

Draft ABP 2026-27: updated FAQs

Q: With living costs rising, why is the council proposing a rate increase?

A: We understand that cost-of-living increases are affecting many households right now. Unfortunately, the external factors that influence price increases and cost-of-living pressures for the community, also impact the council.

Rising costs for fuel and core materials such as bitumen have all increased significantly, which means that delivering essential and greatly needed services like waste collection, roads and community facilities have become more expensive. We've worked to keep rate increases as low as possible (aligned to CPI) so that we can continue to deliver. We know any increase can be challenging, and we're committed to balancing affordability while keeping the services the community depends upon.

Q: How does the council review spending and decide what to invest in?

A: The council is legislated to provide certain services, manage facilities and maintain core infrastructure for the community. Rate revenue funds most of the council's work, however other income streams are sourced from state and federal government initiatives, grants, and commercial operations. Through talking and engaging with the community regularly, the council also seeks to understand the important issues and priorities of Onkaparinga residents. These inform areas of focus in budget planning.

Through the annual business plan and budget process, spending and investment is reviewed to ensure ratepayer funds are used responsibly. The planning process includes:

- prioritising essential services
- reviewing projects and delivery timing
- finding efficiencies across operations.

Community feedback from the annual business plan and budget engagement will be collated and presented to the elected members so they are able to make an informed decision before they choose to endorse the plan, budget, and rate increase, or not.

Q: How are council finances overseen?

A: The *Local Government Act 1999* requires the council to appoint an audit committee, with specific functions and responsibilities. The [Audit and Risk Committee](#)'s role is to provide advice to the council on its financial reporting and sustainability, internal controls and risk management systems, whistle blowing, internal and external audit and the value and efficiency of its services, programs and processes.

Audit and Risk Committee members are made up of elected members and independent parties, performing a transparent 'checks and balances' function.

Current Audit and Risk Committee members

- Tim O'Loughlin (Presiding Member) Independent
- Paula Davies, Independent Member
- Andrew Johnson, Independent Member
- Cr Jordan Pritchard
- Cr Paul Yeomans
- Cr Marisa Bell (Proxy)

More information including meeting agendas and minutes can be found here: [Audit and Risk Committee City of Onkaparinga](#)

Council's finances are also audited on an annual basis to ensure correct reporting in line with Australian Accounting Standards.

Q: How much debt does the council have, and why?

A: The council is forecasting it will have \$129.9 million of debt at 30 June 2027. This represents 53.6 per cent of council's annual operating income. To put it in everyday terms, this would be like a household income of around \$100,000 a year with a total outstanding mortgage of about \$53,600.

A moderate level of debt can be beneficial for funding infrastructure and services, particularly in a growth council such as Onkaparinga – as long as it's managed properly. Using debt to fund infrastructure allows the council to spread this cost so both current and future communities contribute, including those that will benefit from the use of the infrastructure in the longer term. This can be a much more equitable way to spread the cost of infrastructure provision, and it's what's referred to as "generational equity", a principle adopted to rate fairly.

Q: Does fuel uncertainty affect the council's budget?

A: Fuel is needed to deliver core council services including waste collection, road maintenance, and fleet operations, so the council is affected by fuel price fluctuations. We continue to monitor the events impacting fuel costs and supply and regularly assess how they influence operations.

Currently no decisions have been made to cut services to cover costs. However, if fuel price increases are sustained in the medium to long term, we may need to identify how we could find funds from existing resources, which could require a reallocation of budget from other services.

We are in discussions with the state government to ensure councils are considered when planning reserves so that we can continue to deliver essential council services the community relies upon.

The City of Onkaparinga's [environment and sustainability initiatives](#) also show the steps we are taking to reduce emissions and diversify energy sources and reliance on fuel. Targets have been published in our [Towards zero corporate emissions roadmap 2030](#), including the target that 80% of our fleet will be electric or hydrogen vehicles by 2035.

Q: How will the council manage renegotiation attempts from contractors because of increased fuel costs?

A: We are managing contractors with due consideration of service continuity and fairness to suppliers, while protecting the council's financial position. We are not approving fuel surcharges or price adjustments unless explicitly permitted under a respective contract. However, we are focused on maintaining constructive supplier relationships and ensuring supply chain resilience so that council services are not adversely affected.

Q: How is the council responding to concerns raised by the Audit and Risk Committee and ESCOSA about the sustainability of its finances? What actions are being taken to control operating expenditure and manage rate revenue?

The council has acknowledged and is working towards addressing all 14 recommendations made by ESCOSA, including reviewing the Long-Term Financial Plan annually, and aligning the financial forecasts with the Strategic Asset Management Plan, monitoring cost increases, considering additional sources of income and prioritising asset renewals over new assets. These actions are reviewed regularly.

Q: The council is out of touch with community priorities. How does it know what services residents need?

The council surveys community members annually to understand individuals' experiences of living in Onkaparinga, and what's important to them. This includes asking residents what they think council should prioritise.

In 2025, the top 3 areas residents expressed as the most important for council's focus were: the environment and coastal management, open space, parks and natural resources, and roads. Many projects and services proposed in the draft ABP and Budget 2026–27 align with these priorities.

Q: House values are going up and new houses are being built each year. Why are rates being increased?

Rate rises reflect the increase in costs to maintain and renew existing infrastructure and services.

The council does not receive more rates when house values increase. Additional rates are received from new properties built each year. This is referred to as growth. These rates are required to provide services and infrastructure to the new properties. New property developments, when completed, are handed over to the council to manage, which means the council becomes responsible for maintaining and renewing roads, footpaths, open spaces, stormwater and other infrastructure.