cultural Entropy Ranges

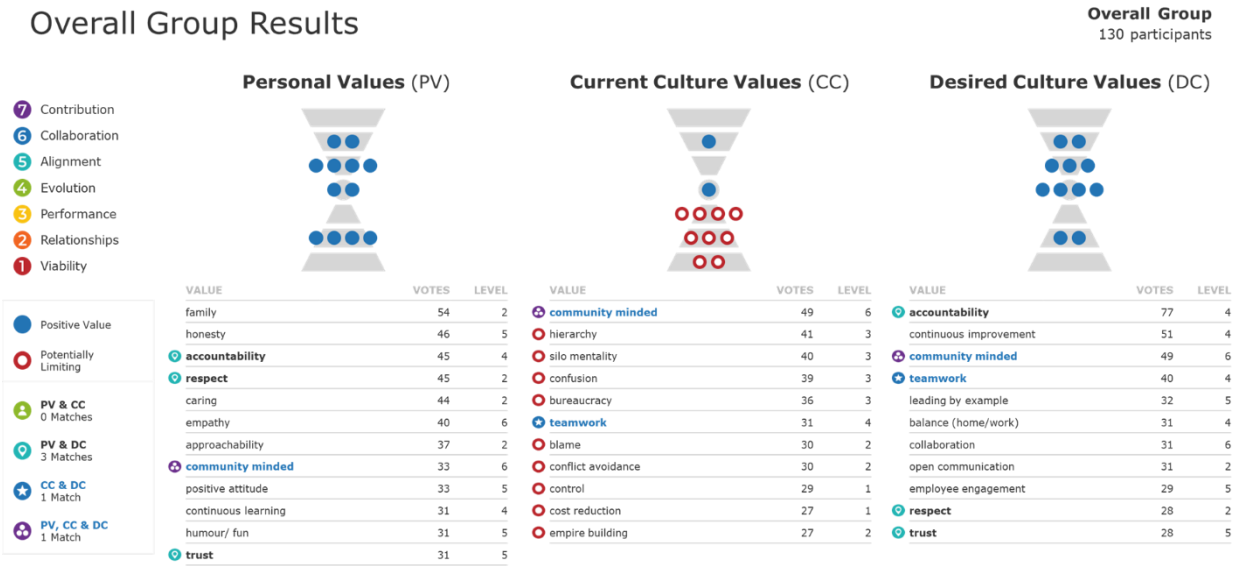
- < 10% **Prime:** Healthy Functioning
- 11-19% **Minor Issues:** Some problems requiring careful monitoring
- 20-29% **Significant Issues:** Significant issues requiring immediate attention such as cultural transformation and leadership development /coaching.
- 30-39% **Serious Issues:** Serious issues requiring immediate cultural transformation, leadership mentoring/coaching, and leadership development
- 40-49% **Critical Issues:** Requiring cultural and structural transformation, selective changes in leadership, leadership mentoring/coaching and leadership development.



Over the period that the survey was open, **77% of employees provided valid responses**. This response rate allows a high level of confidence that the results are representative and reflective of the culture and patterns of behaviours within WCC. The Overall Cultural Entropy of the Whyalla City Council is **36%**.

A Cultural Entropy of 36% indicates that elements of the current culture inhibit people from achieving their best at work. The percentage indicates that is imperative to make cultural change a business priority, requiring consistent and effective leadership.

Table 1: WCC overall results.



The analysis of the current culture identified that WCC workforce:

- hold **community-minded,** personally important and valued, evident in the current environment and remains an important aspiration for the future**. Accountability, respect,** and **trust** are also highly valued; however, they are not consistently experienced in the present culture. There is a clear desire for these qualities to be more strongly present in the future work environment. Family, honesty, caring, empathy, approachability, a positive attitude, continuous learning, and humour/fun were identified as important personal values held by many who work at WCC. These values operate in the background, underpinning the workforce's day-to-day interactions and providing a strong foundation for fostering a future positive and constructive organisational culture.

- experience **positive** values of **community minded and teamwork** in their current work environment. People reported mixed experiences of responsive and proactive customer service, with a strong theme to enhance the mindset within the workforce that customer service is every person's role.

- experience **Teamwork** present in the current and desired culture; however, the presence of **silo mentality** in the current culture is limiting their ability to work as a seamless organisation. The feedback from the listening groups indicated that teamwork is experienced within immediate teams, with people seeking a focus on cross-organisation collaboration in the future.

- Report that their day-to-day productivity and overall organisational success is being hampered by the predominant presence of limiting values in the top eleven such as **hierarchy, confusion, bureaucracy, blame, conflict avoidance, control, cost reduction and empire building** and;
- are indicating that in addition to bringing more **community minded and teamwork,** into their future experience, they are looking for **accountability, continuous improvement, , leading by example, balance (home/work), collaboration, open communication, and employee engagement along with bringing more presence of the important personal values of respect and trust.**to enhance their day-to-day effectiveness and support organisational success.
- Experience the presence of positive values at level 4 in the desired culture results indicates that there is a **healthy momentum and pockets of the workforce being ready for change**.

6.3 Cultural Values Assessment Listening Group Themes

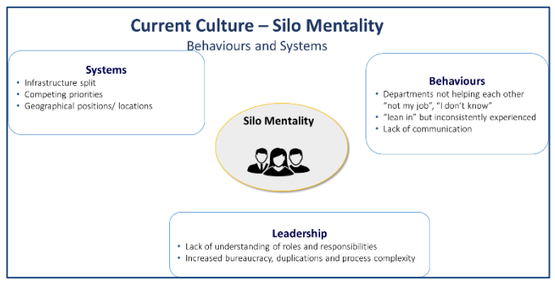
Using the CVA results, 5 listening groups were conducted involving elected members, leaders, and employees of WCC. The listening groups provided a deeper understanding of the CVA results by gaining specific WCC examples (behavioural) of the survey feedback.

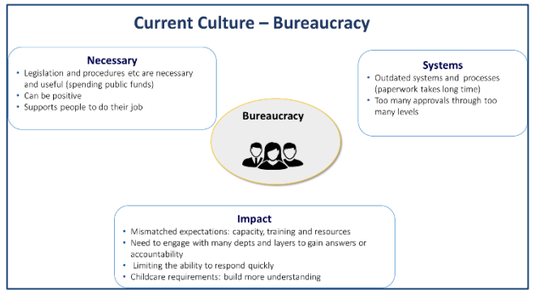
Current Values

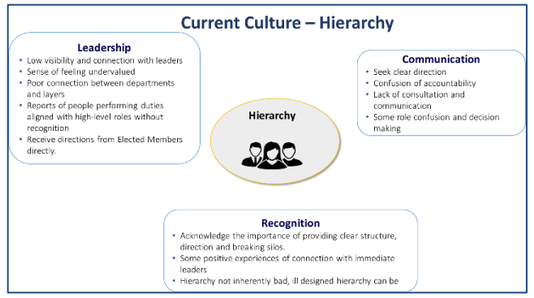
The following provides a summary of the main themes people experience in the Current Values in WCC. The current culture values have been aligned to the archetypes and shows a distinct absence of achievement-orientated values related to hierarchy, confusion, bureaucracy, blame, conflict avoidance, control, cost reduction and empire building. There are two People First absent values of blame and conflict avoidance as a secondary cultural archetype. Absent archetype values contribute to limiting performance and hindering people's ability to perform their roles effectively. Community minded is aligned to the archetype of Customer Centric and Teamwork is aligned to the archetype of One Team and, in general, contributing positively to the current culture.

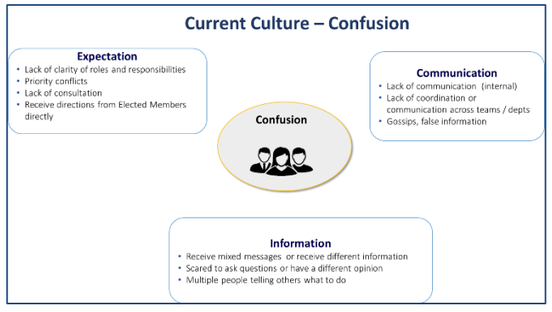
Current Culture
8 - Achievement (absent)
0 – Achievement
2 - People First (absent)
0 – People First
1 - Customer Centric
1 - One Team
2 – One Team (Absent)
0 – Innovation
0 – Greater Good

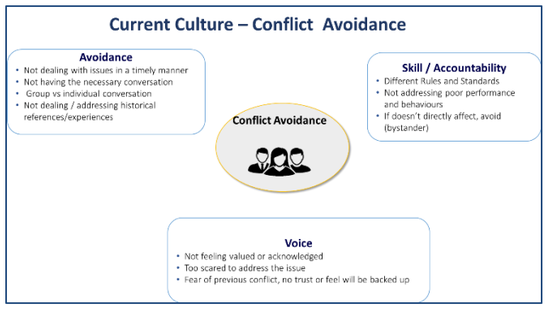
Whyalla City Council	Culture Archetypes	Culture Archetypes
Community Minded	Customer Centric	
Hierarchy (L)	Achievement (Absent)	
Silo Mentality (L)	One Team (Absent)	
Confusion (L)	Achievement (Absent)	
Bureaucracy (L)	Achievement (Absent)	
Teamwork	One Team	
Blame (L)	Achievement (Absent)	People First (Absent)
Conflict Avoidance (L)	Achievement (Absent)	People First (Absent)
Control (L)	Achievement (Absent)	
Cost Reduction (L)	Achievement (Absent)	
Empire Building (L)	Achievement (Absent)	One Team (Absent)

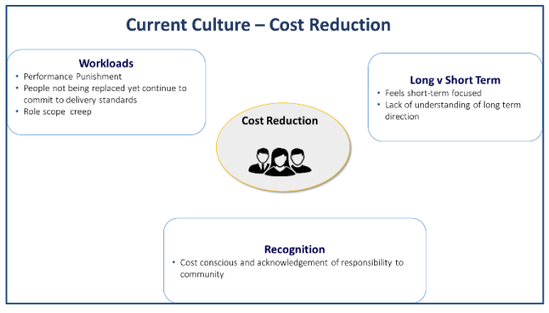


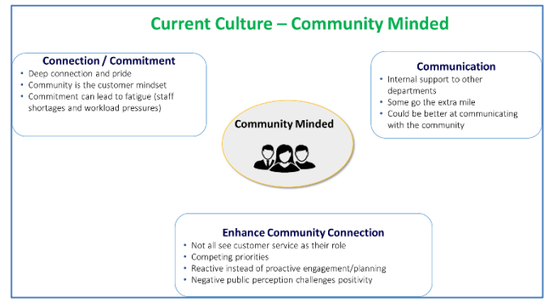


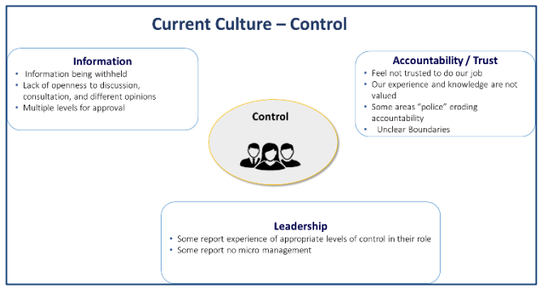


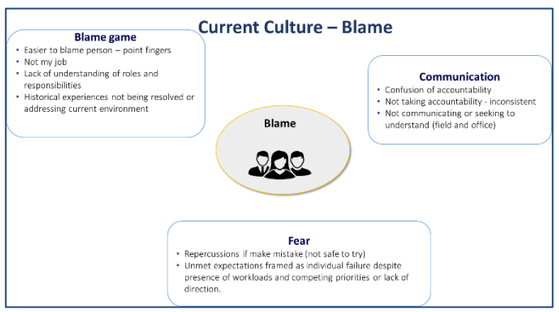


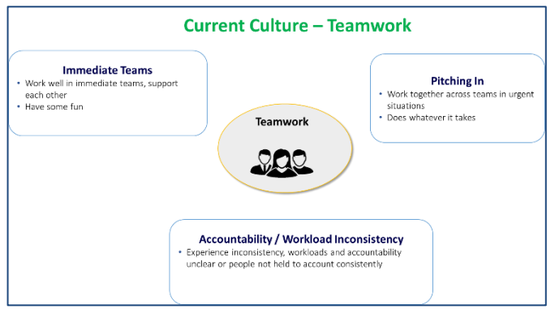


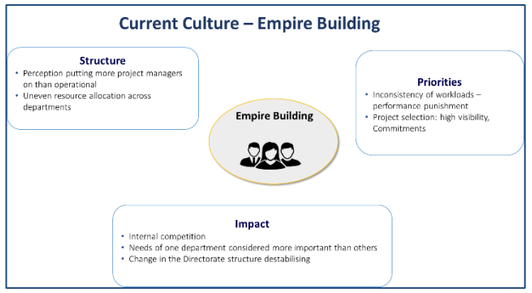










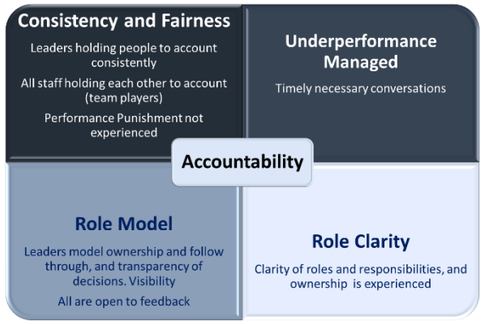


The Desired Values

The following summarises the key themes participants would like to see sustained or strengthened within WCC's future culture. The desired cultural values have been aligned to organisational archetypes and indicate a strong pull toward a **People First** archetype. This is reflected in the emphasis on leading by example, work–life balance, collaboration, employee engagement, respect, and trust. Closely supporting this is an **Achievement** archetype, characterised by accountability and continuous improvement. Leading by example, collaboration, and open communication also reinforce this achievement orientation, operating as enabling elements that strengthen performance and outcomes. There is also a clear presence of a **One Team** archetype, expressed through the value placed on teamwork and open communication. In addition, a **Customer-Centric** archetype is evident, particularly through the continued importance of being community-minded. Collectively, these themes suggest a desired culture that balances strong relational foundations with performance focus where people, teamwork, and community connection enable sustainable achievement.



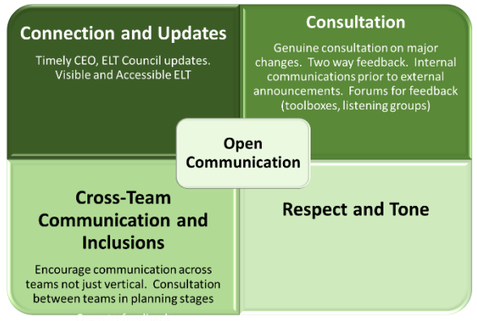
Desired Culture – Accountability



Desired Culture – Continuous Improvement

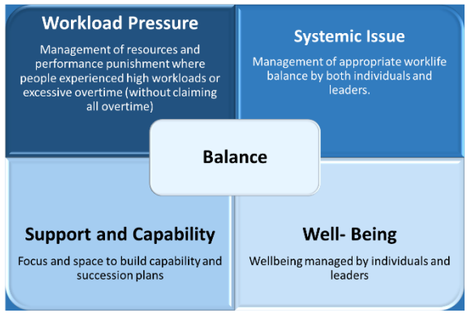


Desired Culture – Open Communication



Whyalla City Council	Culture Archetypes	Culture Archetypes
Accountability	Achievement	
Continuous Improvement	Achievement	
Community Minded	Customer Centric	
Teamwork	One Team	
Leading By Example	People First	Achievement
Balance (home /work)	People First	
Collaboration	People First	Achievement
Open Communication	One team	Achievement
Employee Engagement	People First	
Respect	People First	
Trust	People First	

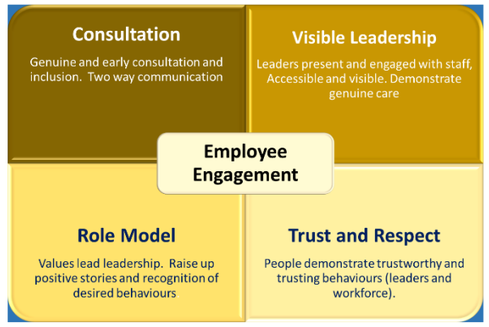
Desired Culture – Balance (home / work)



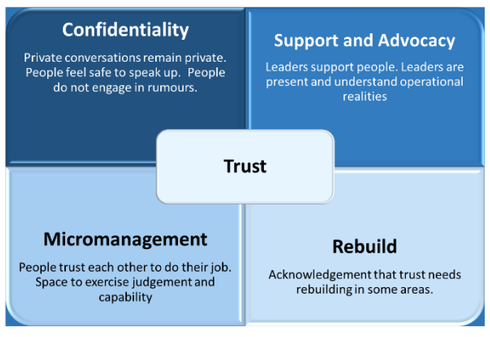
Desired Culture – Respect



Desired Culture – Employee Engagement



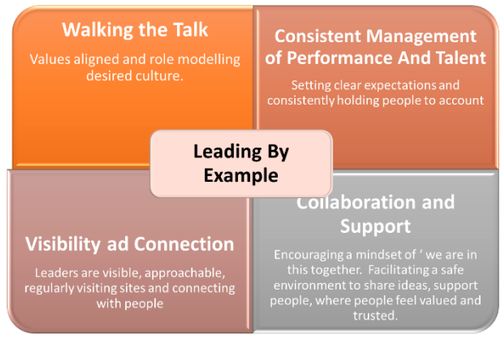
Desired Culture – Trust



Desired Culture – Collaboration



Desired Culture – Leading By Example



6.4 Sub Cultures

A number of demographic perspectives were gathered within the CVA survey. These provide a valuable insight into the similarities and differences between the cultures of the various departments and position levels within the business.

Summary of Departmental and Positional Comparisons

Personal: Across all departments of City Growth, Corporate Services, Office of the CEO, and Elected Members, honesty was consistently identified as a core personal value.

City Growth, Corporate Services, and the Office of the CEO demonstrated notable alignment in the personal values of **Family** and **Empathy**, suggesting a shared emphasis on relationships and connection. A high degree of similarity is evident in the departmental demographic analysis, particularly between City Growth and Corporate Services. Within these departments, **Family, Accountability, Respect, and Caring** were consistently reported across all positional levels, indicating strong cross-hierarchical alignment in personal value orientation. Additionally, **Empathy** and **Approachability** appeared in at least three positional demographic groups, further reinforcing the importance and value people coming to work at Whyalla City Council value relational and integrity-based values across the organisation.

Overall, the personal values profile by department and position reflects a strong and consistent emphasis on integrity, relationships, care, and accountability across multiple workforce segments.

Current Culture: The departmental demographic analysis indicates strong consistency in perceptions of the current culture across all departments. **Community-minded** was the most consistently reported attribute, reflecting a shared recognition of commitment to serving the community. However, **Bureaucracy** was also widely identified across most departments as a defining feature of the current culture. In addition, both **City Growth** and **Corporate Services** reported similar experiences characterised by **Hierarchy, Silo Mentality, and Confusion** across these areas.

While the **Office of the CEO** and **Elected Members** reported somewhat different perceptions of the current culture, these variations are somewhat impacted by the smaller number of respondents within these demographic groups.

Insights from listening groups further contextualise these findings. Participants described strong **teamwork** within **immediate teams**, yet noted that collaboration is not consistently experienced across teams or departments. This dynamic helps explain the reported experience of silo mentality within the broader organisational culture.

The Departmental lens demonstrates higher of Cultural Entropy reported through the Corporate Services (critical-51%) and City Growth (serious- 32%) departments.

The positional demographic analysis reinforces these findings. **Employees, People Managers** (Coordinators/ Team Leaders), **and 3rd Level Managers** (Senior Leadership Team) consistently identified **Bureaucracy, Silo Mentality, and Confusion** as present within the current culture, indicating cross-level alignment in how these cultural dynamics are experienced. Overall, while there is a recognised commitment to community and pockets of effective teamwork, the current experience across departments and positional levels.

The Leadership of the organisation particularly the 3rd level managers (SLT) and people managers' report higher levels of entropy than the employee demographic. A perspective is that the SLT (54 % - above critical entropy) and People Managers (48% critical entropy) are potentially seeing the impact and extent of opportunity to be gained through improving the culture and therefore the performance of the organisation.

The broader leadership cohort including the **ELT, SLT, and People Managers** demonstrates a shared recognition that meaningful work is required to strengthen both organisational culture and performance outcomes. This alignment suggests an emerging awareness at multiple leadership levels of the need for intentional cultural development. Through the listening groups, there was not a large degree of differences in examples and experience reported in the leader groups. These findings suggest an opportunity to further develop leadership capability particularly in strengthening strategic leadership, cross-boundary collaboration, and cultural stewardship, to support a shift from operational management toward enhanced cohesive and performance-enhancing leadership practices across the organisation.

Desired Culture: When looking at the desired culture values across departments, the feedback demonstrates that a consistent pull for accountability, continuous improvement and community minded to as the consistently highest voted values. In addition, **Teamwork** was strongly desired within **City Growth, Corporate Services, and the Office of the CEO**, suggesting a recognised need to strengthen cross-department collaboration and collective effectiveness. The positional demographic lens reinforces this alignment. **Accountability and Community-Minded** were consistently identified as desired values across all positional levels. **Continuous Improvement and Teamwork** were particularly emphasised by **Employees, People Managers, and Elected Members**, reflecting a broad pull for both enhance and consistent performance management and stronger collaboration.

Furthermore, **Collaboration and Trust** were highlighted by **People Managers and the Senior Leadership Team (SLT)**, signalling a leadership level recognition of the relational foundations required to enable cultural and organisational performance shifts.

Overall, the desired culture profile demonstrates a high degree of alignment between the organisation's strategic direction and the workforce's aspirations. This convergence represents a significant opportunity. When there is shared clarity about the culture required for future success, the organisation is well-positioned to actively engage its people in co-creating and embedding the target culture.

The full Department and Position results are included below.

Summary of Departmental and Positional Comparisons

Personal (Individual) Values by Department

Individual Values by Department

WCC (130)	City Growth (62)	Corporate Services (47)	Office of CEO (8)	Elected Members (8)
Family	Family	Family	Family	
Honesty	Honesty	Honesty	Honesty	Honesty
Accountability	Accountability	Accountability		Accountability
Respect	Respect	Respect		Respect
Caring	Caring	Caring		
Empathy	Empathy	Empathy	Empathy	
Approachability		Approachability		Approachability
Community Minded	Community Minded			Community Minded
Positive Attitude	Positive Attitude			Positive Attitude
Continuous Learning	Continuous Learning			
Humour / Fun		Humour / Fun	Humour / Fun	
Trust	Trust			
				Adaptability
		Balance (home /work)		
			Continuous Learning	
				Ethics
		Loyal		
			Making a Difference	
			Open Communication	
			Supportive	

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Personal Individual Values by Position

Individual Values by Position

WCC (130)	Employee (88)	People Manager (Team leader/ Coordinators and Leads) (23)	Manager (3rd Level) (8)	Elected Members (8)
Family	Family	Family		
Honesty	Honesty	Honesty		Honesty
Accountability	Accountability	Accountability	Accountability	Accountability
Respect	Respect	Respect	Respect	Respect
Caring	Caring	Caring		
Empathy	Empathy	Empathy	Empathy	
Approachability	Approachability		Approachability	Approachability
Community Minded		Community Minded		Community Minded
Positive Attitude		Positive Attitude		Positive Attitude
Continuous Learning	Continuous Learning			
Humour / Fun	Humour / Fun		Humour / Fun	
Trust	Trust			
			Achievement	
			Adaptability	Adaptability
		Ethics		Ethics
		Fairness		
	Helpfulness			
		Integrity		
	Loyal	Loyal		

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Current Values by Department

Current Values by Department

WCC (130)	City Growth (62)	Corporate Services (47)	Office of CEO (8)	Elected Members (8)
Community Minded	Community Minded	Community Minded	Community Minded	Community Minded
Hierarchy	Hierarchy	Hierarchy		
Silo mentality	Silo mentality	Silo mentality		
Confusion	Confusion	Confusion		
Bureaucracy	Bureaucracy	Bureaucracy		Bureaucracy
Teamwork	Teamwork		Teamwork	
Blame		Blame		
Conflict Avoidance		Conflict Avoidance		
Control		Control		
Cost Reduction				
Empire Building		Empire Building		
	Accountability			
	Approachability			Approachability
				Caution
	Collaboration			
	Commitment			
			Continuous Improvement	
				Diversity
				Environmental Responsibility
			Equality	
			Goals Orientation	Goals Orientation
		Information Hoarding		
			Making a Difference	
				Organisational Growth
			Professional Growth	
				Respect
			Social Responsibility	
36%	32%	51%	14%	21%

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Current Values by Position

Current Values by Position

WCC (130)	Employee (88)	People Manager (Team leader/ Coordinators and Leads) (23)	Manager (3rd Level) (8)	Elected Members (8)
Community Minded	Community Minded	Community Minded		Community Minded
Hierarchy	Hierarchy	Hierarchy		
Silo mentality	Silo mentality	Silo mentality	Silo mentality	
Confusion	Confusion	Confusion	Confusion	
Bureaucracy	Bureaucracy	Bureaucracy	Bureaucracy	Bureaucracy
Teamwork	Teamwork		Teamwork	
Blame	Blame			
Conflict Avoidance		Conflict Avoidance		
Control		Control		
Cost Reduction	Cost Reduction	Cost Reduction		
Empire Building		Empire Building		
	Accountability			
			Adaptability	
				Approachability
	Balance (home/work)			
				Caution
				Diversity
				Environmental Responsibility
				Goals Orientation
		Information Hoarding		
		Leadership Development		
		Organisational Growth		Organisational Growth
		Power		
				Respect
36%	34%	48%	54%	21%

Desired Values by Department

WCC (130)	City Growth (62)	Corporate Services (47)	Office of CEO (8)	Elected Members (8)
Accountability	Accountability	Accountability	Accountability	Accountability
Continuous Improvement	Continuous Improvement	Continuous Improvement	Continuous Improvement	Continuous Improvement
Community Minded	Community Minded	Community Minded	Community Minded	Community Minded
Teamwork	Teamwork	Teamwork	Teamwork	
Leading by Example	Leading by Example			Leading By Example
Balance (home/work)	Balance (home/work)			
Collaboration	Collaboration		Collaboration	
Open Communication	Open Communication		Open Communication	
Employee Engagement		Employee Engagement		
Respect		Respect		
Trust		Trust		
	Adaptability			Adaptability
	Approachability			
	Coaching / Mentoring		Coaching / Mentoring	
		Fairness		
		Financial Stability		Financial Stability
			Leadership Development	
				Shared Vision
		Transparency		

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Desired Values by Position

Desired Values by Position

WCC (130)	Employee (88)	People Manager (Team leader/ Coordinators and Leads) (23)	Manager (3rd Level) (8)	Elected Members (8)
Accountability	Accountability	Accountability	Accountability	Accountability
Continuous Improvement	Continuous Improvement	Continuous Improvement		Continuous Improvement
Community Minded	Community Minded	Community Minded	Community Minded	Community Minded
Teamwork	Teamwork	Teamwork	Teamwork	
Leading by Example		Leading by Example		Leading By Example
Balance (home/work)	Balance (home/work)		Balance (home/work)	
Collaboration		Collaboration	Collaboration	
Open Communication	Open Communication	Open Communication		
Employee Engagement	Employee Engagement	Employee Engagement		
Respect	Respect		Respect	
Trust		Trust	Trust	
				Adaptability
	Approachability			
		Coaching / Mentoring		
			Efficiency	
				Financial Stability
			Recognition	
				Shared Vision

Our Values

Whyalla City Council Values and Behaviours Framework

Context / Value	We Deliver	We Belong	We Collaborate	We Serve
	Accountability, Clarity, Leading by Example, Empowerment	**Trust, Open Communication, Inclusion, Courage**	**Teamwork, Collaboration, Respect, Open Communication**	**Community-minded, Continuous Improvement, Sustainability**
As Individuals and as Teams	I am clear about my responsibilities and follow through on commitments, raising risks early if delivery is at risk.	I treat others with respect and speak up constructively when behaviour or actions are disrespectful or misaligned with our values.	I proactively share information, involving the right people at the right time to develop solutions, aligning on decisions, and supporting them once agreed.	I have the customer and community front of mind in my decisions.
	I openly give and receive constructive feedback with good intent.	I listen to and genuinely consider different perspectives, addressing concerns and behaviour issues openly and respectfully.	I proactively and constructively resolve conflicting priorities, including those beyond my immediate team, with a focus on collective success	I work together with others to deliver timely, high-quality services and identify ways to improve how we serve the community.
As Leaders	We set clear expectations, model accountability, and act early and consistently on performance and behaviour.	We are accessible, actively listen, and act consistently on performance issues and values aligned behaviours.	We actively connect teams, resolve cross-council priorities, and role model collaboration beyond our own areas.	We enable timely decision making and support continuous improvement in service delivery.
In Community	We deliver services as promised and communicate clearly and promptly when timeframes, outcomes, or expectations change.	We engage with community members respectfully, listen to their perspectives, and respond in ways that demonstrate they have been heard.	We work across teams and departments to provide coordinated, seamless services to the community.	We act professionally, efficiently and constructively to address customer requests and feedback

UNEARTH WHYALLA

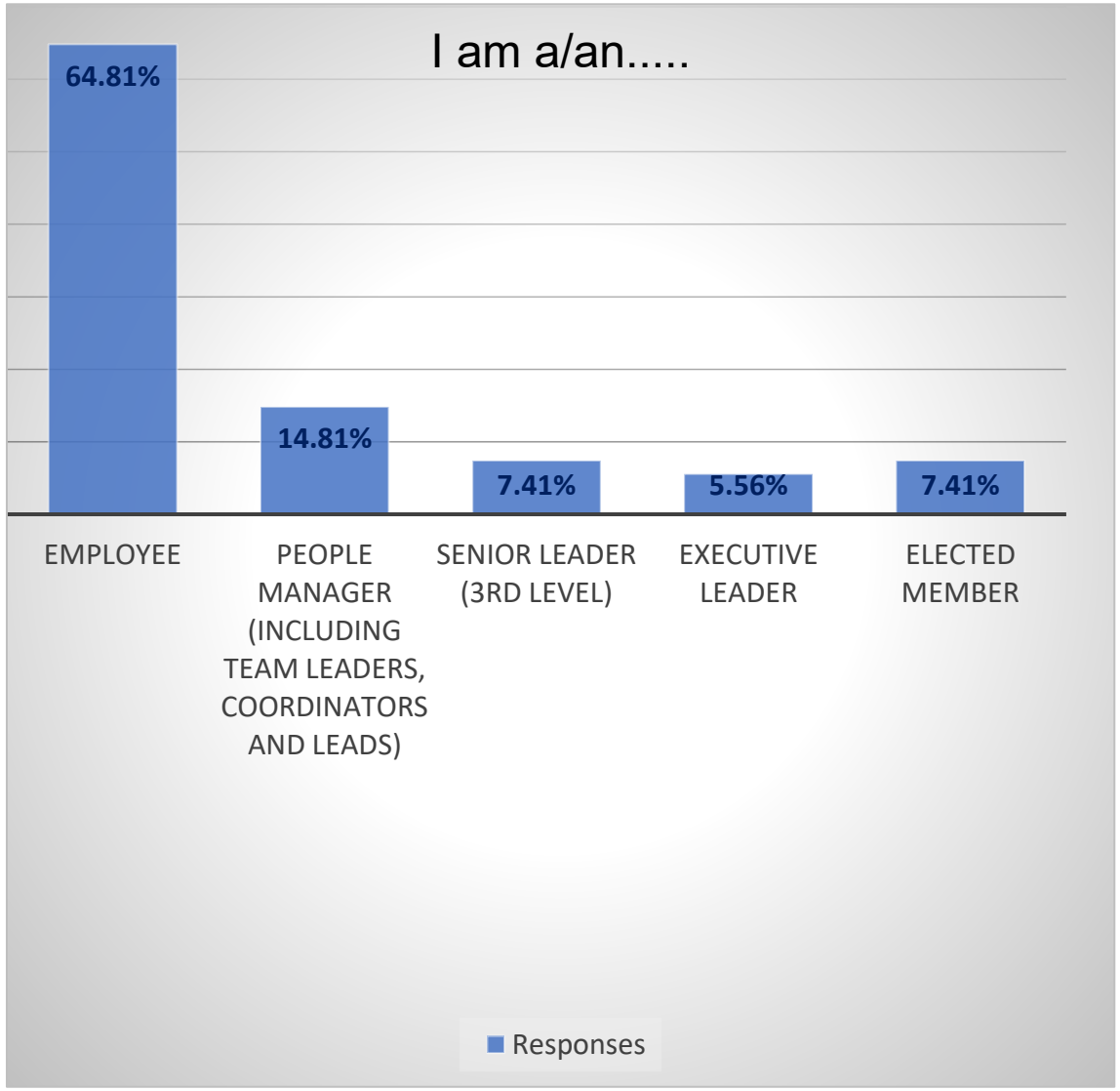
Culture Development Program
Organisational Pulse 1

Survey open from 10th to 28th August

43% response rate

56 Online

6 Paper based



Overall		Strongly Disagree/ Disagree	Neutral	Strongly Agree /Agree
I am aware of the WCC Values of We Deliver, We Belong, We Collaborate, We Serve.	%	5	5	90
	No.	*3*	*3*	*55*
I am personally committed to the Culture, Values and Behaviours that WCC is aiming to achieve.	%	7	7	87
	No.	*4*	*4*	*53*
I am personally working towards aligning my behaviour to the culture and values.	%	7	26	67
	No.	*4*	*16*	*41*
I understand what the Values look like in practice in my role.	%	7	8	85
	No.	*4*	*5*	*52*
I have observed WCC Leaders working to align their behaviour to the culture and values.	%	33	36	33
	No.	*20*	*22*	*20*
I have observed people throughout Council working to align their behaviours to the culture and values.	%	25	36	44
	No.	*15*	*22*	*27*
Compared to six months ago, I believe our culture is moving in a positive direction.	%	28	34	39
	No.	*17*	21	24
I have participated in a culture activity or conversation. in our team meetings or toolbox talks.	%	24	12	64
	No.	*14*	*7*	*37*
Our team regularly uses the Values and Behaviours when discussing how we work together.	%	26	28	46
	No.	*15*	*16*	*26*

Employee (35)		Strongly Disagree/ Disagree	Neutral	Strongly Agree / Agree
I am aware of the WCC Values of We Deliver, We Belong, We Collaborate, We Serve.	%	9	9	83
	No.	*3*	*3*	*29*
I am personally committed to the Culture, Values and Behaviours that WCC is aiming to achieve.	%	11	9	80
	No.	*4*	*3*	*28*
I am personally working towards aligning my behaviour to the culture and values.	%	11	31	57
	No.	*4*	*11*	*20*
I understand what the Values look like in practice in my role.	%	11	9	80
	No.	*4*	*3*	*28*
I have observed WCC Leaders working to align their behaviour to the culture and values.	%	43	40	20
	No.	*15*	*14*	*7*
I have observed people throughout Council working to align their behaviours to the culture and values.	%	29	46	31
	No.	*10*	*16*	*11*
Compared to six months ago, I believe our culture is moving in a positive direction.	%	40	37	23
	No.	*14*	13	8
I have participated in a culture activity or conversation. in our team meetings or toolbox talks.	%	35	12	53
	No.	*12*	*4*	*18*
Our team regularly uses the Values and Behaviours when discussing how we work together.	%	32	24	44
	No.	*11*	*8*	*15*

People Managers and Senior Leaders (12)		Strongly Disagree/ Disagree	Neutral	Strongly Agree / Agree
I am aware of the WCC Values of We Deliver, We Belong, We Collaborate, We Serve.	%	0	0	100
	No.	*0*	*0*	*12*
I am personally committed to the Culture, Values and Behaviours that WCC is aiming to achieve.	%	0	0	100
	No.	*0*	*0*	*12*
I am personally working towards aligning my behaviour to the culture and values.	%	0	17	83
	No.	*0*	*2*	*10*
I understand what the Values look like in practice in my role.	%	0	0	100
	No.	*0*	*0*	*12*
I have observed WCC Leaders working to align their behaviour to the culture and values.	%	17	25	58
	No.	*2*	*3*	*7*
I have observed people throughout Council working to align their behaviours to the culture and values.	%	17	25	67
	No.	*2*	*3*	*8*
Compared to six months ago, I believe our culture is moving in a positive direction.	%	17	17	75
	No.	*2*	2	9
I have participated in a culture activity or conversation. in our team meetings or toolbox talks.	%	8	8	83
	No.	*1*	*1*	*10*
Our team regularly uses the Values and Behaviours when discussing how we work together.	%	9	45	45
	No.	*1*	*5*	*5*

People Managers (8)		Strongly Disagree/ Disagree	Neutral	Strongly Agree / Agree
I am aware of the WCC Values of We Deliver, We Belong, We Collaborate, We Serve.	%	0	0	100
	No.	*0*	*0*	*8*
I am personally committed to the Culture, Values and Behaviours that WCC is aiming to achieve.	%	0	0	100
	No.	*0*	*0*	*8*
I am personally working towards aligning my behaviour to the culture and values.	%	0	13	88
	No.	*0*	*1*	*7*
I understand what the Values look like in practice in my role.	%	0	0	100
	No.	*0*	*0*	*8*
I have observed WCC Leaders working to align their behaviour to the culture and values.	%	25	13	63
	No.	*2*	*1*	*5*
I have observed people throughout Council working to align their behaviours to the culture and values.	%	25	13	75
	No.	*2*	*1*	*6*
Compared to six months ago, I believe our culture is moving in a positive direction.	%	25	25	63
	No.	*2*	2	5
I have participated in a culture activity or conversation. in our team meetings or toolbox talks.	%	13	0	88
	No.	*1*	*0*	*7*
Our team regularly uses the Values and Behaviours when discussing how we work together.	%	0	57	43
	No.	*0*	*4*	*3*

Corporate Services (17)		Strongly Disagree/ Disagree	Neutral	Strongly Agree / Agree
I am aware of the WCC Values of We Deliver, We Belong, We Collaborate, We Serve.	%	0	0	100
	No.	*0*	*0*	*17*
I am personally committed to the Culture, Values and Behaviours that WCC is aiming to achieve.	%	0	0	100
	No.	*0*	*0*	*17*
I am personally working towards aligning my behaviour to the culture and values.	%	0	35	65
	No.	*0*	*6*	*11*
I understand what the Values look like in practice in my role.	%	0	0	100
	No.	*0*	*0*	*17*
I have observed WCC Leaders working to align their behaviour to the culture and values.	%	41	41	18
	No.	*7*	*7*	*3*
I have observed people throughout Council working to align their behaviours to the culture and values.	%	24	47	29
	No.	*4*	*8*	*5*
Compared to six months ago, I believe our culture is moving in a positive direction.	%	47	24	29
	No.	*8*	4	5
I have participated in a culture activity or conversation. in our team meetings or toolbox talks.	%	35	12	53
	No.	*6*	*2*	*9*
Our team regularly uses the Values and Behaviours when discussing how we work together.	%	31	19	50
	No.	*5*	*3*	*8*

City Growth (7)		Strongly Disagree/ Disagree	Neutral	Strongly Agree / Agree
I am aware of the WCC Values of We Deliver, We Belong, We Collaborate, We Serve.	%	0	0	100
	No.	*0*	*0*	*7*
I am personally committed to the Culture, Values and Behaviours that WCC is aiming to achieve.	%	0	0	100
	No.	*0*	*0*	*7*
I am personally working towards aligning my behaviour to the culture and values.	%	0	0	100
	No.	*0*	*0*	*7*
I understand what the Values look like in practice in my role.	%	0	0	100
	No.	*0*	*0*	*17*
I have observed WCC Leaders working to align their behaviour to the culture and values.	%	0	43	57
	No.	*0*	*3*	*4*
I have observed people throughout Council working to align their behaviours to the culture and values.	%	0	29	71
	No.	*0*	*2*	*5*
Compared to six months ago, I believe our culture is moving in a positive direction.	%	0	57	57
	No.	*0*	4	4
I have participated in a culture activity or conversation. in our team meetings or toolbox talks.	%	29	14	57
	No.	*2*	*1*	*4*
Our team regularly uses the Values and Behaviours when discussing how we work together.	%	14	29	57
	No.	*1*	*2*	*4*

Infrastructure (21)		Strongly Disagree/ Disagree	Neutral	Strongly Agree / Agree
I am aware of the WCC Values of We Deliver, We Belong, We Collaborate, We Serve.	%	14	10	76
	No.	*3*	*2*	*16*
I am personally committed to the Culture, Values and Behaviours that WCC is aiming to achieve.	%	14	14	71
	No.	*3*	*3*	*15*
I am personally working towards aligning my behaviour to the culture and values.	%	14	29	57
	No.	*3*	*6*	*12*
I understand what the Values look like in practice in my role.	%	19	10	71
	No.	*4*	*2*	*15*
I have observed WCC Leaders working to align their behaviour to the culture and values.	%	38	29	38
	No.	*8*	*6*	*8*
I have observed people throughout Council working to align their behaviours to the culture and values.	%	29	38	48
	No.	*6*	*8*	*10*
Compared to six months ago, I believe our culture is moving in a positive direction.	%	29	33	38
	No.	*6*	*7*	*8*
I have participated in a culture activity or conversation. in our team meetings or toolbox talks.	%	20	5	75
	No.	*4*	*1*	*15*
Our team regularly uses the Values and Behaviours when discussing how we work together.	%	25	40	35
	No.	*5*	*8*	*7*

Q2. What behaviour/s have you personally changed (or demonstrated more of) in order to align to the WCC culture and values?

Responses show a generally positive sentiment (67%), with many comments describing efforts to align with Council's culture and values.

Strongest Themes

We Collaborate: increase focus on collaboration, helping others, working across teams, sharing information

Improved communication: listening more, asking questions, keeping others informed.

We Deliver: Stronger ownership, following through, taking responsibility, solving issues earlier.

We Serve: prominent theme connecting work more clearly to residents and public value.

We Belong: Increased Emphasis on Respect and inclusion, comment on supporting colleagues, welcoming others, creating belonging.

Increased Self-Reflection: pausing, considering different perspectives, checking behaviour against the values.

No Change: already reflected in how they believed they and others should work reinforced values and behaviours already

Challenges: inconsistent leadership, poor communication, resistance from others or scepticism about the values' impact.

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Q 3. Please provide examples of behaviour changes you have observed of your People Manager.

Responses show a generally positive sentiment (62%), with many comments describing an overall trend towards open communication and supportive leadership.

Strongest themes

More communication and connection: regular check-ins, clearer information, greater accessibility and attentiveness.

Supportive and respectful leadership: managers experienced as approachable, fair, helpful and inclusive.

Greater listening and collaboration: seeking input, encouraging discussion and considering different perspectives.

More empowerment and accountability: smaller group reporting managers giving people more ownership and having expectations for delivery.

Values entering everyday leadership: some reporting of values being increasingly referenced in team conversations and used to reinforce expected behaviour.

No Change: both positive and negative. Some commentary that their manager was already demonstrating values and behaviours well, whilst others reported no change

Challenges: 3 comments, mostly no change or inconsistency of behaviours

Opportunity for consistency, ensuring workforce experiences the desired behaviours regardless of who their manager is.

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Q4. Please provide examples of behaviour changes you have observed of your Executive Leader

Responses show a generally positive sentiment (43%), reporting a mixed experience with positive change evident whilst not yet consistently experienced.

Strongest Themes

Greater visibility and engagement: more presence in work areas and direct interaction with employees.

More open communication and transparency: increased updates, information sharing, more open conversation and explanation of issues.

Greater listening and inclusion: seeking perspectives, encouraging discussion and showing greater empathy.

Stronger ELT collaboration: more evidence of Executive Leaders working together and presenting a unified leadership presence.

Greater reinforcement of the values: more deliberate reference to expected behaviours and culture in everyday conversations.

Q4. Please provide examples of behaviour changes you have observed of your Executive Leader

Responses show a generally positive sentiment (43%), reporting a mixed experience with positive change evident whilst not yet consistently experienced.

Strongest Themes

Not yet consistently experienced: a strong theme was **little or no observable change**, or insufficient exposure to Executive Leaders to make an assessment.

Gap between culture messaging and lived experience: a smaller group perceive a gap between culture messaging and lived experience, particularly around authenticity, visibility

Employees are increasingly looking for the values to be demonstrated through consistent leadership behaviour, not simply discussed or promoted.

Overall

ELT are showing positive movement, with the next opportunity being to move from visible commitment to consistently experienced leadership across the whole ELT

Q5. Provide examples of behaviour changes you have observed of your Senior Leaders.

Responses are mixed (54% positive), with comments describing evidence of improvements; many noted the leader was already demonstrating values, whilst a similar number reported leaders not living values.

Strongest Themes

Greater collaboration across teams and departments, one comment noted improved connection between Deport and Civic and another increased cross-functional discussions.

Improved visibility and accessibility: more present and visible.

Clearer and more regular communication

More openness to employee input and improvement ideas

Stronger focus on accountability and quality: raising expectations, greater accountability and looking beyond immediate fixes.

Progress is not yet consistently experienced.

Some Senior Leaders were already demonstrating the behaviours, whilst others saw no change in their leader
A strong theme is variation between individual Senior Leaders, with different leadership experiences across WCC.
Tended to be singular comments on fairness, accountability, recognition, workload and respectful behaviour.

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Q6. What do you believe is the most important behaviour your People Manager needs to change (or do more of) that will make the biggest shift towards achieving the culture and values?

Strongest priorities areas of focus

Fairness and accountability: apply expectations consistently and address poor behaviour or underperformance

Continue to strengthen communication and connection: listen, be available, clarify expectations and provide feedback.

Lead by example: visibly demonstrate the behaviours expected of others.

Increase empowerment and trust in people: delegate, involve employees and value expertise.

Recognition and appreciation: acknowledge contributions and ensure people feel valued.

Dominant theme is that many believe their People Manager already demonstrates the desired behaviours and should continue as they are

Workforce is asking People Managers to demonstrate the values through:

- consistent accountability;
- genuine listening and connection;
- visible role-modelling;
- fair recognition;
- greater trust and empowerment.

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Q7. What do you believe is the most important behaviour your Executive Leaders needs to change (or do more of) that will make the biggest shift towards achieving the culture and values?

Strongest priority areas of focus

Communicate and connect: continue efforts to be visible, engage directly, understand on-the-ground challenges, and communicate meaningfully in both directions.

Lead by example: consistently demonstrate the behaviours expected of others.

Strengthen accountability: address behaviour that does not align with the values.

Fairness and transparency: consistent standards in decisions, opportunities, recognition and treatment.

Listen and follow through: understand employee experience and visibly act on what is heard.

Operate collectively: continue to demonstrate a unified Executive approach focused on whole-of-Council outcomes.

Q7. What do you believe is the most important behaviour your Executive Leaders needs to change (or do more of) that will make the biggest shift towards achieving the culture and values?

The workforce is looking for the next phase of culture change to be demonstrated from the top.

- Increased Executive visibility and engagement is being noticed, but not yet experienced consistently across WCC.
- Workforce looking for less talk and more walk about culture, evidence through leadership behaviour and decisions.
- A smaller group identify concerns about fairness, psychological safety, accountability and gaps between what leaders say and what the workforce experiences.
- Raised Cultural Awareness: What leaders tolerate, reward, and address is increasingly being seen as the real indicator of the cultural standard.

Next Focus

Visibly setting and protecting the cultural standard through consistent role-modelling, fair decisions, genuine listening and courageous accountability**.**

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Q8. What do you believe is the most important behaviour your Senior Leaders needs to change (or do more of) that will make the biggest shift towards achieving the culture and values?

Strongest priorities areas of focus

Fairness, favouritism and consistency: equal treatment, consistent standards and fair access to opportunities.

Strengthen accountability and behavioural courage: address poor performance and behaviour that does not align with the values.

Communication, listening and connection: More clearly and consistently, engage directly, check in regularly, understand people's concerns, be visible and accessible

Cross-Council collaboration — reduce silos, share knowledge and involve people earlier.

Authentic role-modelling — make the culture feel genuine through everyday behaviour. Respect confidentiality, culture not a tick the box process

Key message:

The workforce is not asking for greater consistency and courage in applying values and behaviours. Demonstrate tangibly fair and respectful treatment, consistent accountability, genuine connection with employees, stronger collaboration across Council, and the courage to address behaviour that falls short.

Q9. Provide Examples of the Values-aligned behaviours you are seeing in WCC ?

We Collaborate *(most dominant theme)*

- More employees helping one another across teams and departments.
- Greater knowledge sharing, information exchange and joint problem-solving.
- More willingness to work beyond immediate team boundaries to achieve better outcomes.

We Serve

- Strong focus on residents, customers and community outcomes.
- Employees showing care, responsiveness and a “can do” attitude.
- Greater consideration of community needs when prioritising work and making decisions.

We Belong

- More supportive, inclusive and respectful interactions between colleagues.
- Increased kindness, camaraderie and willingness to check in on others.
- Some signs of less gossip, negative chatter and interpersonal tension.

We Deliver

- Greater ownership and personal responsibility for issues and outcomes.
- Stronger focus on quality, accountability and following issues through.
- Increased willingness to improve processes and find better ways of working

Note:

- Some report that behaviours were already present before the revised values.
- The experience remains uneven, with some resistance and scepticism about whether visible culture activity is translating into sustained change.

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Q10. What are some actions that you can do to support WCC bringing the culture and values to life?

Key actions identified

Strongest theme- Live It: personally model the values through everyday behaviour.

Communicate, Listen and Share Information: communicate openly, listen and share information.

Collaborate and support: help others beyond team boundaries.

Strengthen ownership and accountability: take responsibility, follow through and raise issues constructively.

Create a respectful, inclusive and positive workplace: treat people respectfully, spread positivity, make people feel welcomed and encourage social connection

We Serve: keep community and customer outcomes at the centre.

Reflect, learn and continuously improve: Be open to feedback, look for better ways of doing things, discussion values in toolbox talks and meetings

Note:
They identify practical actions: modelling the values, communicating openly, listening, collaborating, helping others, taking ownership, respectfully challenging poor behaviour and serving the community.

Important enabling conditions

- Psychological safety to speak up.
- Fair and consistent accountability.
- Visible leadership role-modelling.
- Realistic expectations around workload and delivery

Q11. Comments and Suggestions (What is assisting the achievement of the desired culture?)

WCC's strongest foundation is its people. The workforce sees commitment, care for the organisation, community purpose and willingness to improve as key strengths.

Key enabling themes

- People care about WCC and the community.
- Collaboration is improving, but needs to extend further across teams.
- Open communication and listening are helping and need to continue.
- Consistency and accountability are critical (addressing behaviour, reinforce expectations)
- Leadership role modelling and visibility remain important
- Culture change is understood as a long-term journey

Note:

Workforce is looking for:

- stronger cross-Council collaboration;
- genuine listening, including necessary feedback;
- visible leadership role-modelling;
- consistent accountability and standards;
- acknowledgement of unresolved experiences that may still affect trust.

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Q11. Comments and Suggestions (What is assisting the achievement of the desired culture?)

Keep going: recognise that meaningful culture change takes time and sustained attention.

Make it real: focus on everyday behaviour and experiences rather than increasing culture language or activity for its own sake.

Work as one Council: continue breaking down silos and create stronger relationships across teams, locations and organisational levels.

Listen and act: hear both positive and critical employee feedback and demonstrate visible follow-through.

Set and protect the standard: clearly define values-aligned behaviour, model it at every leadership level, support people to meet it and consistently address behaviour that falls short.

Q12. Comments and Suggestions (What are the barriers holding us back from achieving the desired culture?

Strongest barriers:

Inconsistent accountability: poor behaviour or underperformance not always addressed.

Fairness and trust concerns: perceptions of unequal treatment, favouritism or inconsistent standards.

Leadership credibility: gap between talking about values and consistently modelling them.

Psychological safety: some employees lack confidence to raise concerns safely.

Workload and fatigue: capacity pressures affecting ability to sustain change.

Silos and lack of unity: collaboration improving, but “one Council” not yet fully experienced.

The workforce is looking for confidence that:

- the same behavioural standards apply to everyone;
- poor behaviour and performance will be addressed;
- leaders visibly model the expectations;
- people are treated fairly, respectfully and safely;
- culture work feels practical, authentic and behaviour-focused.

Key message:

There is willingness in the workforce to support the desired culture. The next phase is ensuring leadership practices and organisational systems consistently reinforce and not hinder that willingness.

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Culture Development Journey Timeline

July – August 2025

- Engagement and partnering with Karen Schulz, external culture specialist from Reveur Asia Pacific

August - October 2025

- A Culture Values Assessment (CVA) and Engagement Survey was undertaken across the organisation to understand:
    - the values important to our people;
    - how employees experienced the current culture; and
    - what employees wanted to see in the future culture.
- The survey was independently administered by Reveur to ensure anonymity and encourage open and honest feedback.
- The survey achieved a 77% participation rate, providing a strong level of confidence that the findings represented the views and experiences of the workforce across the organisation.

November – December 2025

- Reveur facilitated a series of listening groups involving employees from across Council to explore survey themes in greater depth and understand the lived experiences behind the data.
- Approximately 60 employees participated across five listening groups, including:
    - employee groups from across operational and corporate areas;
    - coordinators and team leaders;
    - senior leaders; and
    - elected Members.
- These sessions provided employees with the opportunity to share what was working well, what was getting in the way, and what they wanted the future culture of Council to look and feel like.

January 2026

- The findings from the Culture Values Assessment, listening groups and Council's strategic priorities were brought together to define the organisation's desired future culture and identify the cultural shifts required to support Council's long-term vision and community aspirations.
- Executive Leadership Team workshops focused on translating employee feedback into a practical and achievable target culture for Whyalla City Council.

February 2026

- The *Values and Behaviours Framework* (Annexure A) and the *Whyalla City Council and Culture and Leadership Development Plan* (Annexure B) was developed directly from the themes identified through the survey, listening groups and strategic planning process.
    - These draft values were then released to the workforce for consultation and feedback.
    - Members of the Executive Leadership Team and People and Culture team attended worksites and locations across Council to conduct listening posts and gather feedback directly from employees on the proposed framework.
    - Council members Workshop: *Culture Plan/Draft Values and Behaviours*
    - Staff engagement and feedback was encouraged through this process and informed the refinement of the final Values and Behaviours Framework; 36 pieces of feedback were received.
    - This consultation was used to ensure the end result reflected the voice of the workforce and not solely leadership perspectives.

March 2026

- Workshop: *Leading Connection Session* – People Managers, ELT and SLT
  - Collaboration between Teams
  - Constructively calling our behaviours
  - Using common language and shared expectations
  - Clear decision making at the appropriate level, without being undermined
    Improved role clarity
  - Dialling up/dialling down behaviours

- Document: *Bringing our Culture to Life Roadmap* presented with a focus on activities over March to May 2026.

April 2026

- Workshop: *Bringing our Culture to Life*
  - Overview of the *Culture and Leadership Development Plan*
  - Exploration of our Values and Behaviours and what they look like in practice
  - Introduction of shared culture, language and frameworks (e.g. *Balcony and Dancefloor*)
  - Building of practical skills to support a positive culture, including:
  - Holding constructive conversations and recognising positive behaviours
  - Contributing to a supportive team environment

- Workshop*: Cultural Leadership Forum – Psychosocial Safety and Accountability*
  - Connection to the purpose and structure of the Leadership Development Cohort
  - Exploration of the key components of psychosocial safety and why they matter for effective teams
  - Reflection on how leaders can actively create and lead psychosocially safe environments
  - Exploration of the role of leaders in building personal accountability and creating accountability in others
  - Development of a short leadership action plan
  - Introduction to the Peer Group Coaching process and connect with your peer coaching group

May 2026

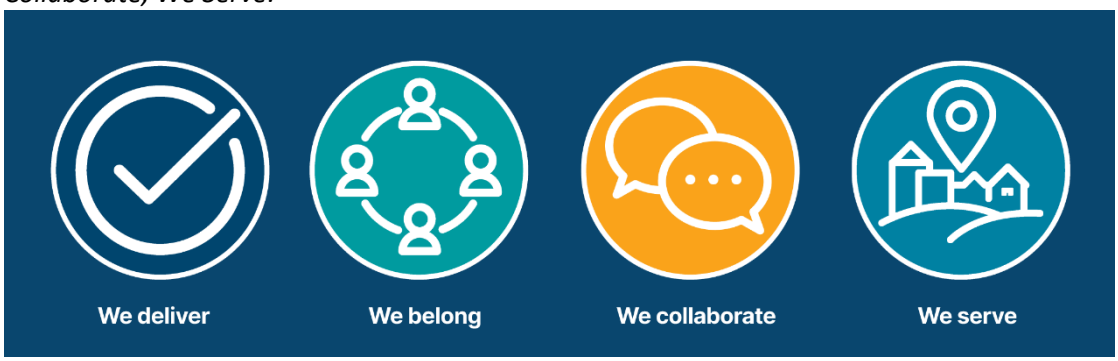
- Leaders are tasked to continue embedding the culture within their teams by:
  - Keeping the Values and Behaviours visible in team discussions;
  - Recognising examples of culture in action; and
  - Integrating cultural behaviours into everyday leadership conversations

June 2026

- Workshop: *Holding effective performance conversations* – ELT and SLT
  - Focus on strengthening leadership effectiveness with emphasis on leading effective and necessary conversations
  - Explore factors that could hold us back from having these conversations
  - Build confidence, capability and practical approached needed to navigate necessary conversations constructively and effectively
  - Enable strong accountability to support our people and performance outcomes – model and embed behaviours aligned to target culture
  - Revisit concepts and frameworks from previous cohort sessions on psychological safety

August 2026

- Organisational roll out of Branding/Symbol/Logo/Identity of Values: *We Deliver, We Belong, We Collaborate, We Serve:*



- Release of Thank-You cards as a reward and recognition supporting Council Values
- Anonymous Pulse Survey is released via Reveur providing anonymity for participants – multiple platforms used including paper, QR codes, posters and electronic survey links.

September 2026

- Workshop: *Leading Change Culture Session*
  - The objectives of this session are to strengthen leaders' capability to lead change effectively, including leading self and others.
    Releasing the Past – Creating the Future
  - Understand the importance of creating meaningful endings as the foundation for successful change.
  - Recognise the challenges and opportunities that arise during periods of transition.
  - Explore the role of vision and strategy in creating energy, momentum and commitment to the future, and in establishing purposeful new beginnings.
  - Develop a deeper understanding of how people experience and respond to change.
  - Explore practical approaches to communicating and engaging others throughout change.
  - Strengthen leaders' ability to build resilience and confidence within their teams.

- **Culture Pulse Survey;** The results of the August Culture pulse survey, undertaken between August 10 and 28 were presented in the September *Leading Change Culture Session.* A 43% response rate was established. Whilst the 43% response rate means the findings may not fully represent the whole workforce, the data nonetheless points to strong awareness and commitment to WCC's values, alongside a clear need for greater consistency in how those values are experienced through leadership

4. CONFIDENTIAL ITEMS

4.1 Update from Council Representative – CONFIDENTIAL

Audit and Risk Committee Meeting:	9 October 2026		
Author's Title:	Lisette Symons – Executive Coordinator – Corporate	**File No.:**	0-159
Directorate:	Executive		

Attachments:
Attachment 1

Officer Direct or Indirect Conflict of Interest:
In accordance with Local Government Act 1999, Section 120

☐ **Yes** ☑ **No**

Status:
Information classified confidential under Section 90(2) of the Local Government Act

☑ **Yes** ☐ **No**

Reason – Report contains information of a confidential nature the disclosure of which could breach a duty of confidence

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RECOMMENDATION

That Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all persons present, with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Jodie Perone; General Manager City Growth, Paul Day; General Manager Infrastructure, Ellisha Papoulis; Manager People and Culture and Lisette Symons; Executive Coordinator - Corporate be excluded from the meeting as the committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the committee will receive and consider matters that must be considered in confidence in order to ensure that the committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.

4. CONFIDENTIAL ITEMS

4.2 Meeting Review – CONFIDENTIAL

Audit and Risk Committee Meeting:	9 October 2026		
Author's Title:	Lisette Symons – Executive Coordinator – Corporate	**File No.:**	0-159
Directorate:	Executive		

Attachments:

Nil

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1999, Section 120

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