



NOTICE OF SPECIAL COUNCIL MEETING
Wednesday 7 June 2023
in the Council Chambers, 43-51 Tanunda Road, Nuriootpa,
commencing at 7.00pm.

Martin McCarthy
CHIEF EXECUTIVE OFFICER
THE BAROSSA COUNCIL

A G E N D A

Welcome by Mayor

1. ATTENDANCE RECORD

1.1 Members Present

Apologies

Nil

Not Present

Nil

Leave of Absence

Nil

2. DEBATE AGENDA

2.1 Office of the Mayor and CEO

2.1.1 Lyndoch Land Purchase 4

2.1.2	Draft Annual Budget and Business Plan 2023/24 Incorporating the Long Term Financial Plan 2023/24 – 2032/33	45
2.1.3	Growing Regions Program	114

3. CONFIDENTIAL AGENDA

3.1 OFFICE OF THE MAYOR AND CEO

3.1.1	Expression of Interest - Tour Down Under 2024 - Follow Up from January 2024	182
3.1.2	Talunga Village - Management Arrangements	184

4. NEXT MEETING

Tuesday 20 June 2023 at 5.30pm

5. CLOSURE

Mr Martin McCarthy
Chief Executive Officer
The Barossa Council
43-51 Tanunda Road
Nuriootpa SA 5355

24 May 2023

Dear Martin

Re: Calling of a Special Meeting of Council

Pursuant to Section 82 of the Local Government Act I hereby call a special meeting of Council to held at 7:00pm, Wednesday, 7 June 2023.

I request that the agenda shall consist of the following matters:

1. Annual Business Plan and Budget 2023-24 incorporating the Long-Term Financial Plan – Approval to release for consultation.
2. Growing Regions Program Priority for Application.
3. Lyndoch Land Purchase.
4. Expression of Interest – Tour Down Under 2024 – Follow Up from January 2024 (Confidential)
5. Talunga Village Management Arrangements (Confidential)

Please prepare the necessary agenda and distribute.

Yours sincerely



Bim Lange OAM
Mayor

DEBATE REPORT

2.1 Office of the Mayor and CEO

2.1.1 LYNDOCH LAND PURCHASE

**Author: Chief Executive Officer
23/22958**

PURPOSE

To formally update Council on successful negotiations and the entering into a contract for the strategic purchase of land at Lyndoch and ratify the application of the seal by the Mayor and CEO on the land purchase contract.

RECOMMENDATION

That Council:

- (1) Receive and note the update report and ratify the sealing of the contract by the Mayor and Chief Executive Officer for purchase of land being a portion of 1312 Barossa Valley Way, Lyndoch Allotment 3 in the proposed land division drawing number 23086-01, as tabled at Attachment 1, with Burge Family Wine Holdings Pty Ltd.
- (2) Support and authorise the Chief Executive Officer to enter into a lease with Burge Family Wine Holdings Pty Ltd at an appropriate time, when the land is transferred to Council, to manage the vineyard on the following conditions:
 - a. That Council shall only be required to provide 3 months' notice that the lease will cease when Council are ready to commence development on the land.
 - b. That all revenue gained, and expenses incurred, in the management of the said land, shall be to the benefit and responsibility of Burge Family Wine Holdings Pty Ltd.
 - c. No development or construction activities other than repairs, maintenance and other day to day activities shall take place on the land.
 - d. All insurances shall be current for the necessary activities undertaken on the land.
 - e. The uses of the land being a vineyard, cellar door and ancillary infrastructure shall remain unchanged.
- (3) That the portion of land portion of 1312 Barossa Valley Way, Lyndoch Allotment 3 in the proposed land division drawing number 23086-01, as tabled at Attachment 1, when transferred to Council, is excluded from Community Land classification pursuant to Section 193(4) of the Local Government Act, until Council has development the land at which time it shall dedicate the land as community land and allocate the land to the appropriate Community Land Management Plan.

REPORT**Background**

As Council is aware the long-term strategic direction for the Lyndoch Recreation Park has been to try and acquire the necessary land to support a facility that can cater for population growth, centralisation and thus efficiency of infrastructure and implemented the extensively consulted upon plans around activating Williamstown facility into a adventure location and expanded caravan park.

This imperative only grew stronger when the Concordia Development was announced by the Premier and the planning amendment commenced by the Minister. The strategy to cater for the Concordia growth at Lyndoch until critical mass what achieved at Concordia when further investments in community infrastructure are necessary, justified and can be funded.

Discussion**Update**

Council is aware that the contract to achieve this strategic purchase of land has been executed within alignment with Councils resolution of

Legal advice requested the agreement to be signed under seal this needs to be ratified by Council. Council has approved the entering into the contract by the Chief Executive Officer and the contract is consistent with this and has been provided previously to members for information.

As Council are also aware the planning application needs to be made and has now been submitted on 23 May 2023 to adjust the allotment boundaries to release the land sought, which is Allotment 3 in the plan attached at Attachment 1.

Management of the Land Prior to Transfer and Post Transfer

The land which Council is contracted to purchase subject to a successful boundary realignment application is a working vineyard and cellar door. Council is obviously not geared up to manage such a site or operation nor has the resources. During negotiations it was discussed that Council consider, and in my opinion, a peppercorn lease to the current owners. They have the means and funding to manage the site.

This allows a sound mix of ensuring the land is maintained, economic benefits are maintained for the time being for the community and landowner and comes at not risk to Council. In communications with the landowners there are certain requirements Council would need which are summarised as:

1. Maintaining the land appropriately in sound economic and environmental way.
2. Ensuring the land is available to Council to access for its planning and design purposes.
3. Ensuring Council can cease the lease with 3 months' notice when development of the land is forecast to commence.
4. That Council has no responsibility for any costs, insurance or other matters associated with the land management or the commercial operations.

It is recommended that the interim management arrangements on the land are undertaken through a lease arrangement.

Next Steps

Relevant officers have scheduled a meeting with stakeholder to talk through the land transfer, boundary realignment, processes for redesign, funding and ultimately delivery on 14 June. Briefings will be provided to Council as the work progresses. Funding to support these costs are present in the draft 2023-24 budget.

Summary and Conclusion

The contract for purchasing the strategic piece of land is in place and the application for boundary realignment is lodged.

Planning and engagement is booked to commence.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 Boundary Realignment Plan of Division [↓](#) 

Attachment 2 Contract for the Sale and Purchase of Land [↓](#) 

Supporting references

Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Community Plan



Infrastructure

Goal

6. The Barossa maintains and develops infrastructure that meets the needs of the region and is efficient.
7. Community infrastructure planning is aligned to both current and the future needs of the community

Strategies

- 6.2. Continue to ensure that infrastructure considers place-making is inclusive and accessible for all.
- 7.2. Ensure both current and future infrastructure needs are met in a proactive rather than reactive way.

Legislative Requirements

Section 193 of the Local Government Act

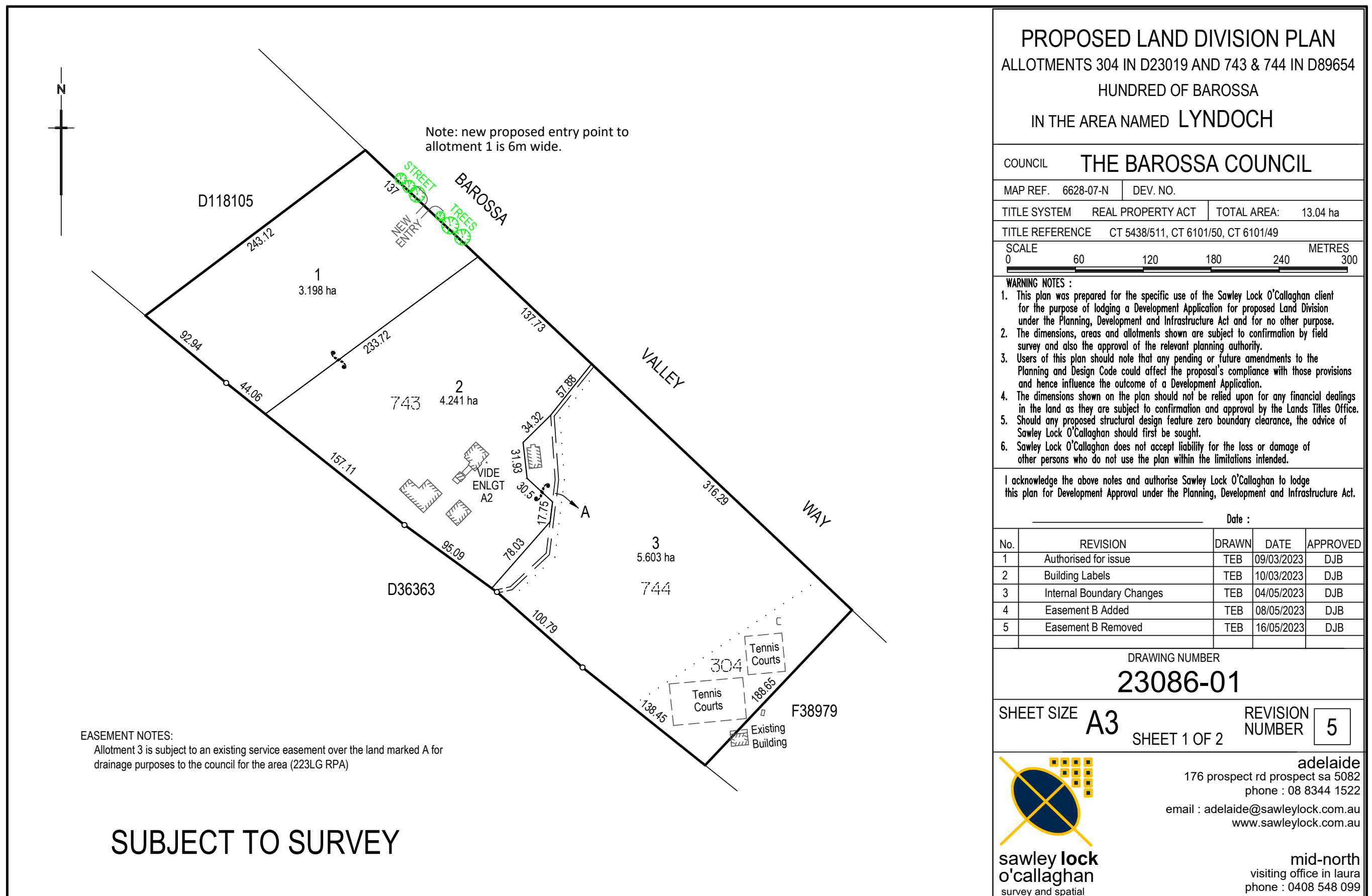
FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

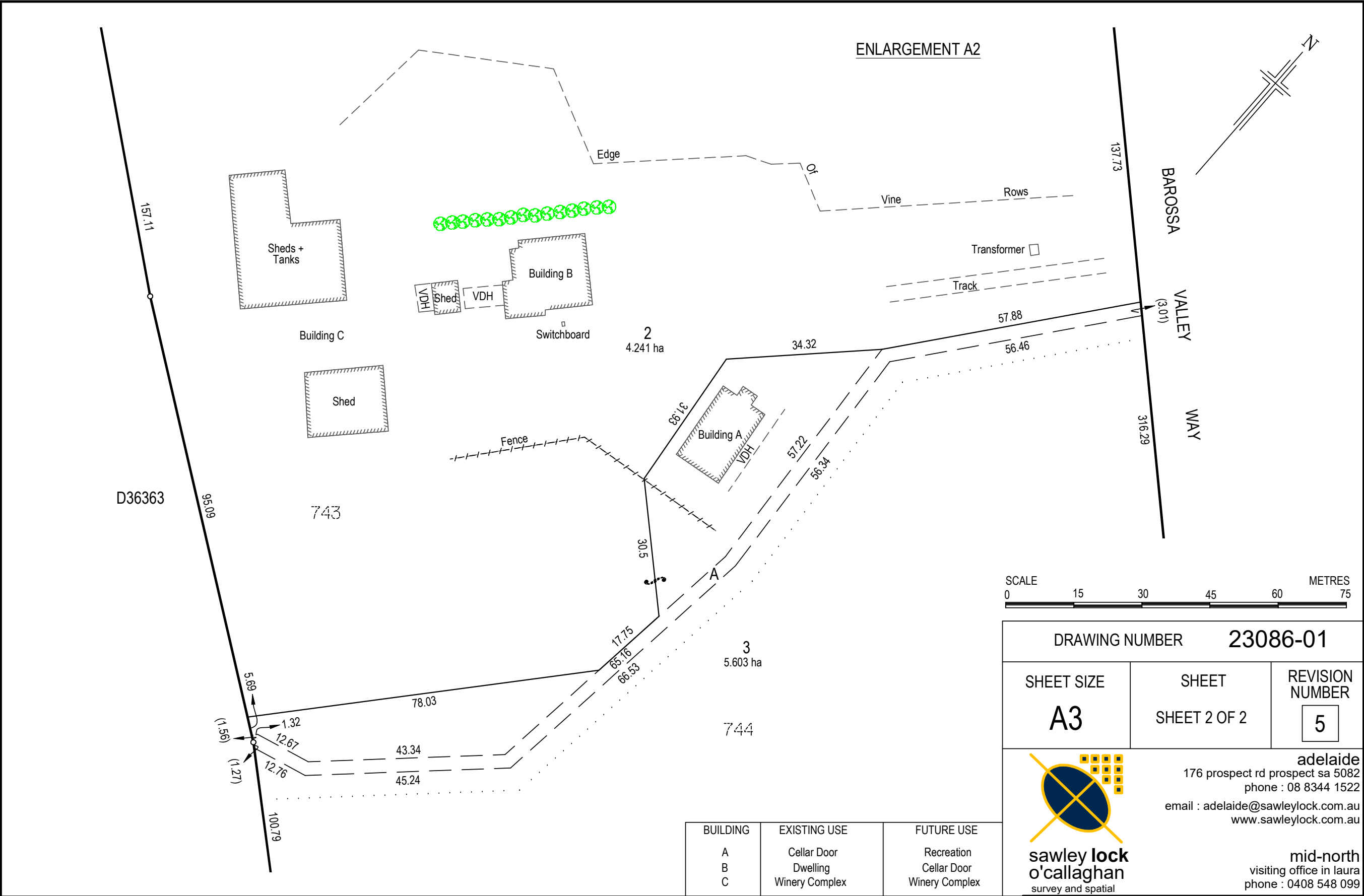
There are no changes to the financial, resource or risk considerations arising from this report.

COMMUNITY ENGAGEMENT

Extensive community engagement has taken place when developing the Southern Barossa Recreational Hub masterplan and supporting business case and financial

models. Further engagement has taken place in terms of the current footprint development and with the successful purchase and transfer of the land further engagement and redesign is planned.





Page 1 of 31



THE LAW SOCIETY
OF SOUTH AUSTRALIA

CONTRACT
FOR THE SALE AND PURCHASE OF LAND
(NON-RESIDENTIAL)

Portion of 1312 Barossa Valley Way, Lyndoch

PA230236_002.doc

SALE OF LAND CONTRACT

Between:

The person/s named in **Item 1** of the Schedule (**Vendor**)

- and -

The person/s named in **Item 2** of the Schedule (**Purchaser**)

TERMS

1. On and subject to the terms of this contract, the Vendor agrees to sell to the Purchaser who agrees to purchase from the Vendor the following (**Assets**) for the amount/s (before adjustments and subject to Part 8 of the Standard Terms for the Sale of Land) stated in **Item 7** of the Schedule (**Price**):
 - 1.1 the estate or interest in land described in **Item 3** of the Schedule (**Land**); and
 - 1.2 any property described in **Item 4** of the Schedule (**Included Property**), but always excluding any property described in **Item 5** of the Schedule (**Excluded Property**).
2. This contract is comprised of this document and the following documents:
 - 2.1 the Schedule now annexed, and any documents incorporated by reference therein;
 - 2.2 the Standard Terms for the Sale of Land issued by The Law Society of South Australia now annexed; and
 - 2.3 any Annexures now annexed, and any documents incorporated by reference therein.
3. This contract may be executed in any number of counterparts, and by the parties in separate counterparts but, if executed in counterparts, is not effective until each party has executed at least one counterpart and those counterparts have been exchanged or delivered to the other party. An executed counterpart may be delivered by any means this contract allows for the giving of notices. Each counterpart constitutes an original of this contract, but the counterparts together constitute one and the same contract.
4. A person signing this contract on behalf of a party warrants that the person has authority to bind that party for that purpose.

Dated the

19TH day of MAY

2023

Vendor

Purchaser

Executed by

The Common Seal of

BFW HOLDING PTY LTD ACN 626 457 109**The Barossa Council**in accordance with the *Corporations Act 2001*:

Was affixed here in the presence of:

Director

Mayor

Full Name

KE ZENG

Full Name

MICHAEL LANGE

Director / Secretary

Chief Executive Officer

Full Name

Full Name

MARTIN MCCARTHY



SCHEDULE

ITEM 1:	VENDOR/S Name/s: BFW HOLDING PTY LTD ACN / ABN / ARSN (if any): ACN 626 457 109 Mailing address: 1312 Barossa Valley Way, Lyndoch SA 5351 Ph: 8524 4644 Email: info@burgefamily.com.au
ITEM 2:	PURCHASER/S Name/s: THE BAROSSA COUNCIL ACN / ABN / ARSN (if any): 47 749 871 215 Mailing address: PO BOX 867, NURIOOTPA SA 5355 Ph: 8563 8444 Email: barossa@barossa.sa.gov.au
ITEM 3:	LAND Portion of Allotment labelled 2 – CT 6101/50 in DP89654, Allotment 744 Allotment labelled 3 – CT 6101/49 in DP89654, Allotment 743 as delineated on the plan in Annexure B Street address Portion of 1312 Barossa Valley Way, Lyndoch.
ITEM 4:	INCLUDED PROPERTY (Personal property included in the Sale) ☐ Floor coverings (fixed) ☐ Light fittings ☐ Window treatments ☐ Air-conditioner ☐ Clothes line ☐ TV antenna / satellite dish ☐ Free-standing spa / pool ☐ Whitegoods ☐ Solar electricity panels ☐ Kerbside rubbish bins Other – Nil If any of the Included Property is sold subject to a Third Party Interest or hire agreement to be assigned to the Purchaser, specify details below: (1) In law, a sale of freehold land includes fixtures upon that land. If in doubt, identify an asset as Included Property or as Excluded Property. (2) If agricultural or horticultural land, consider any crop still growing at Settlement.
ITEM 5:	EXCLUDED PROPERTY Nil
ITEM 6:	TENANCIES, EXCEPTIONS AND RESERVATIONS Nil Specify any Tenancy or Third Party Interest (disregarding any other Permitted Interest as defined in this contract) to be taken over by the Purchaser.
ITEM 7:	PRICE/S Land: \$1,600,000.00 Included Property: Nil GST (if applicable): \$160,000.00 Total: \$1,760,000.00

ITEM 8:	DEPOSIT \$160,000.00 If nothing stated, 10% of the total of the Price/s (before any GST) plus any GST. Payable on the execution of this contract / Payable on expiry of the Cooling-off Period. The Deposit may be tendered by Bank Cheque, or by deposit of clear funds to a nominated bank account of the Deposit Holder, in any combination.
ITEM 9:	BALANCE \$1,440,000 (including GST, if applicable)
ITEM 10:	DEPOSIT HOLDER Name/s: Yapp Lawyers ACN / ABN / ARSN (if any): Mailing address: L5 33 Franklin Street Adelaide SA 5000 Ph: 08 8227 2388 Email: yapp.hp@yapplawyers.com.au
ITEM 11:	DATE FOR SETTLEMENT Within 10 business days of deposit of the plan of division attached hereto and issue of new Certificates of Title or such other date as agreed between the Vendor and Purchaser
ITEM 12:	WATER ALLOWANCE (Clause 22) Nil If nothing stated, \$400.00.
ITEM 13:	STATUTORY NOTICES (Clause 14) (1) Those to be discharged by the Vendor: Not Applicable (2) Those to be discharged by the Purchaser: Not Applicable
ITEM 14:	REGULATORY REQUIREMENTS (Clause 5) (1) To be obtained by the Vendor: Not Applicable Period within which to be obtained: (2) To be obtained by the Purchaser: Not Applicable Period within which to be obtained:

ITEM 15:	ANNEXURES ☒ Annexure A - Subject to Plan of Division ☒ Annexure B Plan ☐ Annexure C ☐ Annexure D																							
ITEM 16:	GST (Part 8) [Mark only 1 box below as "Yes".] The Sale: <table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right;">Yes</th> </tr> </thead> <tbody> <tr> <td>(a) is not a taxable supply, as the Vendor is not, and is not required to be, registered for GST.</td> <td style="text-align: right;">☐</td> </tr> <tr> <td>(b) is a taxable supply of real property, with the margin scheme under GST Law Division 75 not to apply.</td> <td style="text-align: right;">☒</td> </tr> <tr> <td>(c) is a taxable supply of real property, to which the margin scheme under GST Law Division 75 applies.</td> <td style="text-align: right;">☐</td> </tr> <tr> <td>(d) is a taxable supply of commercial residential premises.</td> <td style="text-align: right;">☐</td> </tr> <tr> <td>(e) is a taxable supply of residential premises to which GST Law section 40-65(2) applies.</td> <td style="text-align: right;">☐</td> </tr> <tr> <td>(f) is an input taxed supply of residential premises to be used predominantly for residential accommodation to which GST Law section 40-65(1) applies and section 40-65(2) does not apply.</td> <td style="text-align: right;">☐</td> </tr> <tr> <td>(g) is GST-free as a supply of a going concern under GST Law section 38-325.</td> <td style="text-align: right;">☐</td> </tr> <tr> <td>(h) is GST-free as a supply of potential residential land subdivided from farm land to which GST Law section 38-475 applies.</td> <td style="text-align: right;">☐</td> </tr> <tr> <td>(i) is GST-free as a supply of farm land supplied for a farming business to which GST Law section 38-480 applies.</td> <td style="text-align: right;">☐</td> </tr> <tr> <td>(j) is a supply that is partly taxable and partly non-taxable. The GST exclusive values of those respective supplies are as follows:</td> <td style="text-align: right;">☐</td> </tr> </tbody> </table> Taxable Supply Description of property: GST exclusive value \$ Non-Taxable Supply Description of property: GST exclusive value \$ Total \$ _____ Note – total is to be the same as the total of Price/s in Item 7.			Yes	(a) is not a taxable supply, as the Vendor is not, and is not required to be, registered for GST.	☐	(b) is a taxable supply of real property, with the margin scheme under GST Law Division 75 not to apply.	☒	(c) is a taxable supply of real property, to which the margin scheme under GST Law Division 75 applies.	☐	(d) is a taxable supply of commercial residential premises.	☐	(e) is a taxable supply of residential premises to which GST Law section 40-65(2) applies.	☐	(f) is an input taxed supply of residential premises to be used predominantly for residential accommodation to which GST Law section 40-65(1) applies and section 40-65(2) does not apply.	☐	(g) is GST-free as a supply of a going concern under GST Law section 38-325.	☐	(h) is GST-free as a supply of potential residential land subdivided from farm land to which GST Law section 38-475 applies.	☐	(i) is GST-free as a supply of farm land supplied for a farming business to which GST Law section 38-480 applies.	☐	(j) is a supply that is partly taxable and partly non-taxable. The GST exclusive values of those respective supplies are as follows:	☐
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STANDARD TERMS FOR THE SALE OF LAND

PART 1 – PRELIMINARY

1. DICTONARY

In this contract:

ADImeans an authorised deposit-taking institution (within the meaning of the *Banking Act 1959* (Cwth))**Ancillary Contract**

means, as applicable, any contract to which the Vendor is party or by which the Vendor is bound:

- a) for a Tenancy – and includes any guarantee, indemnity or bond held as security for a Tenant's performance;
- b) for the hire, lease, hire-purchase or bailment of any goods in Included Property and/or any PPS lease (within the meaning of the *Personal Property Securities Act 2009* (Cwth)) in respect of that Included Property, but only if such contract is specified in **Item 4**;
- c) for any mortgage, easement, encumbrance or restrictive covenant in relation to the Land (and so far as concerns the Land) that is a Permitted Interest and so not required to be discharged at or before Settlement;
- d) in relation to the Land (and so far as concerns the Land) made under section 37A of the *Aboriginal Heritage Act 1988*, section 50(2), section 57 or section 57A of the *Development Act 1993*, section 59 of the *Environment Protection Act 1993*, section 32 of the *Heritage Places Act 1993*, section 23 of the *Native Vegetation Act 1991*, or section 58, section 59 or section 61 of the *Mining Act 1971* and not required to be discharged at or before Settlement; and
- e) any other ancillary contracts specified in **Item 19**.

Also included is the benefit of any consumer guarantee under the *Australian Consumer Law / Australian Consumer Law (SA)* in relation to any goods in Included Property or any construction work done to the Land.

Assets

mean the following individually and collectively:

- a) the Land, and any part of that Land; and
 - b) the Included Property (if any),
- but always excluding any Excluded Property.

Bank Cheque

means a cheque drawn by an ADI upon itself.

Bank Guarantee

means an unconditional, irrevocable guarantee or bond by an ADI in favour of the Vendor and with a expiry date not earlier than 30 calendar days after the Date for Settlement and otherwise in a form acceptable to the Vendor acting reasonably.

Business Day

means a day other than:

- a) a Saturday, Sunday;
- b) a day which is a public holiday in South Australia (within the meaning of the *Holidays Act 1910*); or
- c) a day that falls between Christmas Day and the next following New Year's Day.

Business Hours	mean the hours between 9:00 am and 5:00 pm (South Australian time) on a Business Day.
Clearance Certificate	means a certificate issued under section 14-220 of Schedule 1 of the TA Act which remains current at the Date of Settlement.
Client Authorisation	has the meaning given in section 240A of the RPA.
Conveyancing Transaction, Electronic Workspace, Lodgment Case, Representative, Responsible Subscriber, and Subscriber	have the meaning given in the <i>Participation Rules</i> last determined by the Registrar-General under the EC Law.
Cooling-off Period	means the period on and from the Execution Date to the expiration of the prescribed time (within the meaning given in section 5 of the <i>Land and Business (Sale and Conveyancing) Act 1994</i>).
Date for Settlement	means the date specified in Item 11 or as the parties may agree in writing.
Date of Settlement	means the date Settlement occurs.
Default Rate	means at any time 2% per annum above the last published BankSA Variable Business Loan Rate or, if such rate does not exist, 10%.
Deposit	means a deposit of the amount stated in Item 8 paid by or on behalf of the Purchaser.
Deposit Holder	means a person named in Item 10 or, if no person is named, means the Vendor.
EC Law	means the <i>Electronic Conveyancing National Law (South Australia)</i> as defined in the <i>Electronic Conveyancing National Law (South Australia) Act 2013</i> .
Excluded Property	means individually and collectively any asset specified in Item 5 .
Execution Date	means the date this contract was executed by the last of the parties.
FRCG Withholding Amount	means the amount determined under section 14-200(3)(a) of Schedule 1 of the TA Act in respect of the sale of the Land, or such lesser amount as may be specified in a variation notice under section 14-235 of Schedule 1 of the TA Act, a copy of which notice has been provided to the Purchaser prior to Settlement.
GST, adjustment, adjustment note, approved valuation, commercial residential purposes, creditable acquisition, enterprise, GST-free, input tax credit, input taxed, margin, margin scheme, new residential premises, residential premises,	have the meaning given in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cwth) (GST Law).

supply of a going concern, tax invoice, and taxable supply

GST Withholding Amount means the amount determined under section 14-250 of Schedule 1 of the TA Act in respect of the sale of the Land.

Included Property means individually and collectively:

- a) the Vendor's rights and benefits under any Ancillary Contract that remain due to be enjoyed after Settlement;
- b) any consent, approval, licence or permit held by the Vendor from government for the occupation, use, enjoyment or development of the Land; and
- c) that property (if any) stated in **Item 4**.

Instrument means, as regards a dealing with the Land this contract requires or allows, an instrument as defined in section 3(1) of the RPA.

Item means an item in the Schedule. If no particulars are stated in an Item, that Item must be read as if 'nil' or 'not applicable' (as the context allows) was stated in that Item.

Land means the estate or interest in land stated in **Item 3**, including any:

- a) easements, rights, privileges and other appurtenances referred to in the certificate or other muniment of title for that land;
- b) improvements or fixtures on that land on the Execution Date to the extent not Excluded Property; and
- c) if the Land is sold subject to any Tenancy, the Vendor's right, title, estate and interest under that Tenancy as at and from Settlement.

Lawyer means, as regards a party, a legal practitioner under the *Legal Practitioners Act 1981* or a registered conveyancer under the *Conveyancers Act 1994* acting for that party in the Sale.

LTO means the Lands Titles Registration Office as constituted under the RPA.

New Residential Premises has the meaning given in section 995-1 of the *Income Tax Assessment Act 1997* (Cwth).

Permitted Interest means any of the following, as applicable:

- a) restrictions under planning, development or heritage legislation;
- b) any statutory easement in favour of government or a public utility;
- c) any statutory charge or lien to secure payment of rates or taxes, so long as the liability or debt it secures is not overdue;
- d) any easements and rights to which the Land is subject referred to on the certificate or other muniment of title to the Land and any exceptions or reservations referred to therein, and not by the terms of this contract required to be discharged prior to or at Settlement;
- e) if the Land is or includes, or will at Settlement include, a unit under the *Strata Titles Act 1988* or a lot under the *Community Titles Act 1996*, easements imported under that legislation as applicable;

	f) a matter stated in Item 6; g) any statutory encumbrance (of the meaning given in section 223LA(1) of the RPA) required to give effect to a dealing with the Land this contract requires or allows; h) the terms and conditions of any Ancillary Contract to be assigned by the Vendor to the Purchaser under this contract; and i) any estate or interest created by this contract in favour of the Purchaser.
Potential Residential Land	has the meaning given in section 995-1 of the <i>Income Tax Assessment Act 1997</i> (Cwth).
Price	means, in relation to an Asset, the price stated against it in Item 7 including the Deposit but before any GST applicable.
Purchaser	means the person/s named in Item 2 and, if more than 1, means each of them jointly and severally.
Regulatory Requirement	means an approval, certificate, consent, authorisation or permit required to be issued by government or a government instrumentality, such as: a) a consent by a relevant authority under the <i>Development Act 1993</i>; b) a consent by a Minister under the <i>Crown Land Management Act 2009</i> or the <i>Pastoral Land Management and Conservation Act 1989</i>; c) a division of land under the <i>Community Titles Act 1996</i>, the RPA or the <i>Strata Titles Act 1988</i>; d) if the Takeovers Act applies to the Purchaser's acquisition of the Land, the grant of an exemption certificate, issue of a no objection notification, or the Treasurer losing power to make an order or decision under Division 2 of Part 3 of the Takeovers Act in relation to the acquisition.
Residential Premises	has the meaning given in section 995-1 of the <i>Income Tax Assessment Act 1997</i> (Cwth).
RPA	means the <i>Real Property Act 1886</i> .
Sale	means the sale and purchase of the Assets this contract contemplates.
Schedule	means the schedule immediately preceding these terms or referencing these terms.
Settlement	means settlement of the Sale.
Statutory Notice	means, as regards the Assets, any: a) agreement, claim, declaration, demand, direction, notice, order or demand with or issued by a government, government instrumentality or regulatory body that would be required to be disclosed in a <i>Form 1 – Vendor's Statement</i> under section 7 of the <i>Land and Business (Sale and Conveyancing) Act 1994</i>; and / or b) application made under the <i>Encroachments Act 1944</i>.
TA Act	means the <i>Taxation Administration Act 1953</i> (Cwth).

Takeovers Act	means the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cwth).
Tenancy	means a tenancy, lease or licence to occupy the Land (or part of the Land) specified in Item 6 , and Tenant has a corresponding meaning.
Third Party Interest	means a trust, mortgage or charge, and: a) in case of the Land, includes a lease, licence to occupy, restrictive covenant, <i>profit à prendre</i>, easement, caveat, decree or order of Court (including a decree or order a memorial of which has been entered against the Land under section 105 of the RPA); and b) in case of Included Property, includes any lien, pledge and any security interest (within the meaning given in the <i>Personal Property Securities Act 2009</i> (Cwth)).
Vendor	means the person/s named in Item 1 and, if more than 1, means each of them jointly and severally.
Vendor's Notice	means the notice required to be given to the Purchaser pursuant to section 14-255 of Schedule 1 of the TA Act in respect of the sale of the Land (as set out in Item 17 or given separately to this contract).

Expressions defined elsewhere in this contract have that meaning.

Subject to all the above, expressions in this contract have the same meaning as in a provision of the RPA that deals with the same matter.

2. INTERPRETATION

In this contract: neuter includes masculine and feminine; singular includes plural and *vice versa*; reference to a person includes a body politic or corporate, an individual and a partnership and *vice versa*; reference to a party includes a successor to the rights or obligations of that party under this contract; headings do not affect construction; no rule of construction applies to the disadvantage of a party because that party put forward this contract or any portion of it; another grammatical form of a defined word has a corresponding meaning; references to time mean legal time in South Australia; reference to legislation includes the legislation as amended, any substituted legislation, any subordinate legislation under that legislation, and any orders under that legislation; reference to any subordinate legislation includes that subordinate legislation as amended, any substituted subordinate legislation; reference to a section of legislation or a regulation of subordinate legislation includes a section or regulation that substitutes that section or regulation.

3. SEVERANCE

If a provision of this contract would, but for this clause 3, be unenforceable:

- 3.1 the provision must be read down to the extent necessary to avoid that result; or
- 3.2 if the provision cannot be read down to that extent, it must be severed without affecting the validity and enforceability of the remainder of this contract.

PART 2 – THE SALE

4. COOLING-OFF

If the Purchaser rescinds this contract under section 5 of the *Land and Business (Sale and Conveyancing) Act 1994*, the Vendor may retain from any Deposit paid only the amount section 5(4) of that Act allows.

5. REGULATORY REQUIREMENTS

- 5.1 A dealing with the Assets the subject of this contract is not effective pending the satisfaction of any Regulatory Requirement without which that dealing would contravene any legislation.
- 5.2 A party under this contract given responsibility to attempt to satisfy a Regulatory Requirement must use reasonable endeavours to satisfy that Regulatory Requirement within the time this contract may require (or, if no period is specified in **Item 14**, within 20 Business Days from the Execution Date) and before Settlement.
- 5.3 Neither party may hinder the satisfaction of a Regulatory Requirement.
- 5.4 A party who becomes aware that a Regulatory Requirement is satisfied or becomes incapable of being satisfied must, within 2 Business Days, in writing, notify the other party.
- 5.5 A Regulatory Requirement is not satisfied if:
 - 5.5.1 issued or obtained upon terms and conditions not acceptable to the parties acting reasonably; or
 - 5.5.2 it is the subject of an appeal or judicial review, brought reasonably, and not finally disposed of.
- 5.6 If a Regulatory Requirement is not satisfied within time, a party not in default under clause 5.2 may terminate the Sale upon giving at least 10 Business Days' written notice to the other party, in which case the Sale terminates upon expiry of that notice period unless the Regulatory Requirement is satisfied in the meantime.

6. TERMINATION FOR DEFAULT

- 6.1 If, before or at Settlement, a party (**Party 1**) defaults in that party's observance or performance of this contract, the other party (**Party 2**) may give a written notice of default (**Default Notice**) to Party 1.
- 6.2 A Default Notice:
 - 6.2.1 may be given at any time after the default occurs and before its remedy;
 - 6.2.2 is without prejudice to any other rights or remedies Party 2 may have;
 - 6.2.3 must identify the default (giving reasonable details);
 - 6.2.4 must require Party 1 to remedy the default within 3 Business Days from the service of the notice for a pre-Settlement default, or within such longer period as Party 2 may specify in the notice;
 - 6.2.5 if the default occurred at Settlement, must appoint a time during Business Hours for Settlement and require Party 1 to settle at the time specified in the notice (it being agreed that, if such time is not less than 10 Business Days after the date of service of such notice, then such period of notice will be deemed fair and reasonable and Party 1 shall be precluded from raising any objection to such period of notice);
 - 6.2.6 may state that, unless the default is remedied within the period specified in the notice, Party 2 may terminate the Sale by written notice to that effect to Party 1; and
 - 6.2.7 may be given on more than one occasion.
- 6.3 Party 2 may recover from Party 1 as a debt:
 - 6.3.1 \$900 (plus GST) towards the costs of preparing any (each) Default Notice; plus
 - 6.3.2 the reasonable cost of serving any (each) Default Notice, and

Party 1 must pay or credit such sum to Party 2 at Settlement or on termination of the Sale.

- 6.4 Time is of the essence in respect of any period of time specified in a Default Notice.
- 6.5 If the Vendor is Party 2, the Vendor need not first tender a transfer or other conveyance of the Assets to Party 1 before terminating the Sale or before exercising any other rights or remedies of the Vendor.
- 6.6 If the Vendor terminates the Sale under this clause 6, the Vendor may elect to either:
 - 6.6.1 retain the Assets and sue the Purchaser for damages for breach of contract; or
 - 6.6.2 resell the Assets together or in lots and the deficiency, if any, in price upon the resale together with all reasonable costs and expenses incidental to the resale, any attempted resale and the Purchaser's default must immediately after the resale be made good by the Purchaser; and
 - (a) in the case of non-payment of the deficiency, costs and expenses, the whole thereof is recoverable by the Vendor as liquidated damages (minus any Deposit paid and forfeited) only if legal proceedings for the recovery are commenced within 12 calendar months after termination of the Sale;
 - (b) the Vendor is entitled to any increase in price on any resale.
- 6.7 If the Purchaser terminates the Sale under this clause 6, the Purchaser may sue the Vendor for damages for breach of contract only if legal proceedings for the recovery of the damages are commenced within 12 calendar months after termination of the Sale.

7. UNWINDING THIS CONTRACT

If the Sale terminates before Settlement, within 5 Business Days:

- 7.1 the Deposit Holder (or failing the Deposit Holder, the Vendor) must repay the Deposit to the Purchaser except that, if the Vendor terminated the Sale under clause 6, the Deposit is forfeited absolutely to the Vendor (despite any rule of common law or principle of equity to the contrary);
- 7.2 conditional upon repayment of the Deposit to the Purchaser, if repayable to the Purchaser, the Purchaser must cause to be withdrawn any caveat or priority notice the Purchaser or a third party claiming through or under the Purchaser caused to be lodged at the LTO in relation to the Land to protect the Purchaser's rights under this contract or that third party's derivative rights,

and otherwise neither party has further rights against the other in connection with this contract, except in respect of prior default under this contract.

PART 3 – TITLE

8. THE LAND

The Land, as offered for sale by the Vendor and inspected by the Purchaser, is the same as that described in **Item 3**.

9. EVIDENCE OF TITLE

- 9.1 The certificate of title under the RPA or other muniment of title in the name of the Vendor (or the other person named in Item 1 as owner of the Land) is conclusive evidence of title to the Land.
- 9.2 The Purchaser is not entitled to an abstract of title, nor to take any objection thereto nor to make any requisition thereon, and no evidence of the identity of the Land is required other than that afforded by comparison of the description in this contract with that in the certificate of title.
- 9.3 Any error, omission or improper or imperfect description of the Land:

9.3.1 will not rescind the Sale or affect the obligation of the parties to settle on the Date for Settlement; and

9.3.2 if notified by a party to the other before Settlement, but not afterwards, entitles compensation to be received or paid by one party to the other, as the case may require.

10. VENDOR WARRANTIES AS TO TITLE

The Vendor warrants that, at Settlement, the Vendor will have:

10.1 or be entitled to have, indefeasible title to the Land (if the Land is under the provisions of the RPA); and

10.2 the right to sell and transfer the Assets to the Purchaser under this contract free of any Third Party Interest, disregarding any Permitted Interest.

Except as expressly stated in this contract, the Vendor makes no representation or warranty in connection with the Assets, the Sale or anything else.

11. CAVEAT OR PRIORITY NOTICE

If before Settlement:

11.1 the Purchaser (or a third party claiming through or under the Purchaser) causes to be lodged a caveat or priority notice under the RPA to protect the Purchaser's rights under this contract or that third party's derivative rights; and

11.2 the Vendor so requires by written notice to the Purchaser,

the Purchaser must cause the caveator or third party, in a timely manner and in proper form, to consent to or permit the registration before Settlement of any dealing/s with the Land this contract expressly allows or requires.

PART 4 – RISK

12. CONDITION OF THE ASSETS

The Purchaser accepts the Assets:

12.1 subject to any Permitted Interest; and

12.2 in that condition and state of repair and subject to any defects (known or unknown) as at the Execution Date, and subject to fair wear and tear.

13. RISK AND USE OF THE LAND

13.1 Subject to clause 13.2, on and from the Execution Date the Assets shall be at risk of the Purchaser.

13.2 If and for so long as between the Execution Date and Settlement the Vendor or a third party occupies or uses any of the Assets, the Vendor must ensure the Vendor or that third party takes reasonable care of such Assets.

13.3 Subject to clause 13.2, if before Settlement there occurs any loss, damage, destruction, dilapidation, infestation or mechanical breakdown of the Assets from any cause:

13.3.1 the Sale is not affected; and

13.3.2 the Purchaser is not entitled to damages or a reduced Price.

13.4 On and from the Execution Date, the Purchaser must indemnify and hold harmless the Vendor against all liability in respect of the Assets, except to the extent caused or contributed to by the

Vendor's wilful act, negligence or default under this contract or failure to take reasonable steps to mitigate such liability. The Purchaser's indemnity under this clause 13.4 is a continuing obligation, except if this contract is terminated prior to Settlement occurring, in which case the Purchaser's indemnity under this clause 13.4 ceases on the date of termination.

PART 5 – STATUTORY NOTICES

14. EXISTING STATUTORY NOTICES

14.1 The Vendor warrants that, on the Execution Date, no Statutory Notice exists which has not been fully complied with or which adversely affects the Assets, except any stated in **Item 13**.

14.2 If a matter is referred to in **Item 13(1)**:

14.2.1 before Settlement, the Vendor must comply with that matter; and

14.2.2 on and from Settlement, as a continuing obligation, the Vendor must indemnify and hold harmless the Purchaser and the Purchaser's successors in title against all liability in respect of that matter due to be observed or performed before Settlement.

14.3 If a matter is referred to in **Item 13(2)**:

14.3.1 after Settlement, the Purchaser must comply with that matter; and

14.3.2 on and from Settlement, as a continuing obligation, the Purchaser must indemnify and hold harmless the Vendor against all liability in respect of that matter due to be observed or performed after Settlement.

15. NEW STATUTORY NOTICES

If, after the Execution Date, a Statutory Notice is given or made:

15.1 before Settlement, the Purchaser must comply with that Statutory Notice;

15.2 and before Settlement the Vendor complies with that Statutory Notice, the Purchaser must reimburse the Vendor upon demand or, if no prior demand is made, at Settlement, all reasonable amounts paid by the Vendor in complying with that Statutory Notice; and

15.3 on and from Settlement, as a continuing obligation, the Purchaser must indemnify and hold harmless the Vendor against all liability in respect of that Statutory Notice.

PART 6 – DEPOSIT

16. DEPOSIT TO BE PAID

The Purchaser must pay the Deposit to the Deposit Holder at the time stated in **Item 8**.

17. INVESTMENT OF THE DEPOSIT

17.1 If the Deposit is provided by cheque or in clear funds and the parties so require in writing, pending Settlement the Deposit Holder must invest the Deposit in the joint names of the parties with an ADI at 14-day call at a current rate of interest.

17.2 If the Deposit is to be invested pending Settlement, on or as soon as practicable after the Execution Date each party must provide its Australian tax file number or Australian business number to the Deposit Holder.

17.3 If a party fails to comply with clause 17.2 and the other party becomes entitled to the Deposit, the first party must compensate the other party for any tax deducted from interest earned on the Deposit.

17.4 The Deposit Holder must pay the interest accrued on the Deposit (net of any proper costs or expenses in investing the Deposit):

17.4.1 if a party terminates the Sale under clause 6 - to that party;

17.4.2 if the Deposit is repaid to the Purchaser - to the Purchaser; or

17.4.3 at Settlement – in equal amounts to the Vendor and the Purchaser.

PART 7 – PRICE

18. PRICE ADJUSTMENTS

The Price/s stated in the Schedule are subject to adjustment as this contract requires.

19. ADJUSTMENT FOR INCOME

19.1 Subject to clause 21, all rents, fees and other income arising from the Assets are to be adjusted to midnight on the day before the Date of Settlement.

19.2 Income is taken to accrue on a daily basis.

19.3 If a payment of income includes or would include an amount on account of GST the Vendor was or is liable to pay, only the net amount of such payment of income is to be adjusted.

19.4 If income to be adjusted is not exclusively referable to the Assets, only a portion of that income is to be adjusted as agreed in writing by the parties or, failing such agreement, in the proportion that the Price bears to the total market values of the income-producing properties to which the income is referable.

20. ADJUSTMENT FOR OUTGOINGS

20.1 Subject to clause 21, all outgoings (including any for utilities, State or municipal rates, levies, taxes, charges) in respect of the Assets are to be adjusted to midnight on the day before the Date of Settlement.

20.2 Outgoings are taken to accrue on a daily basis.

20.3 Any remission of a rate, levy, tax or charge the Vendor received, or is entitled to receive, is to be disregarded.

20.4 Land tax is to be adjusted as if the Land was the only land owned by the Vendor.

20.5 Before or immediately following Settlement, the Vendor must pay and discharge all land tax that has or will become payable in respect of the Land in the rating year in which Settlement occurs and in all previous rating years. Such land tax must be paid whether the tax is then due and payable or not.

20.6 Only outgoings not recoverable from a Tenant are to be adjusted.

20.7 An outgoing to be adjusted must first have deducted any GST input tax credit allowed or allowable to the Vendor in respect of that outgoing.

20.8 If an outgoing to be adjusted is not exclusively referable to the Assets, only a portion of that outgoing is to be adjusted as agreed in writing by the parties or, failing such agreement, in the proportion that the capital value of the Land (within the meaning given in the *Valuation of Land Act 1971*) bears to the total capital values of the properties to which the outgoing is referable.

20.9 If the quantum of an outgoing has not been determined by the date being 5 Business Days before Settlement, then the parties agree that the relevant adjustment of outgoings will be based on the outgoings quantum for the previous year.

21. ADJUSTMENTS IF SETTLEMENT IS POSTPONED

21.1 If Settlement is postponed only by reason of the Vendor's default:

21.1.1 income is adjusted to midnight on the day before the Date for Settlement; and

21.1.2 outgoings will be adjusted pursuant to clause 20.

21.2 If Settlement is postponed only by reason of the Purchaser's default:

21.2.1 income will be adjusted pursuant to clause 19; and

21.2.2 outgoings are adjusted to midnight on the day before the Date for Settlement.

22. WATER CHARGE ADJUSTMENT

The cost or charge for the consumption of water upon the Land is to be adjusted under clause 20.1 as follows:

22.1 where more than 1 official meter reading of water supplied is obtained, the meter reading made on the day nearest to the Date for Settlement is to be used;

22.2 if an official meter reading has not been obtained by either party at least 3 Business Days prior to the Date for Settlement, no later than Settlement the Vendor must instruct the Vendor's Lawyer to withhold in trust after Settlement the sum stated in **Item 12**. Upon the official meter reading being obtained:

22.2.1 that Lawyer must pay to the Purchaser the amount, if any, payable by the Vendor to the Purchaser for water consumed, and refund any balance of the trust money to the Vendor; and

22.2.2 if the trust money is less than the amount payable by the Vendor to the Purchaser, the Vendor must pay the deficiency to the Purchaser.

PART 8 – GST**23. GST TREATMENT**

The parties agree that for the purposes of the GST Law, the Sale is as described in **Item 16**.

24. GENERAL RULE FOR TAXABLE SUPPLIES

Subject to clause 26 (margin scheme) and clause 27 (adjustments), if a party (**Party 1**) is or becomes liable to pay GST in respect of a taxable supply Party 1 makes to the other party (**Party 2**) under this contract, then:

24.1 (unless this contract expressly states that the consideration for that taxable supply includes GST) the consideration payable by Party 2 to Party 1 for that taxable supply must be increased by an amount equal to the amount of the GST in respect of that taxable supply (**GST Amount**);

24.2 Party 1 must give a tax invoice for the taxable supply to Party 2:

24.2.1 if the Sale terminates before Settlement – within 20 Business Days after termination;
or

24.2.2 if Settlement occurs and the taxable supply is made prior to or at Settlement - at Settlement; and

24.3 Party 2 must pay the GST Amount to Party 1 at Settlement if the taxable supply occurs at Settlement or otherwise within 5 Business Days of receipt of the tax invoice from Party 1.

25. SUPPLY OF A GOING CONCERN

If in **Item 16** the Sale is agreed to be the supply of a going concern, and so GST-free, then:

- 25.1 the Purchaser warrants that the Purchaser will, at Settlement, be registered or required to be registered under the GST Act; and
- 25.2 the Vendor warrants that the Vendor, on the Execution Date, carries on, and will at all times until Settlement carry on, the relevant enterprise and will, pursuant to this contract and any other agreement which exists between the Vendor and the Purchaser, supply to the Purchaser at Settlement all of the things which are necessary to carry on the relevant enterprise.

26. MARGIN SCHEME

If in **Item 16** the margin scheme is agreed to apply to the sale of the Land, then:

- 26.1 the Purchaser's obligation to pay or reimburse GST to the Vendor as regards the sale of the Land is based on the margin under the margin scheme;
- 26.2 the Purchaser must, where a valuation is required under Division 75 of the GST Law:
 - 26.2.1 obtain at its expense, in the name of the Vendor, an approved valuation of the Land using the valuation method approved by the Vendor; and
 - 26.2.2 provide the approved valuation to the Vendor not less than 5 Business Days prior to Settlement;
- 26.3 as regards the sale of the Land, the Vendor need not provide a tax invoice to the Purchaser at Settlement; and
- 26.4 the acquisition of the Land is not a creditable acquisition, and the Purchaser is not entitled to claim an input tax credit.

27. GST ADJUSTMENTS

27.1 If **Item 16** states that:

- 27.1.1 the sale of the Land is an input taxed supply or is GST-free - but the Purchaser uses the Land in a way that makes the sale a taxable supply; or
- 27.1.2 the sale of the Assets is the supply of a going concern - but the sale is a taxable supply (other than by reason of a breach by the Vendor of clause 25.2),

upon written demand by the Vendor (whether made before or after Settlement) the Purchaser must pay to the Vendor an amount equal to the Vendor's GST liability together with any interest and / or penalties assessed to the Vendor.

- 27.2 If **Item 16** states that the supply of the Assets is either wholly taxable or wholly non-taxable, and after Settlement the supply is found to be partly taxable and partly non-taxable, then the Purchaser must either pay to the Vendor or be reimbursed by the Vendor (as is appropriate) the amount of the adjustment in the Vendor's GST liability within 20 Business Days of receipt of a tax invoice or adjustment note. The Purchaser must pay to the Vendor any interest and / or penalties associated with any such adjustment provided an adjustment note is provided.

PART 9 – ANCILLARY CONTRACTS**28. PRESERVATION OF ANCILLARY CONTRACTS**

As regards an Ancillary Contract, pending Settlement or termination of the Sale, except with the Purchaser's prior written consent (not to be unreasonably withheld, delayed or conditioned) the Vendor must not:

28.1 breach, suspend, modify adversely or terminate the Ancillary Contract or agree to do so; and / or

28.2 if the Ancillary Contract evidences a Tenancy, agree to any market rent to apply for any period after Settlement.

29. ASSIGNMENT OF ANCILLARY CONTRACTS

29.1 Subject to clause 29.2 and clause 29.3, at Settlement, by force of this contract and without need for further writing, the Vendor assigns the Vendor's rights and benefits under the Ancillary Contract/s as then remain to be enjoyed or performed to the Purchaser, and the Purchaser accepts that assignment.

29.2 If an Ancillary Contract requires a counterparty to that Ancillary Contract to consent to the Vendor assigning that Ancillary Contract to the Purchaser, then:

29.2.1 pending Settlement and in the 20 Business Days after Settlement, the Vendor, with the Purchaser's reasonable assistance, must take reasonable steps to obtain that consent, effective from Settlement. Reasonable assistance and steps do not include paying any money other than that due to a counterparty under the Ancillary Contract; and

29.2.2 assignment of that Ancillary Contract under clause 29.1 is conditional upon that consent being obtained.

29.3 If an Ancillary Contract is not in law capable of assignment, insofar as it would not be a breach of that Ancillary Contract, at and from Settlement the Vendor holds the same on trust for the Purchaser.

29.4 To avoid doubt, unless otherwise agreed in writing by these present parties, assignment under this clause 29 excludes a right to all rent, fees, costs, expenses or other money (including damages) payable or to become payable to the Vendor under an Ancillary Contract attributable to a period or circumstance before Settlement, whether paid before or after Settlement.

30. CROSS INDEMNITIES FOR ANCILLARY CONTRACTS

On and from Settlement, as regards an Ancillary Contract, as continuing obligations:

30.1 the Vendor must indemnify and hold harmless the Purchaser and the Purchaser's successors in title against all liability in respect of the Vendor's obligations under that Ancillary Contract due to be observed or performed before Settlement, except to the extent such liability is caused or contributed to by the Purchaser's wilful act, negligence or default under this contract or failure to take reasonable steps to mitigate such liability; and

30.2 the Purchaser must indemnify and hold harmless the Vendor against all liability in respect of the Vendor's obligations under that Ancillary Contract due to be observed or performed after Settlement, except to the extent such liability is caused or contributed to by the Vendor's wilful act, negligence or default under this contract or failure to take reasonable steps to mitigate such liability.

31. DEED/S OF ASSIGNMENT OF ANCILLARY CONTRACTS

31.1 At any time before or after Settlement, a party may give written notice to the other party requiring that the parties enter into a deed of assignment of any Ancillary Contract separately to more perfectly assign to the Purchaser the benefit of that Ancillary Contract.

31.2 The deed must be prepared by the Lawyer for the party who gives the notice with the cost of preparation of the deed being payable by the party giving the notice (it being agreed that the parties will each bear their own costs of any negotiation in respect of the deed).

31.3 The parties must execute and deliver the deed:

- 31.3.1 no later than Settlement, if the notice under clause 31.1 is given not less than 10 Business Days before the Date for Settlement; or
- 31.3.2 otherwise, within 15 Business Days after the day on which the notice under clause 31.1 was given.
- 31.4 A failure to give notice or to execute a deed under this clause 31 does not affect the assignment given effect by clause 29 or the indemnities under clause 30.

32. POST-SETTLEMENT ADJUSTMENTS UNDER A TENANCY

32.1 If:

- 32.1.1 before or after the Date of Settlement a Tenant is or becomes entitled to a refund or credit for an amount of rent or contribution to outgoings under the Tenancy overpaid to the Vendor before the Date of Settlement; and
- 32.1.2 before Settlement the Vendor does not refund that overpaid amount to the Tenant; and
- 32.1.3 after Settlement the Purchaser allows, or will allow, such refund or credit to the Tenant,

the Vendor must pay the overpaid amount to the Purchaser on demand to the extent not previously and expressly taken into account in adjustment to the Price.

32.2 If:

- 32.2.1 before or after the Date of Settlement a Tenant is or becomes liable to pay an additional amount of rent or contribution to outgoings to the Vendor in respect of a period of time before the Date of Settlement; and
- 32.2.2 after Settlement the Tenant pays that additional amount to the Purchaser and not the Vendor,

the Purchaser must pay that additional amount to the Vendor on demand to the extent not previously and expressly taken into account in adjustment to the Price.

- 32.3 If an overpaid or additional amount to which this clause 32 applies relates to a period of time commencing on or before the Date of Settlement and expiring after the Date of Settlement (**Pay Period**) the amount accounted for under this clause must be determined in the same proportion as the number of days of that Pay Period before the Date of Settlement bears to the whole of that Pay Period.

PART 10 – MATTERS BEFORE SETTLEMENT

33. NOMINEE PURCHASER

If **Item 2** states that the Purchaser enters into this contract for the Purchaser named in **Item 2** and / or nominee or as agent for an undisclosed principal, the Purchaser now named may not later than 10 Business Days before the Date for Settlement by written notice to the Vendor nominate another person as purchaser under this contract but remains liable (as a principal) to the Vendor for the observance and performance of a purchaser's obligations under this contract.

34. ASSIGNMENT BY THE PURCHASER

Any assignment of any of the Purchaser's benefits or obligations under this contract, with or without the Vendor's consent, does not release the assignor from existing or future obligations under this contract.

35. RETAINER OF LAWYERS / SUBSCRIBERS

A party to this contract (including any Purchaser's nominee or assignee) (**Party 1**) who retains a Lawyer or gives a Client Authorisation to a Lawyer or Subscriber for the purposes of Settlement, must:

- 35.1 if not done beforehand, within 2 Business Days cause that Lawyer's / Subscriber's contact details to be made known to the other party to this contract (**Party 2**) (or, if Party 2 has previously made known Party 2's own Lawyer's / Subscriber's contact details, to the Lawyer / Subscriber acting for Party 2); and
- 35.2 if, before Settlement, the retainer of that Lawyer terminates, or that Client Authorisation terminates (without replacement on at least equivalent terms given to the same Lawyer / Subscriber), within 1 Business Day make that fact known to Party 2 or Party 2's Lawyer / Subscriber.

36. EXCLUDED PROPERTY

Before Settlement, the Vendor at the Vendor's cost must:

- 36.1 remove from the Land the Excluded Property (other than the property of continuing Tenants) and all personal property and man-made litter other than the Included Property (if any) stated in **Item 4**; and
- 36.2 make good any damage done to the Land as a result of the installation or removal of any Excluded Property.

PART 11 – PAPER DOCUMENT-BASED CONVEYANCING**37. TRANSFER DOCUMENT**

- 37.1 At least 10 Business Days before the Date for Settlement (or within such shorter period as the Vendor may allow), the Purchaser (or the Purchaser's Lawyer) must deliver to the Vendor (or the Vendor's Lawyer):

- 37.1.1 for execution by or on behalf of the Vendor, a transfer of the Land duly executed by or on behalf of the Purchaser; or
- 37.1.2 a copy of such transfer executed, or to be executed, by or on behalf of the Purchaser and such other material and information as may reasonably be required to enable the Vendor to comply with clause 37.4.

- 37.2 Failing due delivery of such transfer, the Vendor may at any time thereafter prepare a transfer and recover \$500.00 (before any GST) from the Purchaser as a debt on account of the costs so incurred.

- 37.3 The transfer must be:

- 37.3.1 in the form section 96 of the RPA requires (if the Land is under the RPA);
- 37.3.2 to effect transfer of the Land free of all Third Party Interests (disregarding any Permitted Interests); and
- 37.3.3 duly executed, or to be executed, by or on behalf of the Vendor.

- 37.4 The Vendor must deliver the executed transfer, or the copy of the transfer and the other necessary material and information referred to in clause 37.1 above, to the Purchaser's Lawyer before Settlement:

- 37.4.1 for stamping and payment of registration fees;
- 37.4.2 for complying with any law relating to the sale or transfer of property; and
- 37.4.3 to be held on trust for the Vendor pending Settlement.

37.5 The above provisions of this clause 37 do not apply if and so long as a transfer of the Land is to be effected electronically via an Electronic Workspace.

38. OTHER CONVEYANCE DOCUMENTS

If any Included Property is of a kind that effective transfer of the Vendor's rights in that Included Property requires a document signed by the Vendor, or signed by both the Vendor and the Purchaser, clause 37 applies as if references therein to a transfer were to such document so far as can be made applicable.

39. ADJUSTMENT STATEMENT

39.1 At least 3 Business Days before the Date for Settlement (or within such shorter period as the Purchaser may allow), the Vendor (or the Vendor's Lawyer) must deliver to the Purchaser (or the Purchaser's Lawyer) an adjustment statement setting out in reasonable detail the adjustments to the Price this contract requires or allows.

39.2 Failing due delivery of an adjustment statement, the Purchaser may, at any time thereafter, prepare and give an adjustment statement to the Vendor and recover \$500.00 (before any GST) as a debt from the Vendor on account of the costs so incurred.

39.3 The above provisions of this clause 39 do not apply if and so long as a transfer of the Land is to be effected electronically via an Electronic Workspace.

PART 12 – ELECTRONIC CONVEYANCING

40. APPLICATION OF THIS PART

Provisions in this Part 12 apply only if, to the extent and so long as:

40.1 the parties agree (either in **Item 18**, elsewhere in this contract or separately) that Settlement and lodgement of the Instruments necessary to record a Conveyancing Transaction this contract requires or allows will be conducted electronically in accordance with the EC Law; and

40.2 a party to this contract has not given later notice under clause 41.

41. ABANDONMENT OF ELECTRONIC CONVEYANCING

If a party reasonably determines that Settlement and lodgement of Instruments under this contract cannot be effected electronically, then that party must immediately:

41.1 if an Electronic Workspace has been established for the purposes of this contract, cause their Representative to post a notice to that effect on the Electronic Workspace; or

41.2 otherwise, give written notice of that determination to the other party.

42. APPOINTMENT OF REPRESENTATIVES

A party must promptly and at least 10 Business Days before the Date for Settlement:

42.1 (if the party itself is not a Subscriber) give a properly completed and signed Client Authorisation to a Subscriber authorising that Subscriber to be the Representative of that party for the purposes of this contract; and

42.2 ensure that all other persons for whom that party is responsible and who are associated with a Conveyancing Transaction this contract requires or allows are or engage a Subscriber.

43. PARTICIPATION RULES

A party who appoints a Representative for the purposes of this contract must, in relation to this contract:

- 43.1 abide by the *Participation Rules* under the EC Law;
- 43.2 on a timely basis, provide such information and instructions as are required for the party's Representative to comply with the *Participation Rules*; and
- 43.3 on a timely basis provide sufficient funds to that party's financial institution and/or that party's Representative to enable exchange of such funds to be effected electronically at Settlement via an Electronic Workspace.

44. ELECTRONIC WORKSPACE

44.1 For the purposes of this clause 44, "Vendor" includes the Vendor's Representative and "Purchaser" includes the Purchaser's Representative and words and phrases have the same meaning as in the *Participation Rules*.

44.2 At least 10 Business Days before the Date for Settlement, the Vendor must:

- 44.2.1 open an Electronic Workspace for the purposes of this contract;
- 44.2.2 populate the Electronic Workspace with the details of the Land and other required particulars in relation to the sale of the Land; and
- 44.2.3 invite the Purchaser and the Vendor's mortgagee (if any) to join the Electronic Workspace.

44.3 The Purchaser must:

- 44.3.1 accept the invitation to join the Electronic Workspace within 2 Business Days of receipt of the invitation;
- 44.3.2 populate the Electronic Workspace with the required particulars in relation to the sale of the Land; and
- 44.3.3 invite the Purchaser's mortgagee (if any) to join the Electronic Workspace.

44.4 If the Vendor does not comply with clause 44.2, the Purchaser may:

- 44.4.1 open an Electronic Workspace for the purposes of this contract;
- 44.4.2 populate the Electronic Workspace with the details of the Land and other required particulars in relation to the sale of the Land; and
- 44.4.3 invite the Vendor and the Purchaser's mortgagee (if any) to join the Electronic Workspace;

and the Vendor must:

- 44.4.4 accept the Purchaser's invitation to join the Electronic Workspace within 2 Business Days of receipt of that invitation;
- 44.4.5 populate the Electronic Workspace with the required particulars in relation to the sale of the Land; and
- 44.4.6 invite the Vendor's mortgagee (if any) to join the Electronic Workspace.

44.5 The parties must do all things reasonably necessary and in a timely manner to complete the Electronic Workspace in order to achieve Settlement on the Date for Settlement.

- 44.6 Without limiting clause 44.5, to enable the Electronic Workspace to be completed:
- 44.6.1 the Vendor must provide the Purchaser with the adjustment amounts in accordance with this contract no later than 2 Business Days before the Date for Settlement;
 - 44.6.2 the Vendor must populate the Electronic Workspace with payment details no later than 1 Business Day before the Date for Settlement; and
 - 44.6.3 the parties must, no later than 1 Business Day before the Date for Settlement, ensure that:
 - (a) all required data has been entered into the Electronic Workspace;
 - (b) any documents requiring a Digital Signature have been Digitally Signed; and
 - (c) all certifications required by the EC Law are complete.
- 44.7 At least 5 Business Days before the Date for Settlement, the Vendor (or the Vendor's Representative) must nominate a time of the day, between the hours of 9.00 am and 4.00 pm, for locking the Electronic Workspace for the purpose of completing Settlement, and must record that nomination on the Electronic Workspace.

45. ELECTRONIC SETTLEMENT

- 45.1 Unless the respective Representatives of the parties otherwise agree, the Purchaser's Representative will be the Responsible Subscriber for the Lodgment Case that includes the transfer of the Land.
- 45.2 Settlement occurs when the Electronic Workspace records that:
- 45.2.1 (if applicable) the exchange of funds or value between financial institutions in accordance with the instructions of the parties to this contract has occurred; or
 - 45.2.2 if there is no exchange of funds or value, the Instruments necessary to enable the Purchaser to obtain transfer of the Land as this contract requires have been accepted for electronic lodgement.
- 45.3 If, after the locking of the Electronic Workspace, Settlement in accordance with this clause 45 has not occurred by 5.00 pm on the Date for Settlement, the parties must do everything reasonably necessary to effect Settlement:
- 45.3.1 electronically on the next Business Day; or
 - 45.3.2 if agreed in writing by the parties, otherwise than electronically as soon as practicable.
- 45.4 If, by reason of an electronic or computer system failure of any of the LTO, the Reserve Bank of Australia or the Electronic Lodgment Network Operator, settlement does not occur on the Date for Settlement, the failure to settle will not constitute a breach or default by either party under this contract.
- 45.5 If and to the extent this contract requires or allows a dealing with the Assets that cannot be effected electronically (such as grant or surrender of a lease / easement / encumbrance / *profit à prendre*, or delivery of a deed of assignment of an Ancillary Contract):
- 45.5.1 Settlement must not occur except after, or at the same time as, the parties exchange documents to effect such dealing; and
 - 45.5.2 if, however, Settlement occurs before exchange of those documents, the parties remain liable to exchange those documents on the Date of Settlement.
- 45.6 Each party must do everything reasonably necessary to assist another party to trace and identify the recipient of any mistaken payment, and to recover the mistaken payment.

PART 13 – SETTLEMENT**46. DATE OF SETTLEMENT**

Settlement must occur on the Date for Settlement.

47. PAYMENT OF THE PRICE

At Settlement, the Purchaser must pay the Price (less the Deposit paid and subject to clause 64), together with any GST applicable, by:

47.1 one or more Bank Cheques (provided that if more than 2 are required, the Vendor bears the costs of issue of the third and later Bank Cheques); or

47.2 one or more deposits of clear funds to an ADI account or accounts,

as the Vendor may in writing direct the Purchaser at least 2 Business Days before Settlement. If no direction is given within time, payment must be by Bank Cheque payable to the Vendor.

The above provisions of this clause 47 do not apply if, to the extent, and so long as funds to be exchanged between the parties will be effected electronically via an Electronic Workspace.

48. SETTLEMENT DELIVERABLES FROM THE VENDOR

Upon compliance by the Purchaser with the provisions of this contract to be complied with by the Purchaser at or before Settlement, on the Date of Settlement the Vendor (or the Vendor's Lawyer) must give to the Purchaser (or the Purchaser's Lawyer) at the LTO (or at such other location as the parties may agree in writing):

48.1 any muniment of title of the Land;

48.2 any declaration, application or certificate which the Vendor may be required to make or give under legislation in order to enable the transfer to be registered;

48.3 any deed/s of assignment submitted within time under clause 31;

48.4 any document/s clause 38 requires;

48.5 anything clause 63 requires;

48.6 anything clause 64 requires;

48.7 (if previously requested in writing by the Purchaser) copies of any "as built" documents, drawings or plans, operating or maintenance manuals, in connection with improvements upon the Land or other Assets as the Vendor may then possess;

48.8 the relevant documentation required effectively to transfer the Land to the Purchaser free of any relevant Third Party Interests (in particular mortgages over the Land and security interests over the Purchaser in respect of the Land); and

48.9 (if not provided beforehand) such originals (or, if the originals are not available, copies) of any Ancillary Contracts in writing or partly in writing as the Vendor may then possess, duly stamped, if required to be stamped.

49. POSSESSION OF THE ASSETS

Subject to any Tenancy, vacant possession of the Land and delivery of the balance of the Assets must be given and taken on Settlement or as the parties may agree in writing.

50. AUTHORITY TO REGISTER

Where, under the RPA, a prescribed person (as defined therein) is required to certify an Instrument, upon written request of the prescribed person, and to the extent requested, each party to this contract required to execute that Instrument must, in a timely manner, provide to that prescribed person credible written evidence of that party's:

- 50.1 compliance with relevant legislation;
- 50.2 verification of identity required by section 273A(1) of the RPA;
- 50.3 verification of authority required by section 273B(1) of the RPA;
- 50.4 execution requirements of the RPA; and
- 50.5 any prescribed requirements under section 273(1)(d) of the RPA applicable.

51. PROOF OF AUTHORITY OF AN UNREPRESENTED PARTY

If, at Settlement, the Vendor or the Purchaser is not represented by a Lawyer, at Settlement and for the purpose of section 273AA(1) of the RPA, that party must satisfy the Registrar-General that the party is authorised to enter into the transaction to which an Instrument executed by that party relates.

52. COMPLIANCE BY A DERIVATIVE PARTY

If performance of this contract requires a mortgagee, lessee, caveator or other person claiming an estate or interest in the Land through or under the Vendor to execute an Instrument, the Vendor must take all reasonable steps to ensure that claimant in relation to itself complies with clause 50 and / or clause 51 as if a party to this contract.

PART 14 – AFTER SETTLEMENT**53. NOTIFICATION OF THE SALE**

As soon as practicable after Settlement, the Purchaser must notify the transfer of the Assets so far as relevant to:

- 53.1 SA Water or other (each) water industry entity that under the *Water Industry Act 2012* supplies water or sewerage services to the Land;
- 53.2 the State Government;
- 53.3 the local or district council in whose area the Land is located; and
- 53.4 the (each) counterparty to any Ancillary Contract.

Note: If the land is agricultural land and the Vendor or Purchaser is a foreign person (all as defined in the *Register of Foreign Ownership of Agricultural Land Act 2015* (Cwth)), after Settlement that foreign person should notify the sale of the Land to the Commissioner of Taxation as that Act requires.

54. REQUISITIONS BY THE REGISTRAR-GENERAL

If the Registrar-General, acting under the RPA, raises any requisition/s concerning any dealing with the Land this contract requires or allows, the parties must comply promptly with such requisition/s so far as they are able.

PART 15 – OTHER**55. PAYMENTS**

- 55.1 Subject to the other provisions of this contract, any payment to be made under this contract must be either by Bank Cheque, telegraphic transfer of cleared funds, or a direct credit of cleared funds.

55.2 The receipt of any person paid at the written direction of a party or via an Electronic Workspace is a sufficient discharge to the other party for the amount paid to that person.

56. DEFAULT INTEREST

56.1 If Settlement does not occur on the Date for Settlement only by reason of the Purchaser's default, the Purchaser must pay to the Vendor interest on the Price at the Default Rate computed from the Date for Settlement until either the Date of Settlement or the date of termination of the Sale.

56.2 If Settlement does not occur on the Date for Settlement by reason of the Vendor's default, the Vendor must pay to the Purchaser interest on so much of the Price as has from time to time been paid at the Default Rate computed from the Date for Settlement until either the Date of Settlement or the date on which the money paid by the Purchaser is repaid to the Purchaser.

57. WARRANTY CLAIMS REDUCE THE PRICE

If the Vendor pays or allows an amount to the Purchaser by reason of an alleged breach by the Vendor of a warranty or representation in this contract, then:

57.1 if the warranty or representation relates to a particular Asset, that amount reduces the Price allocated to that Asset to that extent; and

57.2 otherwise that amount to that extent reduces the Price of all the Assets collectively.

58. REMEDIES NOT EXCLUSIVE

Rights and remedies provided for in this contract are in addition to, and without prejudice to, any other rights or remedies a party may have by reason of any default.

59. NOTICES

59.1 To be effective, a notice or demand under this contract must be in writing in English and signed by or for the party giving notice or demand, by that party's Lawyer or agent.

59.2 Notice or demand may only be given to a party :

59.2.1 by hand delivery, if the recipient is an individual;

59.2.2 by pre-paid post (air-mail to any address outside Australia) posted in Australia to the recipient's mailing address stated in this contract or as last notified, and is given on the 3rd Business Day after posting (5 Business Days in case of air-mail) or (if earlier) at the time at which the letter would be delivered in the ordinary course of post;

59.2.3 by a means allowed by the *Electronic Communications Act 2000* (SA) (including by email to the recipient's email address stated in this contract or as last notified), and is given when that Act specifies; or

59.2.4 as permitted by legislation applicable to the recipient.

59.3 Where 2 or more persons comprise a party, notice or demand given to or by 1 is effective notice or demand to all or by all (as the case may be).

60. FURTHER MATTERS

The parties must, at their expense, promptly do all things reasonably necessary to give full effect to this contract and to facilitate the performance of the transactions this contract contemplates.

61. COSTS

Unless stated elsewhere in this contract:

61.1 the Vendor must pay and bear the costs incidental to:

61.1.1 the preparation of this contract;

61.1.2 the discharge, surrender or withdrawal of any Third Party Interest (not a Permitted Interest) existing in respect of the Assets at Settlement and required to be discharged, surrendered or withdrawn to enable the Vendor to give good title to the Purchaser as this contract requires;

61.2 the Purchaser must pay and bear:

61.2.1 the costs incidental to the preparation of the transfer under clause 37;

61.2.2 the costs incidental to any assignment, mortgage or other document to be executed pursuant to this contract;

61.2.3 all stamp duty, registration fees and any other government charge payable in respect of this contract and (subject to clause 61.1.2) any further Instrument or registration this contract requires.

61.3 the parties must pay and bear their own costs of negotiating or executing this contract.

62. FOREIGN PERSONS

Unless otherwise stated in this contract, the Purchaser warrants that the Takeovers Act does not apply, and at Settlement will not apply, to the Purchaser's acquisition of an interest in the Assets under this contract.

63. FOREIGN RESIDENT CAPITAL GAINS WITHHOLDING PAYMENT

63.1 If *both* the following apply:

63.1.1 the sale of the Land is not excluded under section 14-215 of Schedule 1 of the TA Act; and

63.1.2 the Vendor has not, at least 2 Business days prior to Settlement, given the Purchaser either:

(a) a Clearance Certificate for each person comprising the Vendor; or

(b) a variation notice under section 14-235 of Schedule 1 of the TA Act varying the FRCG Withholding Amount to nil,

then, notwithstanding any other provision of this contract, the provisions set out in clause 63.2 will apply.

63.2 If this clause applies by virtue of clause 63.1, then:

63.2.1 the Purchaser must lodge a Foreign Resident Capital Gains Withholding Purchaser Payment Notification Form with the Australian Taxation Office and give a copy to the Vendor before Settlement;

63.2.2 the Vendor irrevocably directs the Purchaser to draw a Bank Cheque for the FRCG Withholding Amount in favour of the Deputy Commissioner of Taxation and the Purchaser must produce that Bank Cheque at Settlement;

63.2.3 the Purchaser must pay the Bank Cheque for the FRCG Withholding Amount to the Deputy Commissioner of Taxation in accordance with section 14-200 of Schedule 1 of

the TA Act and give the Vendor evidence that it has done so within 2 Business Days after the Date of Settlement;

- 63.2.4 if Settlement is to take place electronically in accordance with the EC Law, payment of the FRCG Withholding Amount must be made by the Purchaser to the Australian Taxation Office at Settlement by means of an electronic transfer of funds through the Electronic Workspace, instead of by Bank Cheque; and
- 63.2.5 compliance by the Purchaser with the Purchaser's obligations under Schedule 1 of the TA Act to pay the FRCG Withholding Amount is a complete discharge of the Purchaser's obligations under this contract to pay that portion of the Price equal to the FRCG Withholding Amount.

64. GST WITHHOLDING – RESIDENTIAL PREMISES AND POTENTIAL RESIDENTIAL LAND

- 64.1 If the sale of the Land is or includes a supply of Residential Premises or Potential Residential Land, the Vendor must, unless it is not reasonably practicable to do so, give the Purchaser a Vendor's Notice at least 2 Business Days before the Date for Settlement and, in any event, prior to Settlement.
- 64.2 The Purchaser acknowledges that the Vendor may give more than one Vendor's Notice to the Purchaser and, if so given and received by the Purchaser prior to Settlement, the most recent version of a Vendor's Notice given and received will supersede any previous Vendor's Notice given and received.
- 64.3 With the exception of clauses 64.1 and 64.2, this clause 64 only applies if the sale of the Land is or includes a supply of New Residential Premises or Potential Residential Land to which sections 14-250 and 14-255 of Schedule 1 of the TA Act apply.
- 64.4 Notwithstanding any other provision of this contract, the Purchaser is required to withhold the GST Withholding Amount specified in a Vendor's Notice from the Price and to pay that GST Withholding Amount to the Australian Taxation Office at or immediately following Settlement.
- 64.5 If the Vendor is not the supplier who is liable for GST in relation to the taxable supply under this contract, the Vendor states that details of the supplier are, or will be, specified in a Vendor's Notice.
- 64.6 If some or all of the consideration for the sale of the Land is not expressed in this contract as an amount of money, the Vendor states that the GST inclusive market value of so much of the consideration as is not expressed as an amount of money is, or will be, specified in a Vendor's Notice.
- 64.7 The Purchaser must, as soon as practicable after receiving a Vendor's Notice and, in any case, prior to Settlement, complete and lodge online with the Australian Taxation Office a *GST property settlement withholding notification*, or such other form as may be approved in accordance with the requirements of the TA Act, and provide evidence of such lodgement to the Vendor.
- 64.8 The Purchaser must pay the GST Withholding Amount at the following time and in the following manner:
 - 64.8.1 if Settlement is to take place electronically in accordance with the EC Law, by paying the GST Withholding Amount to the Australian Taxation Office at Settlement by way of an electronic transfer of funds through the Electronic Workspace; or
 - 64.8.2 if Settlement is not to take place electronically in accordance with the EC Law, by:
 - (a) delivering to the Vendor's Lawyer at Settlement a Bank Cheque for the GST Withholding Amount payable to the Deputy Commissioner of Taxation, in which case the Vendor's Lawyer must:

(i) immediately give the Purchaser a receipt for the Bank Cheque clearly specifying the transaction and the particulars of the Bank Cheque; and

(ii) as soon as practicable following Settlement, provide the Bank Cheque to the Australian Taxation Office in payment of the GST Withholding Amount, and provide the Purchaser with evidence of the payment;

or

(b) any other method permitted by the TA Act from time to time, in which case evidence of such payment must be provided to the other party as soon as reasonably practicable following Settlement.

64.9 Immediately following Settlement, the Purchaser must complete and lodge online with the Australian Taxation Office a *GST property settlement date confirmation*, or such other form as may be approved in accordance with the requirements of the TA Act, and provide evidence of such lodgement to the Vendor.

64.10 Each party must immediately forward to the other party any acknowledgement that the GST Withholding Amount has been received by the Australian Taxation Office.

64.11 The Vendor acknowledges and agrees that compliance by the Purchaser with the Purchaser's obligations under Schedule 1 of the TA Act to pay the GST Withholding Amount is a complete discharge of the Purchaser's obligations under this contract to pay that portion of the Price equal to the GST Withholding Amount.

64.12 The Purchaser must pay any penalties or interest resulting from late payment or non-payment of the GST Withholding Amount, except to the extent that either:

64.12.1 the penalties or interest arise from any act or omission of the Vendor or the Vendor's Lawyer; or

64.12.2 the Vendor's Notice specifies that the Purchaser is not required to pay any GST Withholding Amount to the Australian Taxation Office and, as at the Date of Settlement, there is nothing in this contract nor any other circumstances relating to this contract which make it unreasonable for the Purchaser to believe the Vendor's Statement is correct,

in which case, to the extent that either of those exceptions applies, the Vendor is responsible for, and indemnifies the Purchaser against, payment of any such penalties or interest.

65. ANNEXURES

65.1 Any Annexures referred to in **Item 15**, and any document/s incorporated by reference into any such Annexure, form part of this contract.

65.2 Provisions in an Annexure prevail over the other provisions of this contract to the extent of any inconsistency.

65.3 Unless otherwise stated, expressions used in an Annexure have the same meaning as in this present document.

66. NO MERGER

Rights and obligations of the parties do not merge on completion of any transaction under this contract. They survive the execution, delivery and registration of any document or Instrument entered into or made for the purpose of implementing any transaction.

67. ENTIRE AGREEMENT

This contract records the entire agreement between all the parties as to its subject so that, subject to its express terms:

67.1 this contract is effective and binding on the parties on execution;

67.2 this contract supersedes any prior contract or obligation between all the parties about its subject, and this contract is effective to release absolutely each party from all claims (in common law, principles of equity or under legislation) another party to this contract might otherwise have in connection with that prior contract or obligation; and

67.3 on the Execution Date, there is no contract between all the parties collateral to this contract.

68. AMENDMENT

68.1 This contract can be amended only by written agreement of all parties.

68.2 Without limiting clause 68.1, a party will not amend the Standard Terms for the Sale of Land issued by The Law Society of South Australia, unless all the amendments are expressly specified in an Annexure.

69. WAIVERS

A party waives a right under this contract only by giving written notice that such party waives that right.

70. GOVERNING LAW AND JURISDICTION

70.1 The laws in force in South Australia govern this contract.

70.2 The courts of South Australia or the Federal Court of Australia (Adelaide Registry) have exclusive jurisdiction in connection with this contract. The parties irrevocably submit to the jurisdiction of those courts, and any courts that have jurisdiction to hear appeals from those courts.

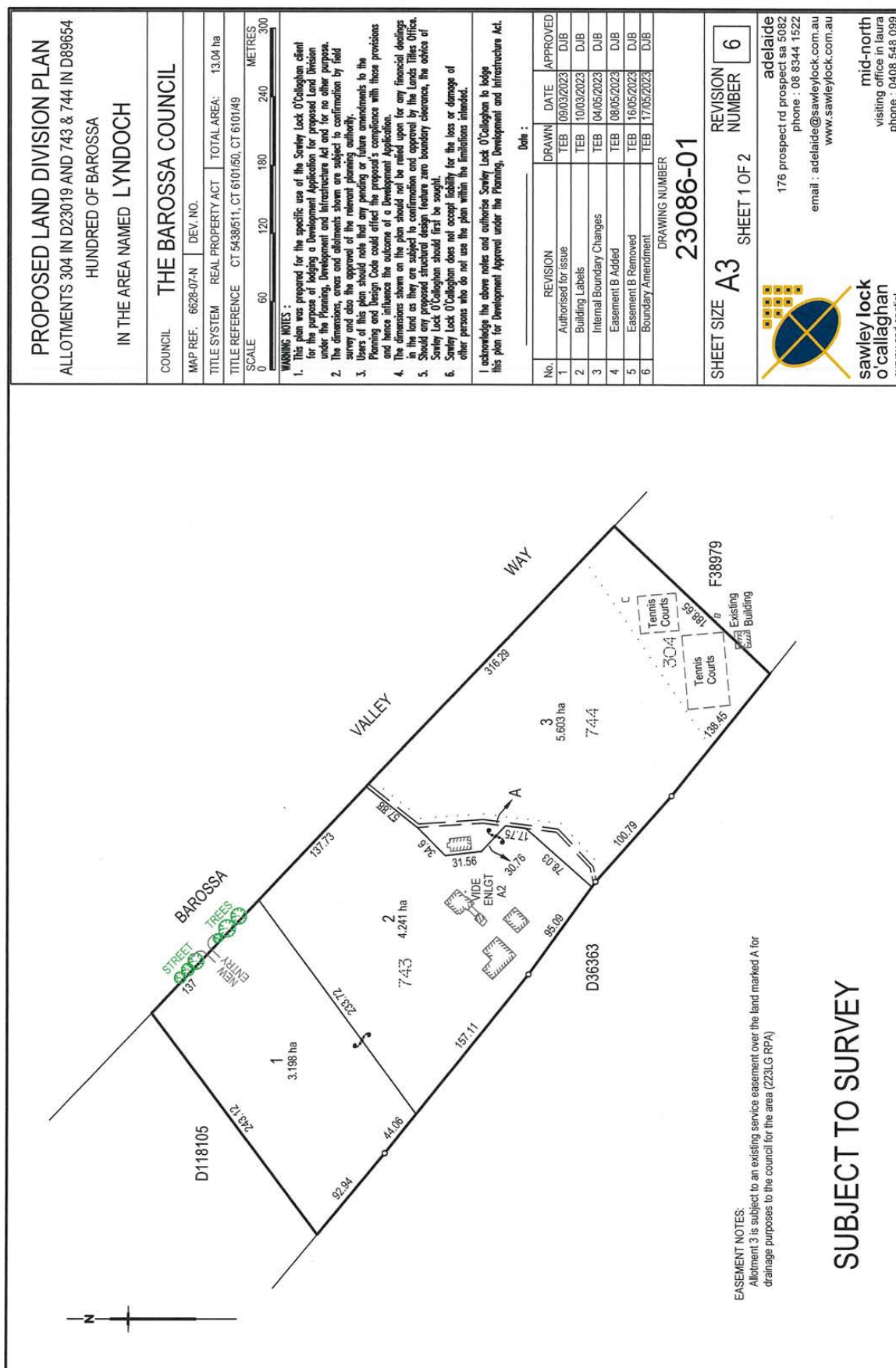
ANNEXURE A**SUBJECT TO PLAN OF DIVISION**

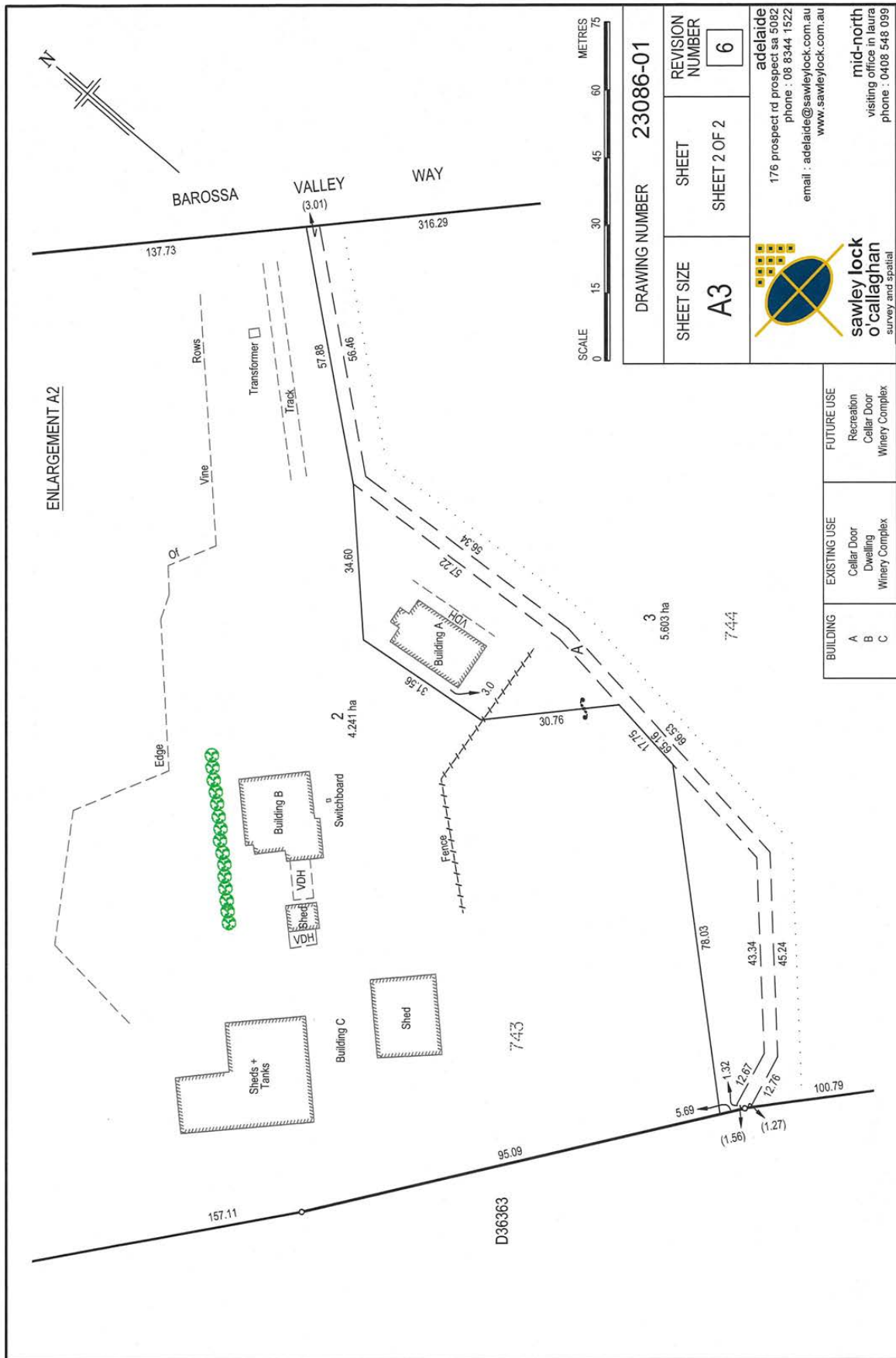
1. Without derogating from clause 5 of the Standard Terms for the Sale of Land, for the purpose of section 223LB(4) of the RPA, the transfer of the Land pursuant to this contract will not have effect until a plan of division (a draft of which is in Annexure B to this contract) (the Plan, as may be varied before Settlement as clause 2 of this Annexure may allow) has been deposited in the LTO by the Registrar-General and new titles issued.
2. Before Settlement, the Purchaser may vary the Plan:
 - 2.1. to comply with any endorsement, approval, consent, certificate, permit, licence or other authority required by law for the deposit of the Plan;
 - 2.2. to comply with applicable law;
 - 2.3. where in the reasonable opinion of the Purchaser it is desirable to do so and does not contravene applicable law; or
 - 2.4. to any extent with the Vendors prior written consent.
3. The Purchaser must:
 - 3.1. cause the Plan to be prepared;
 - 3.2. use reasonable endeavours to obtain any authority required by law for deposit of the Plan; and
 - 3.3. pay and bear the costs of preparing and depositing the Plan, obtaining any authority (as above) and complying with any conditions of such authority.
4. A transfer of the Land to the Purchaser is sufficient for the purposes of this contract if it refers to the Land as an allotment in the deposited Plan.
5. Settlement shall occur 10 Business Days after the Plan is so deposited and new titles issued by Land Services SA.
6. If the Plan is not so deposited within twelve (12) months after the Execution Date, either party may terminate the Sale or agree to extend the deposit date by written notice to the other party to that effect.
7. If the Sale terminates under this Annexure, clause 7 of the Standard Terms for the Sale of Land applies.

**ANNEXURE B
PLAN**

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DEBATE REPORT

2.1 Office of the Mayor and CEO

2.1.2 DRAFT ANNUAL BUDGET AND BUSINESS PLAN 2023/24 INCORPORATING THE LONG TERM FINANCIAL PLAN 2023/24 – 2032/33

**Author: Manager, Financial Services
23/27359**

PURPOSE

Further to the recent budget and rating workshops and meeting, the attached draft Annual Business Plan and Budget 2023/24 incorporating the Long Term Financial Plan 2023/24 to 2032/33 has been prepared for public consultation.

RECOMMENDATION

That Council:

- (1) Endorses the draft Annual Business Plan and Budget 2023/24 present at Attachment 1, including new initiatives considered during budget development and incorporating the annual review of the draft Long Term Financial Plan for the period 2023/24 to 2032/33, incorporating the draft Budget 2023/24 and draft Long Term Financial Plan for the period 2023/24 to 2032/33 for the Nuriootpa Centennial Park Authority, for the purpose of community consultation.
- (2) Approves the consultation period being from 14 June 2023 to 4 July 2023 and that an allowance of one hour be made at a special Council Meeting on 5 July 2023 at 5.30pm for verbal submissions in response to public consultation.
- (3) Authorises the Chief Executive Officer to make any minor and typographical corrections to the Annual Business Plan and Budget 2023/24

REPORT

Discussion

The Annual Business Plan and Budget (AB&BP) 2023/24 incorporates the Long Term Financial Plan (LTFP) 2023/24 to 2032/33 in the one document, but is divided under separate sections.

The financial information contained in this document has been prepared in accordance with Council's Budget and Business Plan and Review Policy and associated processes.

The formulation of the draft budget incorporates the work of numerous Council officers and teams which includes:

- budget preparation and input by budget managers

- checking and refining of data input, preparation of general budgets, employee costs etc by the Finance officers
- review and approval by the Executive Leadership Team (ELT).

This work results in the Finance staff collating, checking, reconciling, and finally preparing a draft budget and long term plan for Council consideration.

The input from Council is gained by holding workshops where discussions are held along with decisions at Council meetings, on various parts of the budget preparation and process, which provides direction for officers in the preparation of the draft budget.

The Big Project (TBP) has been included in these processes to check and ensure Council considered its financial sustainability for this significant program of work.

The following summarises the discussions held in each of the Council Workshops and Meetings:

20 December 2022 – Council Meeting
Endorse 2023/24 process

24 January 2023 – Council Workshop
Initial budget initiatives assessment

21 March 2023 – Council Workshop
Capital budget assessment, rating, and valuations information
Budget initiatives assessment and due diligence reports

18 April 2023 – Council Meeting
Presentation of all budget initiatives requests and analysis and determination of inclusions

3 May 2023
Further review of rating, valuation analysis and operating budget assessment

Budget Considerations

Draft Budget - Operating and Capital

Council adopts the Budget at a summary level as contained within the attached AB&BP and annual review of the LTFP.

Council General Rate revenue has been increased by:

- A net 3.5%; and
- Growth currently at 0.4%.

Waste Service charges are a net increase for all 3 services of 14.1% (adopted LTFP 3%) – review during budget consultation for any State government levy changes, waste and recycling collection and sorting cost increases. The refuse, recycling and green organics collection service charges combined will be increased from last year at \$247 to \$282

CWMS Service charge increased at 7.7% plus growth estimated at 1.1% to ensure service charge is sustainable (LTFP 0.5% plus 0.75% growth). The Residential CWMS Service charge will increase from last year at \$362 to \$390.

Operating income and expenditure is reflective of service requirements; using last year budget as a base and adjusted where service costs are affected by agreements, CPI, costs out of our control and/or other factors

Expenditure budgets have been reviewed by the ELT to streamline service provision and slow cost increases.

Depreciation of selected assets has been calculated based on the actual asset base allowing for assets held in work in progress and builds.

Capital Expenditure is \$22.1m not including developer donated assets, this amount includes carried forwards approved with the Mid-year Budget Review and Budget Update March quarter and included in 23/24 capital budget. Capital Income for grants and contributions is budgeted at \$2.7m.

Full Cost Attribution - an allocation of internal services to relevant charge areas has been estimated in the draft Budget/LTFP for consultation and applied to the Waste and CWMS service costs and the services charges. This allocation from internal to external service areas does not affect the overall net result.

New Initiatives (NI)

Assessment of budget initiatives has been completed and a report considered and resolution undertaken at the Council meeting of 18 April 2023 and those selected are in the draft budget.

Draft Long Term Financial Plan

High level financial information is included in the LTFP including key financial indicators (KPIs) with established targets and commentary on expected results and variances, checking Council's financial sustainability.

Council adopted the previous LTFP in July 2022; since then Council and corporate decisions, asset management and legislative requirements have effected functions and service provision and the expected operating result.

These decisions include grant funding submissions, including various other project or service requirements and "One-off projects" not included in the adopted LTFP.

Sub plans are incorporated for Waste Services and Community Wastewater Management Systems (CWMS) and Nuriootpa Centennial Park Authority (NCPA).

NCPA have reviewed their LTFP; for years 2023/24 and onwards income, expenditure and financing numbers have been used based on normal activity years.

The Big Project (TBP) projected costs, loans and grants have been included with operational activity provided when relevant.

Operating income and expenditure has been reviewed, the LTFP is drawn from the base year of 2023/24 applying annual indexation.

All future years discretionary project funding has been adjusted with \$50k pa included from 2023/24 for community facility minor replacement/improvements. These funds

enable future asset upgrades and/or new service options, including consideration of any TBP future programs.

The LTFP forecasts for forward years include:

- General rate increases are at 3.5% for years 2023/24, 3.25% for 2024/25 and 3% for all of the remaining years, plus 0.75% growth in assessment numbers.
- Other operating income and expenditure indexation for future years in the LTFP has been maintained at low levels to reflect the expected cost of services.
- Asset Renewal and/or Replacement expenditure is provided for on various buildings, recreation, transport, stormwater, bridge, CWMS and plant & equipment assets at \$70m providing for future needs until the IAMP renewal programs have been prepared and approved.
- The Big Project capital expenditure program over the next nine years is \$31m, funded by grants & contributions of \$12m and the balance loan funding as needed. (Note: the majority of these projects are subject to funding approval and appropriate timing).
- Capital grants and contributions in this review include CWMS developer contributions \$50k pa, other developer contributions \$142k pa for two years.
- Infrastructure programs for new and upgraded roads, bike path, bridges, carparks, footpath program, stormwater and the continuous improvement program \$8.3k with offset funding at \$0.4m
- Loan financing is a mix of fixed loans and Cash Advance Debenture (CAD) in 2023/24 \$6.2m, in 2024/25 \$4.5m and in 2028/29 \$2m with the CAD balance \$nil by 2030/31.
- Council's loan debt is predicted to peak at \$27.3m in 2024/25. The net loan balance outstanding as at 30 June 2023 will be \$24m and a projected balance of \$11.1m by 30 June 2033.
- The Community Wastewater Management Systems (CWMS) service charge 7.7% for 2023/24 and the future years ranging from 2% to 2.75%.
- The future years of the CWMS LTFP is forecasting a breakeven operating position, although a reserve is in place which should offset any unexpected costs. This draft CWMS LTFP does not currently make provision for the cost of Capital and/or Risk.
- Waste service charges and costs are expected to be increased for 2023/24 at 14% the future years ranging from 2% to 2.75% reflecting the expected cost of providing the service. Council staff will check for any changes to disposal cost changes and update the budget and services as/if needed.

Nuriootpa Centennial Park Authority Board Draft Budget and LTFP

The NCPA draft 2023/24 budget was endorsed at the Board meeting in April 2023.

These draft amendments have been incorporated into Council's consolidated draft AB&BP and LTFP and the changes are as follows:

- Operating income and expenditure amendments to reflect current trends, including future operating costs for TBP projects to start from the 2023/24 year
- Loans – repayments include:
 - Council loan as at 30 June 2023 - \$130k, is to be repaid in 2023/24.
 - a LGFA fixed loan ending 2028/29
 - Capital Expenditure - changes to renewal and upgrade program spending around cashflow requirements and holding sufficient funds for operations.

In line with Council process, NCPA are required to annually review their asset renewal/upgrade program to ensure any asset expenditure is warranted, checking service level requirements to accommodation capacity, usage and rates.

Summary and Conclusion and CEO Report

Council has reviewed its financial parameters for the LTFP, including the indexation used for forward projections on income and expenditure.

As noted in the Financial Considerations section of this report and the AB&BP, this financial analysis highlights that all KPI's are within the target ranges, the years 2023/24 to 2026/27 are forecast as a deficit position, with an accumulated return to surplus in 2030/31, and Council attains a financially sustainable position within the 10 year period of the LTFP.

With the inclusion of TBP grant funding and loan financing, Council has the capacity to undertake TBP asset construction, operational costs and other minor additional projects.

Consideration of other major works in future years will require a full review of the LTFP and as required, Due Diligence Reporting processes to check financial sustainability. The adoption of the Budget is due to be held in early July (date to be confirmed).

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment Annual Business Plan and Budget 2023/24

Supporting references

Annual Business Plan and Budget Policy

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Community Plan



How We Work - Good Governance



Natural Environment and Built Heritage



Community and Culture



Infrastructure



Health and Wellbeing



Business and Employment

Goal

1. The Barossa has sustainable farmland providing diverse and stable returns, while protecting the unique natural environment and biodiversity of the region.
2. The history of our region including aboriginal sites is reflected in our streetscapes and our historic buildings are maintained for future generations.
3. We take a proactive approach in responding to key environmental challenges such as climate change, water security and waste management.
4. The Barossa fosters community resilience, connection and wellbeing through its social planning, recreation, safety, education, preventative health and social strategies especially for our youth and vulnerable people.
5. We are a strong community that is welcoming, safe and enjoys a quality lifestyle that celebrates our local identities, diversities, cultures and histories including our Aboriginal heritage.
6. The Barossa maintains and develops infrastructure that meets the needs of the region and is efficient.
7. Community infrastructure planning is aligned to both current and the future needs of the community
8. To have a connected and safe transport network that meets the needs of our community
9. Our community has fair and equitable access to the resources and services they need to lead a safe, healthy, inclusive and connected lifestyle
10. Our region enjoys the benefits of sustainable community groups, networks and facilities that encourage everybody to participate in the community.
11. The Barossa has a strong local economy that adapts, innovates and thrives on change and strives for a diverse industry base that provides a sustainable range of business and job opportunities for people.
12. We are a visitor destination of choice.
13. The Barossa is competitive and in a strong position to attract both private and public investment in the development of new and existing businesses, services and industry.

Strategies

- 1.1. Ensure land use planning and resource use protects the quality of the natural environment, the existing character of rural landscapes, historic significance and the high value of agricultural land.
- 1.2. Support tourism development that is sensitive to the natural environment and ensures that the unique character of the rural landscape is appropriately managed and promoted.
- 1.3. Build on the conservation of the region's natural heritage including bush ecosystems, grassy woodlands, agricultural landscapes and recreational green spaces.
- 2.1. Continue to maintain streetscapes that reflect the character and heritage of the region and facilitate opportunities to repurpose or find alternative uses of built heritage.
- 2.2. Ensure clearly defined townships are maintained to manage residential and commercial development that is sensitive to the natural environment and areas of historical significance.

- 3.1. Support community based sustainability initiatives to help reduce the Barossa's contribution to the climate crisis and build on the capacity of local residents and industry to mitigate negative impacts.
- 3.2. Collaborate with partners and our community to support innovative approaches to waste minimisation, and increase reuse and recycling opportunities.
- 3.3. Ensure long term confidence in the Barossa's capacity to access water to meet its industrial, domestic and environmental needs.
- 4.1. Build on a strong sense of community pride with active community groups and individuals participating in local decision making and community building activities.
- 4.2. Continue creating strong and sustainable community networks, and support young people to actively participate in the community and develop the leaders of the future.
- 4.3. Embrace place-making principles when developing community infrastructure and regulate planning and development in public spaces and active recreation.
- 5.1. Support the development of activities that celebrate the history, art and culture of the Barossa and its people.
- 5.2. Create places where people want to live and plan for the future in a coordinated, affordable, appropriate and proactive way.
- 5.3. Create vibrant public spaces that provide places for creative development, cultural interaction and social connections.
- 5.4. Recognising and celebrating the community successes and learning from opportunities.
- 6.1. Advocate for and identify funding opportunities that support the development of community, cultural, health and other facilities and infrastructure to meet personal and commercial needs of residents and businesses.
- 6.2. Continue to ensure that infrastructure considers place-making is inclusive and accessible for all.
- 6.3. The use of new and emerging technologies, alternative and renewable materials where appropriate and cost effective will be trailed.
- 7.1. Build on sound asset management practices to deliver sustainable services to ensure that infrastructure is adequate to support the community.
- 7.2. Ensure both current and future infrastructure needs are met in a proactive rather than reactive way.
- 8.1. Support opportunities to increase community transport and access to services and facilities.
- 8.2. Ensure a high quality road, shared paths and footpath network throughout the Barossa in partnership with all levels of government.
- 9.1. Work towards combating loneliness and social isolation and ensuring that people enjoy a sense of inclusion and feel connected.
- 9.2. Promote a healthy community through a planned approach to public health, and sustainable access to allied, primary and mental healthcare services and facilities.
- 10.1. Children and young people are supported to feel safe and to engage, thrive and feel empowered within the community.
- 10.2. Advocate for and encourage services that ensure equity and support inclusion and at risk members of the community.
- 10.3. Build on the capacity of community members to participate in cultural, creative, recreational, sporting and learning opportunities.
- 11.1. Work closely with State Government, Federal Government and other key stakeholders to support economic growth, development and job creation.

- 11.2. Support proactive population growth that is incremental, well managed and is backed up by local planning and development opportunities.
- 11.3. Promote the Barossa as a place for business's to thrive, invest, innovate, take measured risks and prosper.
- 12.1. Encourage and support the sector to further promote and develop tourism experiences including ecological, cultural and agricultural tourism.
- 12.2. Support economic development and destination awareness through events, festivals, creative enterprise and attractions.
- 12.3. Provide experiences and infrastructure that continue to support the needs of the tourism market.
- 13.1. Foster small business and industry confidence and growth that translates into innovation and strong employment figures.
- 13.2. Attract investment for new and innovative industries, and facilitate business growth by supporting local industry and their capacity to compete for government contracts.

Corporate Plan

- 6.2. Ensure that Council's policy and process frameworks are based on principles of sound governance and meet legislative requirements.

Legislative Requirements

Local Government Act 1999

Local Government (Financial Management) Regulations 2011, Regulation 9(1)(b)

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

The adoption of the Budget is required between 1 June and 15 August. To meet this timeline, the adoption of the draft public consultation document preferably should start in May or early June at the latest.

The Consumer Price Index for Adelaide all groups is 7.9% and the Local Government Price Index is 6.4% as at March 2023.

Financial Indicators and Sustainability

Financial performance is managed using suitable financial indicators and targets, as follows:

- KPI1 - Operating Surplus - a cumulative surplus by year 10
- KPI2 – Operating Surplus Ratio, Target - range (2%) to 10%.– Note: outliers including the timing of Federal grant payments and other unplanned events can create one-off deficits results outside of the target range
- KPI - No. 3 Net financial liabilities (NFL) ratio is greater than zero but less than 100% of total operating revenue
- KPI - No. 4 Capital outlays on renewing/ replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans over a rolling three year period.

Financial Indicators report for the draft LTFP expected results are:

- Operating Surplus a deficit for years 2023/24 to 2026/26; accumulative surplus by year 2027/28 The general rate increases for years for 2023/24 is 3.5% and for 2024/25 at 3.25% and the remaining years in the LTFP are 3% plus growth in

assessments and service nos. to recover the revenue and return to an operating surplus in 2030/31.

- Operating surplus ratios average 3 years. Council's forecast retrospective results range from (1.7%) to 3.4%; Annual ranges from (2.0%) to 4.4%.
- Net Financial Liabilities forecast is 61.5% in 2023/24 peaks at 69.1% or \$33.6m in 2024/25 and by year 2032/33 is projected to be at 18.9% or \$11.8m.
- Asset Renewal Funding Ratio target is being met over the ten year period, the average being 99.6% and within previously IAMP spend requirements. IAMP renewal spend information will be updated when the improvement plans are updated for future spend requirements. A selection of TBP builds will upgrade and replace a considerable amount of assets; these works will be identified and then re-assigned as appropriate to renewal works and therefore will improve this ratio.

Note: IAMP renewal spend information will be updated when the improvement plans are updated for future spend requirements. This KPI is assessed to ensure Council provides for replacement/renewal of existing assets as they wear out or are consumed. A substantial amount of 'Upgraded' asset work completed each year are partly renewing components of existing assets. For normal work cycles, components of these assets would need to be replaced when the depreciation or consumption of them had reduced their remaining life to zero, but as they are being upgraded to a better service level, they are effectively replacing asset components that would normally need to be replaced as/when due, this could have a significant favourable impact on the indicator.

COMMUNITY ENGAGEMENT

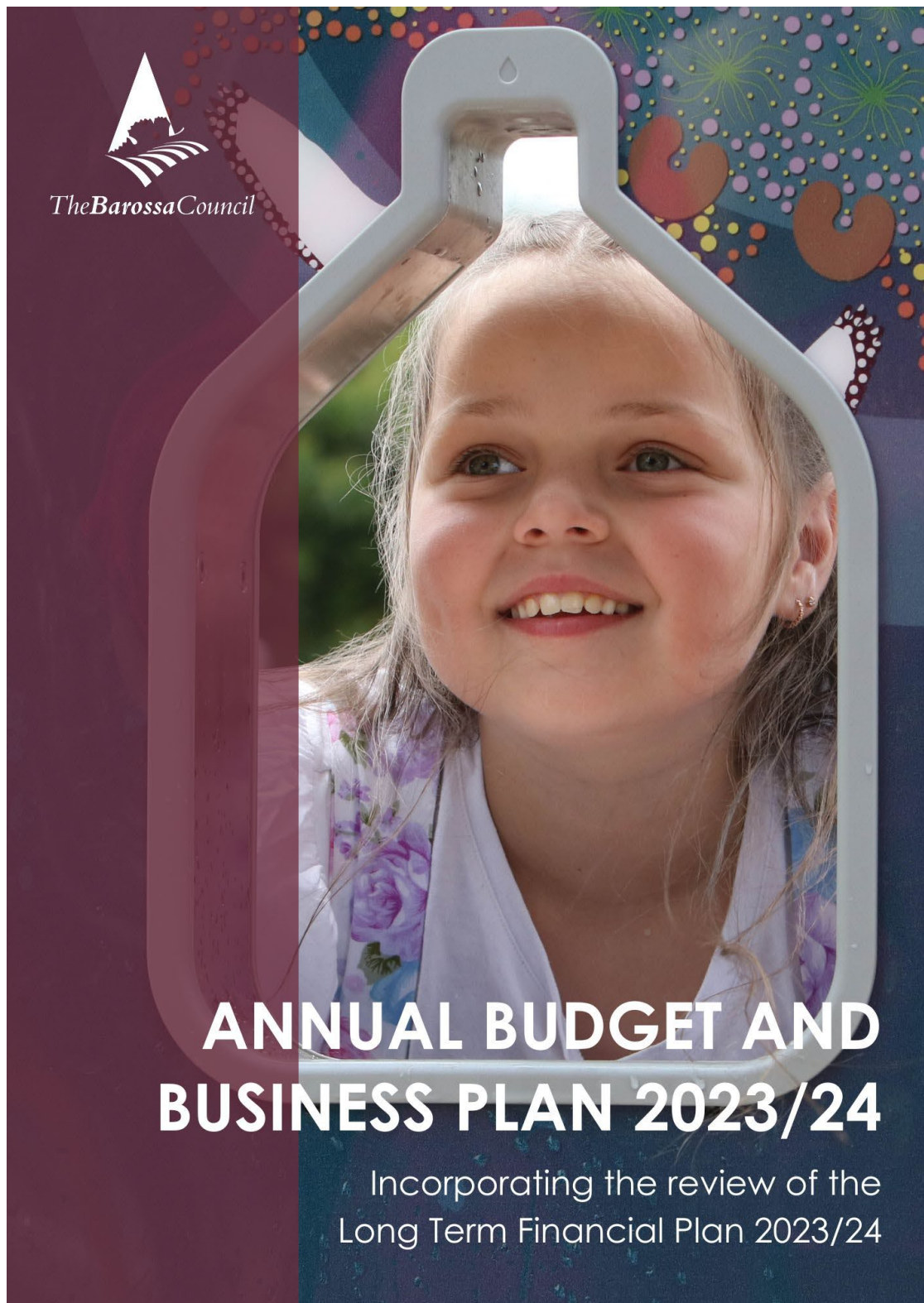
The public consultation period will commence from 8 June 2023 and closes on 28 June 2023 at 5pm. Verbal submissions will be considered at a special Council meeting on 28 June 2023, held at 5.30pm, providing one hour for members of the public to ask questions and make submissions in relation to the AB&BP and annual review of the LTFP.

Submissions will also be accepted by the following methods:

- via Council's engagement platform at yoursay.barossa.sa.gov.au,
- via Facebook www.facebook.com/thebarossacouncil,
- via email barossa@barossa.sa.gov.au, or
- in writing.

Public submissions will be considered by Council after the consultation period has ended, at a Special Council meeting to be called soon after submissions close.

The LTFP is incorporated with the AB&BP to ensure the two Plans align. This enables the community to be involved in the short and long term planning of Council's Budget.



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The Barossa Council acknowledges the Ngadjuri, Peramangk and Kurna people and their ancestral connection to land and pays respects to Elders past, present and emerging.

FROM THE MAYOR

The Barossa is a unique and highly desirable tourism destination, and a community with strong underpinning values and a pride in its heritage. As a Council we are prepared to maximise opportunities to work together with the community to enhance our unique lifestyle, heritage and community spirit while creating a strong future for the region.

Our 2023/24 budget proposes a net 3.5% increase in general rate revenue to existing ratepayers to deliver expanded services, additional road infrastructure and The Big Project activities as we continue to strive for savings and efficiencies. There is also growth in new properties of a further 0.4% increase in general rates. We have seen significant cost increases to deliver waste and wastewater systems, and these service charges will rise more than anticipated.

Council continues to operate in a challenging cost environment with the current Local Government Price Index for the year to March 2023 at 6.4% and the Adelaide Consumer Price Index at 7.9%.

Highlights within our 2023/24 budget include:

- \$2.986m for road sheeting, construction, sealing and resealing and design work to seal Fife Street Angaston in the 24-25 budget (subject to final approval in the 2024-25 financial year budget).
- \$3.0m over the next four years (\$750,000 per year) in additional rural road funding to accelerate rural road sealing on key connector and other roads. The program for 2023-24 is part of Craneford Road, Keyneton Road first stage of an anticipated three years for this road and Meadows Road.
- \$0.945m for stormwater projects, primarily Baird Street drainage in Nuriootpa.
- \$8.733m in project funding under The Big Project some subject to obtaining successful grant allocations and third-party contributions. Continuing and newly funded works included in this figure are (the figures reflect the 2023/24 costs not the total project costs) are:
 - Completion of the Nuriootpa Centennial Park soccer infrastructure investment.
 - Completion of Tanunda Recreation Park - club and change rooms.
 - Purchase of land at Lyndoch to create a generational sporting investment.
 - Commencement of the Lyndoch Recreational precinct construction to occur over two financial years, dependent on further grant funding applications.
 - Completion of the Talunga Recreation Park Caravan Park development at Mount Pleasant.
 - Completion of the Barossa rugby development at Tanunda.
- \$1.8m in 2023/24 and an estimated \$6m over 5 years to upgrade capacity of wastewater treatment system in Nuriootpa to cater for town expansion.
- Doubling our annual footpath renewal budget for the next 10 years to address existing footpath network across the full Council area.
- Specific road upgrades include Julius Street Tanunda and Melrose Street Mount Pleasant street scaping and drainage and kerbing works prior to the State undertaking a road resed of the main street.
- Lighting upgrade to Talunga Park at Mount Pleasant.
- Investment in our internal information technology systems to continue to achieve target efficiencies, customer management improvements and management of risk including the ever-growing cyber security risk.
- Reconstruction of the main Tanunda Oval surface.
- Positioning Council to commence investment in the Barossa Creative Industries Centre for 2024-25 construction commencement subject to grant funding.

The Annual Budget and Business Plan incorporating the annual review of the Long-Term Financial Plan is available on our website and at the Customer Support desk at our principal office located at 43-51 Tanunda Road, Nuriootpa.

Bim Lange OAM

Mayor, The Barossa Council



HAVE YOUR SAY

Verbal submissions can be made at the Nuriootpa Council Chambers on Wednesday 28 June 2023 at 7.30pm for 1 hour, and/or written submissions from 8 June to 28 June 2023 via:

yoursay.barossa.sa.gov.au

facebook.com/thebarossacouncil

barossa@barossa.sa.gov.au

PO Box 867, Nuriootpa SA 5355

CONTACT US

You are welcome to contact Council if you have questions regarding the Annual Budget and Business Plan 2023/24, or would like further information regarding the finances of Council.

barossa.sa.gov.au

barossa@barossa.sa.gov.au

Principal Office: 43-51 Tanunda Road, Nuriootpa (Monday – Friday, 9am – 5pm)

Phone: 8563 8444

Version	Status	Date
Version 1.0	Draft Council adopted for Public Consultation	7 June 2023
Version 1.1	Council adopted following Public Consultation	5 July 2023
Version 1.2	Final Adopted Version	6 July 2023

OUR VISION

**Enhancing our
*premium wine,
food and tourism*
region and its
unique *lifestyle,*
heritage and
community spirit.**

OUR VALUES

A commitment to our **land and place**, by valuing our identity for the benefit of future generations

A commitment to our **community**, embracing a culture of mutual respect, inclusion, safety and security

A commitment to **leadership**, inspiring vision, courage and enterprise

A commitment to **achievement**, encouraging and celebrating successes that enrich and strengthen our community



OUR BAROSSA

The Barossa is a rich and diverse region and home to the internationally renowned Barossa wine region.

Prior to European settlement, the Barossa region was inhabited by the Peramangk, Ngadjuri and Kaurna people. Colonel William Light first visited the area in 1837, naming the Barossa Range from which the region derives its name. The settlement of the Barossa region began in 1840, with settlers originating from the British Isles, Prussia and Silesia. Lyndoch was the first township to be settled in 1837.

Early farmers of the Barossa established vineyards in the 1840s and 1850s to supplement their primary activities of wool and livestock production and crop farming. In the late 1880s and 1890s there were substantial increases in the production of wine in the region which resulted in the establishment and subsequent expansion of a number of cellars. The wine industry has continued to grow from these early beginning and is the major source of income for the region, with the cultural landscape of present day Barossa being reflective of the influence of the early British and German settler's influence.

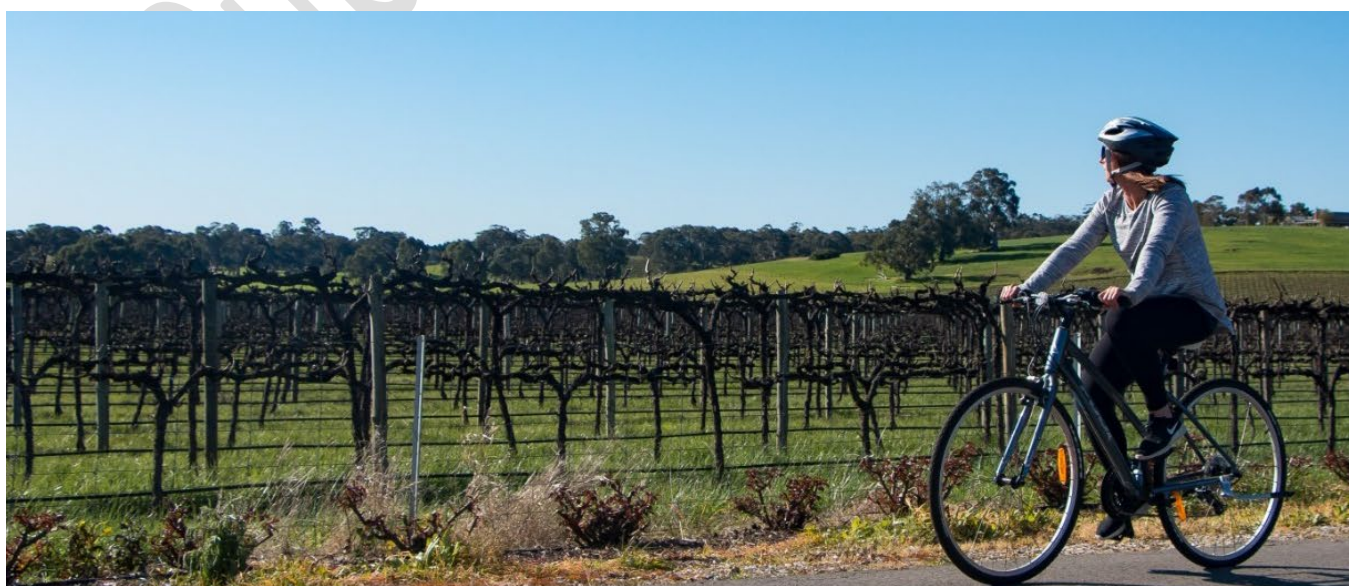
The tourism industry has become a major focus for the continued development of the region with the Barossa acknowledged as one of the five most recognised wine regions in the world.

The Barossa Council was originally formed in 1996 after the amalgamation of the District Councils of Barossa, Tanunda and Angaston. The majority of the District Council of Mount Pleasant was later amalgamated in 1997. The Council covers an area of approximately 912 square kilometres, is located approximately 70 kilometres north east of Adelaide, adjacent to the town of Gawler, and is home to a population of 23,558 people.

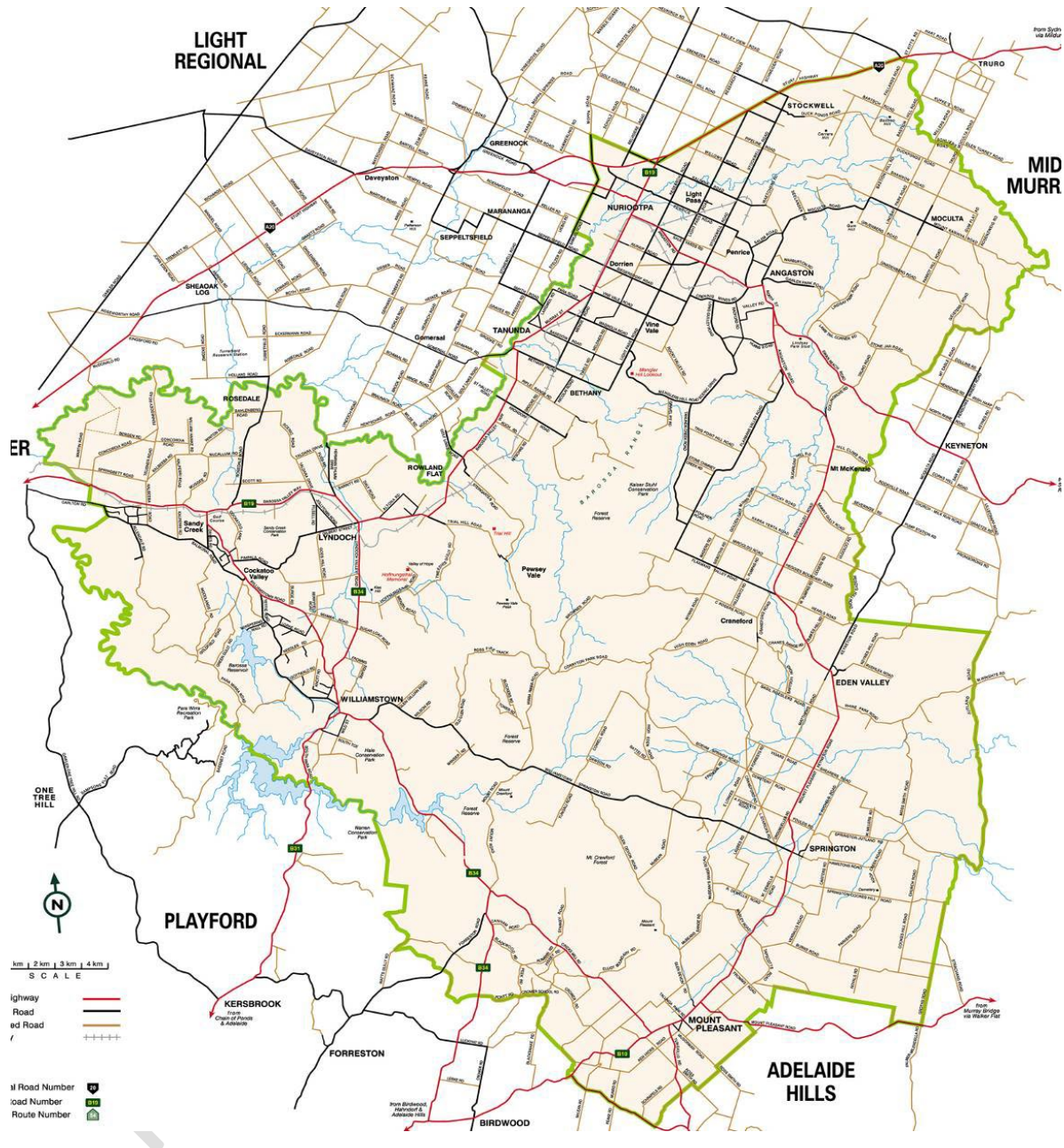
Distance of Principal Office from Adelaide CBD	70 km
Area of Council	893.5 km ²
Number of Rateable Assessments	13,222
Number of Non-Rateable Assessments	542

OUR TOWNSHIPS

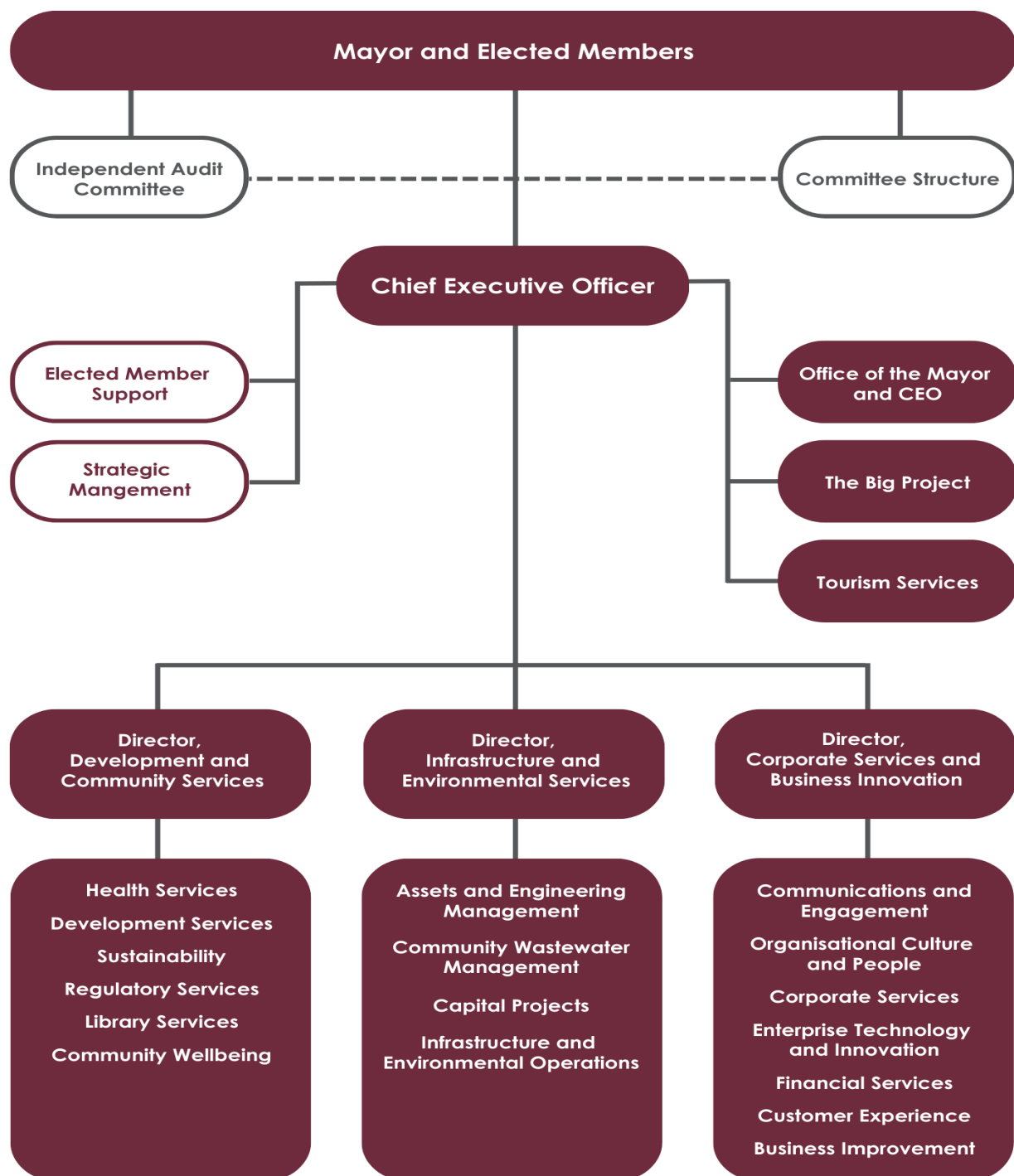
Altona, Angaston, Barossa Goldfields, Bethany, Cockatoo Valley, Concordia, Craneford, Cromer, Dorrien, Eden Valley, Flaxman Valley, Kalbeeba, Krondorf, Light Pass, Lyndoch, Moculta, Mount Crawford, Mount McKenzie, Mount Pleasant, Nuriootpa, Penrice, Pewsey Vale, Rosedale, Rowland Flat, Sandy Creek, Springton, Stockwell, Tanunda, Taunton, Vine Vale, Williamstown and Wilton.



COUNCIL AREA MAP



ORGANISATIONAL STRUCTURE



2023/24 BUDGET AT A GLANCE

Net Rate Revenue
Other Operating Revenue
Operating Expenditure

Capital Income
Capital Expenditure
Loan Financing

The **Annual Budget and Business Plan** is The Barossa Council's statement of intended programs and outcomes for the coming financial year. This Plan has been developed through a rigorous process of consultation and review with Council Officers and Elected Members, and follows the **Business Planning Framework** outlined in the Strategic Directions area of this document. It includes both continuing services, programs, and follows the strategic directions outlined in Council's Community Plan 2020 - 2040, the Long Term Financial Plan (LTFP) – (the annual review is included in this document) and Long Term Infrastructure and Asset Management Plan.

Local Government is the most asset-intensive tier of government. The Barossa Council acts as custodian of approximately \$394m of assets, including road infrastructure encompassing approximately 350 kilometres of sealed, 570 kilometres of unsealed roads and 70 kilometres of unformed roads. This presents Council with a number of complexities, including how to allocate resources in order to satisfy community demands for new and expanded services, whilst ensuring appropriate resources are provided for maintenance and future replacement of existing community assets.

Council is committed to ensuring that the wide variety of services and activities it provides to the community reflect financial sustainability. The key measure of financial sustainability is ensuring operating expenditure (inclusive of depreciation) is fully funded from recurrent operating revenue streams. This means that Council should generally have sufficient recurrent revenue funds generated over the long term financial plan in order to finance the programmed replacement of existing community assets at the end of their useful lives where services remain required. Refer to the section Financial Sustainability for details for this plan's forecast results.

2023/24 GENERAL RATE AND SERVICE CHARGES

General Rate (Excl. Growth 0.4%)	Net Revenue Increase	3.5%
Refuse, Recycling and Green Organics	Service Charge Increase	\$35
CWMS	Service Charge Increase	\$28

UNDERLYING ASSUMPTIONS

- General Rate and Service Charge revenue increase on existing ratepayers to ensure Council is sustainable; indexation above includes revenue from growth but not increases in service numbers for Waste and CWMS.
- All other income and expenditure has been increased in line with the current cost for providing those services and consideration of Council's Long Term Financial Plan (LTFP).

- Staffing costs increase in line with existing contracts, Enterprise Bargaining Agreements, Superannuation and current Legislation.
- The SA Local Government Price Index is 6.4% and the general Consumer Price Index for Adelaide all groups is 7.9% as at March 2023, change from previous year.
- Selected operating costs have been isolated from general expenditure, e.g. electricity, water, insurance premiums, waste collection and disposal service costs. The projected increases for these are higher than the base rate and range from 0% to 4%.

For further information on rating and its impact please refer to the relevant areas within this document

KEY FEATURES

A comprehensive capital works program of **\$22.1m** (including carried forward works from previous year), noting some projects are subject to successful grant applications. The program includes **\$5.5m** for transport assets (resealing and resheeting of roads, replacement footpaths), drainage and bridge works **\$1.5m** and Community Wastewater Management Systems (CWMS) **\$2.6m**. Expenditure of **\$670k** for upgrade/renewal works on various buildings and structures. The Big Projects (TBP) subject to successful grant and third party funding contributions at **\$9m**.

STRATEGIC DIRECTIONS

The Barossa Council's Community Plan 2020-2040 was adopted by Council on 17 November 2020. The Community Plan is an aspirational document and cornerstone for future investment. It will guide future decision making over the next 20 years through the delivery of highlighted strategies and targets. The Community Plan shows commitment to the values of Land and Place, Community, Leadership and Achievement and will drive performance through objectives within the key result areas of Natural Environment and Built Heritage, Community and Culture, Infrastructure, Health and Wellbeing and Business and Employment.

The Community Plan will be reviewed during the 2023-24 financial year.

The Corporate Plan of Council gives effect to the Community Plan aspirations through strategic actions and business as usual activities and is reviewed annually.

The Annual Budget and Business Plan outlines the annual program that delivers upon the Community and Corporate Plan and their strategies as outlined in the following tables.

Council activity for 2023/24 is identified as one or more of the following four roles and relates to the Community Plan strategies as outlined in the following tables.



Natural Environment and Built Heritage

Goal	Strategies		Council Role
1. The Barossa has sustainable farmland providing diverse and stable returns, while protecting the unique natural environment and biodiversity of the region.	1.1	Ensure land use planning and resource use protects the quality of the natural environment, the existing character of rural landscapes, historic significance and the high value of agricultural land.	Provider /Regulator
	1.2	Support tourism development that is sensitive to the natural environment and ensures that the unique character of the rural landscape is appropriately managed and promoted.	Advocator Facilitator/Partner
	1.3	Build on the conservation of the region's natural heritage including bush eco-systems, grassy woodlands, agricultural landscapes and recreational green spaces.	Leader Advocator
2. The history of our region including aboriginal sites is reflected in our streetscapes and our historic buildings are maintained for future generations.	2.1	Continue to maintain streetscapes that reflect the character and heritage of the region and facilitate opportunities to repurpose or find alternative uses of built heritage.	Provider/ Regulator
	2.2	Ensure clearly defined townships are maintained to manage residential and commercial development that is sensitive to the natural environment and areas of historical significance.	Provider/ Regulator
3. We take a proactive approach in responding to key environmental challenges such as climate change, water security and waste management.	3.1	Support community based sustainability initiatives to help reduce the Barossa's contribution to the climate crisis and build on the capacity of local residents and industry to mitigate negative impacts.	Leader Facilitator/Partner
	3.2	Collaborate with partners and our community to support innovative approaches to waste minimisation, and increase reuse and recycling opportunities.	Advocator Facilitator/Partner
	3.3	Ensure long term confidence in the Barossa's capacity to access water to meet its industrial, domestic and environmental needs.	Facilitator/Partner Advocator



Community and Culture

Goal	Strategies		Council Role
4. The Barossa fosters community resilience, connection and wellbeing through its social planning, recreation, safety, education, preventative health and social strategies especially for our youth and vulnerable people.	4.1	Build on a strong sense of community pride with active community groups and individuals participating in local decision making and community building activities.	Leader Facilitator/Partner
	4.2	Continue creating strong and sustainable community networks, and support young people to actively participate in the community and develop the leaders of the future.	Leader Facilitator/Partner
	4.3	Embrace place-making principles when developing community infrastructure and regulate planning and development in public spaces and active recreation.	Provider/Regulator

5. We are a strong community that is welcoming, safe and enjoys a quality lifestyle that celebrates our local identities, diversities, cultures and histories including our Aboriginal heritage.	5.1	Support the development of activities that celebrate the history, art and culture of the Barossa and its people.	Leader Facilitator/Partner
	5.2	Create places where people want to live and plan for the future in a coordinated, affordable, appropriate and proactive way.	Leader Facilitator/Partner
	5.3	Create vibrant public spaces that provide places for creative development, cultural interaction and social connections.	Provider/Regulator
	5.4	Recognising and celebrating the community successes and learning from opportunities.	Leader Facilitator/Partner



Infrastructure

Goal	Strategies		Council Role
6. The Barossa maintains and develops infrastructure that meets the needs of the region and is efficient.	6.1	Advocate for and identify funding opportunities that support the development of community, cultural, health and other facilities and infrastructure to meet personal and commercial needs of residents and businesses.	Advocator
	6.2	Continue to ensure that infrastructure considers place-making is inclusive and accessible for all.	Provider/Regulator Facilitator/Partner
	6.3	The use of new and emerging technologies, alternative and renewable materials where appropriate and cost effective will be trailed.	Leader Facilitator/Partner
7. Community infrastructure planning is aligned to both current and the future needs of the community.	7.1	Build on sound asset management practices to deliver sustainable services to ensure that infrastructure is adequate to support the community.	Provider/Regulator
	7.2	Ensure both current and future infrastructure needs are met in a proactive rather than reactive way.	Provider/Regulator
8. To have a connected and safe transport network that meets the needs of our community.	8.1	Support opportunities to increase community transport and access to services and facilities.	Leader Advocator
	8.2	Ensure a high quality road, shared paths and footpath network throughout the Barossa in partnership with all levels of government.	Provider/Regulator Facilitator/Partner



Health and Wellbeing

Goal	Strategies		Council Role
9. Our community has fair and equitable access to the resources and services they need to lead a safe, healthy, inclusive and connected lifestyle.	9.1	Work towards combating loneliness and social isolation and ensuring that people enjoy a sense of inclusion and feel connected.	Leader Advocator
	9.2	Promote a healthy community through a planned approach to public health, and sustainable access to allied, primary and mental healthcare services and facilities.	Provider/Regulator Advocator
10. Our region enjoys the benefits of sustainable community groups, networks	10.1	Children and young people are supported to feel safe and to engage, thrive and feel empowered within the community.	Leader Advocator

and facilities that encourage everybody to participate in the community.	10.2	Advocate for and encourage services that ensure equity and support inclusion and at risk members of the community.	Leader Advocator
	10.3	Build on the capacity of community members to participate in cultural, creative, recreational, sporting and learning opportunities.	Leader Advocator



Business and Employment

Goal	Strategies		Council Role
11. The Barossa has a strong local economy that adapts, innovates and thrives on change and strives for a diverse industry base that provides a sustainable range of business and job opportunities for people.	11.1	Work closely with State Government, Federal Government and other key stakeholders to support economic growth, development and job creation.	Leader Advocator Facilitator/Partner
	11.2	Support proactive population growth that is incremental, well managed and is backed up by local planning and development opportunities.	Provider/Regulator Facilitator/Partner
	11.3	Promote the Barossa as a place for businesses to thrive, invest, innovate, take measured risks and prosper.	Provider/Regulator Facilitator/Partner
12. We are a visitor destination of choice.	12.1	Encourage and support the sector to further promote and develop tourism experiences including ecological, cultural and agricultural tourism.	Leader Facilitator/Partner
	12.2	Support economic development and destination awareness through events, festivals, creative enterprise and attractions.	Leader Facilitator/Partner
	12.3	Provide experiences and infrastructure that continue to support the needs of the tourism market.	Leader Facilitator/Partner
13. The Barossa is competitive and in a strong position to attract both private and public investment in the development of new and existing businesses, services and industry.	13.1	Foster small business and industry confidence and growth that translates into innovation and strong employment figures.	Leader Advocator Facilitator/Partner
	13.2	Attract investment for new and innovative industries, and facilitate business growth by supporting local industry and their capacity to compete for government contracts.	Leader Advocator Facilitator/Partner

BUSINESS PLANNING FRAMEWORK

Council's Business Planning Framework describes how the Community Plan and its Key Result Areas, their associated Objectives and the Strategies reach these Objectives and provide guidance to the preparation of other Council long term and operational plans. Council's long term and operational plans are listed below.

Corporate Plan

Outlines key corporate actions to support the Community Plan and performance targets over four years;

Long Term Financial Plan

Provides financial directions for the next 10 years;

Long Term Infrastructure and Asset Management Plan

Provides the strategic upgrade, replacement and renewal programs for Council assets and infrastructure;

Annual Budget and Business Plan

Provides the annual financial and operational plans, objectives and performance targets for Council;

Regional Public Health Plan

Provides a coordinated strategy across Council to the health and wellbeing of communities and helps inform decisions in both soft and hard infrastructure;

Local Economic Development Plan

which provide policy direction for the continued development of the Council area;

Infrastructure and Asset Management Plans

Describes the current programs of upgrade, replacement and renewal of assets and infrastructure.

The above framework has various internal and external reporting and accountability systems including:

Quarterly Business Plan and Budget Reviews

Outlines financial performance against the Annual Budget and Business Plan;

Monthly Financial Reports

Regularly tracks the finances of Council;

Annual Report

Describe the performance of Council on objectives set in the Annual Budget and Business Plan, as well as disclosing statutory information regarding the status of Council and Council services;

JOINT VENTURES AND ASSOCIATED ENTITIES

NURIOOTPA CENTENNIAL PARK AUTHORITY (NCPA)

Established as a subsidiary of Council pursuant to Section 42 of the *Local Government Act 1999*, the Nuriootpa Centennial Park Authority (NCPA) manages and maintains the Barossa Tourist Park and adjacent sporting and leisure facilities on behalf of Council.

To this end, and in accordance with the Authority's Charter, operating surpluses of the Tourist Park activities are utilised to maintain the Nuriootpa Recreation Park facilities (including tennis courts, 3 ovals and associated buildings and infrastructure), as well as the picturesque Coulthard Reserve located adjacent to the Tourist Park. Operating surpluses from the Tourist Park activities are also utilised to provide important funding for the programmed upgrade and replacement of the facility assets managed by the Authority.

The two ovals, a soccer pitch and eight tennis courts are extensively used by local sporting clubs. The four-star rated Tourist Park facilities include on-site cabins and vans, a camp kitchen, and various other standard amenities.

The projected 2023/24 Income Statement for the Authority is included within Council's financial statements contained within this document. The Authority's ten-year business case has been reviewed, updated for current activity and included within the consolidated Long Term Financial Plan financial forecasts in this document.

CENTRAL LOCAL GOVERNMENT ASSOCIATION (LGA) KNOWN AS LEGATUS

Established in 1998, this organisation is formed under Section 43 of the *Local Government Act 1999* and operates as a regional subsidiary of Councils included in the membership. An amount of \$11,574 is included for the subscription.

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY (GRFMA)

Established in 2002, this organisation is responsible for the construction, operation and maintenance of flood mitigation infrastructure in the Gawler River catchment. An amount of \$90,385 is included for the operational and maintenance subscription. Council has a share in the Net Assets of \$2,239k as at 30 June 2022. An adjustment for the movement from last year's balance is not as yet reflected in the Financial Statements in this document.

2023/24 SERVICE PROVISION

OFFICE OF THE MAYOR AND CEO

Australia Day Awards, Strategic Planning and Management, Organisational Reform and Leadership, Citizenship Ceremonies, Economic Development, Tourism, Executive Support and Management, Advocacy, Governance.

The Big Project

Strategic Planning and Management of Community Buildings and Recreational Facilities, Project Management, Grant Management, Community Engagement, Contractor Management.

CORPORATE SERVICES AND BUSINESS INNOVATION

Enterprise Systems, Records Management, Information Management, Advocacy, Governance, Organisational Development, Internal Audit, Human Resource Management, External and Internal Communications, Community Engagement and Consultation, Event Management, Customer Support, Risk Management, Business Transformation, Work Health and Safety, Grant Writing, Insurance Management, Organisational Performance Reporting, Procurement & Contract Advice, Property Management, Operational Financial Management, Rating Services, Taxation Management, Payroll, Creditor and Debtor Management.

DEVELOPMENT AND COMMUNITY SERVICES

Planning and Building Assessment, Liquor Licensing, Dog and Cat Control, Compliance, Monitoring and Enforcement Matters, Public Health, Fire Prevention, Safe Food Practices, Heritage Advice, Immunisation, Parking and Traffic Controls, Strategic Land Use Planning, Sustainability, Waste and Resource Recovery, Advocacy, Library Services, Community Grants, Art and Culture, Volunteering, Services, Community Development, Community Transport and Home Assistance.

INFRASTRUCTURE AND ENVIRONMENTAL SERVICES

Building Asset Construction and Maintenance, Bridge Construction and Maintenance, Cemetery Management, Unmade Public Road Management, Road Closure Management and Approvals, Community Wastewater Management System Construction Operations and Maintenance, Treated Water Reuse Distribution System Construction, General Operations and Maintenance, Open Space Construction and Maintenance, Footpath and Bike Path Construction and Maintenance, Infrastructure Planning and Development, Asset Management, Advocacy, Recreational Oval Management, Public Lighting, Public Conveniences, Road Design Construction and Maintenance, Traffic Planning and Management, Road Safety Control, Event Support, Roadside Vegetation Management and Control, Tree Management, Stormwater Drainage and Construction and Maintenance, Engineering Development Assessment, Facilities (Buildings) Management, Quarry Operations and Resource Management, Waste (Transfer Station) Operations, Operational Environmental and Natural Resource Management.

2023/24 KEY ACTIVITIES

The Councils Corporate Plan provides extensive detail on the services provided, the levels of service provided and can be located at www.barossa.sa.gov.au.

	Natural Environment and Built Heritage
	Community and Culture
	Infrastructure
	Health and Wellbeing
	Business and Employment
	How We Work

Service Area	Themes
Arts and Culture	   
Develop a Creative Industries Strategy and Action Plan and implement the Barossa Creative Industries Centre planning and grant funding strategy.	
Undertake a review of Arts, Cultural and Creative Industry services in the organisation including function, structure and service levels to inform the future direction.	
Service Area	Themes
Assets	  
Review and reform processes for assessing Section 221 permits.	
Develop a township entrance street scape upgrade program.	
Develop a Freight Routes Strategy to maximise freight efficiencies for the region.	
Implement Asset Management automation via Assetic System for planned and reactive maintenance.	
Undertake statutory review of asset management plans.	
Service Area	Themes
Caravan Parks	  
Undertake a review of Caravan Park service levels, policy settings and service delivery model.	
Partner with Williamstown Historical Group to pilot new information provision proposal.	
Service Area	Themes
Community	   
Develop a new Community Governance framework (following up on the redefining community committees project).	

Service Area	Themes
Service Area	Themes
Customers	
Develop a Customer Surveying Strategy.	
Implement electronic customer notifications for Pathway Customer Requests	
Service Area	Themes
Economic Development	    
Undertake review of Economic Development services in the organisation and how alignment to industry and other stakeholders will strategically deliver priorities of the Local Economic Development Plan.	
Implement Sister City relationship and governance arrangements with Grapevine Texas	
Service Area	Themes
Events	  
Develop a whole of Council Event Management Framework / policy setting.	
Service Area	Themes
Facility and Community Land	  
Complete full review of Lease and License Framework	
Review the requirements for an electronic bookings management system and provide recommendation for future improvements	
Service Area	Themes
Land Use and Development	 
Finalise Growth and Infrastructure Investment Strategy	
Advocate for infrastructure provisions and development policies that align with Council's strategic vision for the Concordia Growth Area in the proposed Master Planning and Code Amendment.	
Develop Policy Framework for inclusion in the Barossa Character District Overlay Code Amendment	
Service Area	Themes
Libraries	 
Implementation for stage 1 of the Library Review, including a review of the home library service	

Service Area	Themes
Natural Resources	    
Develop a Carbon Management Plan	
Partner with industry to achieve a long term sustainable water supply and security to the Barossa.	
Service Area	Themes
Social Inclusion	    
Provide Social Inclusion training for all staff across the Organisation and coordinate a 'Whole of Organisation' approach to social inclusion	
Develop a Social Inclusion planning and evaluation tool	
Deliver a Social Inclusion Campaign to increase community awareness	
Develop ongoing relationships with Ngadjuri, Peramangk and Kurna Nations and potential pathways for reconciliation and recognition	
Service Area	Themes
Tourism	    
Complete a review of the Tourism Services function, structure, service delivery model and responsibilities.	
Service Area	Themes
Business Technology	
Facilitate and support delivery of Pathway Modernisation (UX – user experience / SaaS – Software as a service)	
Review network connectivity across the organisation, including design, utility, capacity and security through the Network Review & Hardware Refresh project.	
Complete an Endpoint Management Review - reviewing how we manage and deploy our end points and devices across the organisation.	
Complete a Telephony Review - Undertake a whole of business review of telephony requirements and an update of our aging phone system.	
Develop and implement a Cyber Security Awareness Program, including: - Launch Mimecast Training Videos (monthly) - Launch Mimecast Phishing Campaigns (4 per year) - Create & Deliver Workshops (4 per year)	
Establish measurable Service Level Agreement (SLA's) for Operational and Service delivery	
Review and update IT Governance Framework, and to have the following elements at least in draft: - Acceptable Use of IT Policy - IT Change Management Policy - IT Incident Management Policy - User Access Management Policy - IT Asset & Patch management Policy - Anti-Malware Policy - Physical Security Policy	

Service Area	Themes
Develop a future "Application/Data Integration Strategy & Framework" at least in draft which informs the way data and applications within council will be integrated.	
Develop a draft ET&I Project Management Framework which informs the way technology projects are managed within council.	
Monitor and research the emerging Technology of AI language models with the goal of developing a framework for the use of AI to augment work for the organisation.	
Evaluate Current & New Document Management Systems by mapping Requirements through a RFQ Document summarising "Must Have" Functionalities, while assessing KPIs such as Cost, Time, Resources, Compliance & security in a cloud environment.	
Service Area	Themes
Business improvement	
Implement electronic vehicle safety inspections for all classes of Council vehicle	
Implement payroll and HR automation including timesheet, leave form and HR self-service and electronic processing	
Modernise TechnologyOne through migrating to the CiAnywhere interface our financial system.	
Service Area	Themes
Communications and Engagement	
Implement site signage across capital works sites	
Create and implement an SEO (Search Engine Optimisation) strategy to be visually accessible through search and to deliver informative and keyword rich content, providing best user experience	
Develop and implement agreed digital platform/s for staff communications via intranet refresh project	
Refresh internal activity areas as multi-use spaces for collaboration and engagement	
Develop and implement agreed corporate standards and business rules for internal communications via internal communications strategy	
Apply consistent brand identity in public facing venues and spaces	
Develop framework to facilitate Council and community use of town banners for promotional purposes	
Review Council's Public Consultation Policy to align, where practicable, with the IAP2 framework	
Service Area	Themes
Council and Committees	
Undertake Elector Representation Review	
Service Area	Themes
Risk and Safety	
Identify and prepare Operational Risk Profile for all business units	
Develop a set of safety performance objectives and targets that can be measured and monitored	
Develop and implement Risk Register tool/repository	

Service Area	Themes
Finance	
Implement revised chart of accounts	
Implement Enterprise Budgeting module in TechnologyOne	
Service Area	Themes
Governance	
Complete a review of the Office of the Mayor and CEO function, structure, service delivery model and governance responsibilities.	
Create a Governance Framework to provide information about the Council, Councillors and administration, the relationships that exist and how they work together to achieve good governance.	
Service Area	Themes
Grants	
Develop grants framework	
Service Area	Themes
People and Culture	
Define and embed corporate organisational values and behaviours.	
Design, develop and implement programs and initiatives that position Council as an employer of choice and improve the employee experience.	
Align the People and Culture Framework to Council's legislative responsibility and strategic people objectives.	
Create an organisational Competency Framework.	
Service Area	Themes
Procurement	
Undertake review of Contractor and Contract Register requirements and identify new software solution for electronic contract and contractor management.	
Develop Strategic Forward procurement plan for key areas of spend.	
Implement Contractor Safety System Verification and Induction.	
Service Area	Themes
Property and Rates	
Implement direct debit service capability for rates payments	
Service Area	Themes
Strategic/Legislative Planning and Reporting	
Undertake a review of the Community Plan.	
Undertake review of the Disability Access and Inclusion Plan to align with the new State level plan.	

2023/24 OPERATING EXPENDITURE

In support of service provision for 2023/24

The following graph shows operating expenditure for the 2023/24 year by the following functions in support of the provision of the services outlined. (Full Cost Attribution has not been applied to the draft budget. This is an allocation of internal services to external services and does not affect the overall net result. It will be included in the final version of this plan for adoption after Public Consultation.

FUNCTIONS

Administration, Business Undertakings, Community Amenities, Community Support, Cultural Services, Economic Development, Environment, Health Services, Library Services, Public Order and Safety, Recreation, Regulatory Services, Transport, Waste Management

*Administration costs are incurred in direct support of delivery of all services.

2023/24 CAPITAL PROGRAM

In support of service provision for 2023/24

Capital Program 2023/24	
Disclaimer: The following capital items are subject to final approval of Council; alterations and additions to this list may occur	
Description	2023/24 Budget
<i>(Items noted as 'Carried Forward' are items transferred from 2022/23 Budget)</i>	
Development and Community Services	155,470
Community Transport Vehicles	65,000
Library books	90,470
Infrastructure and Environmental Services	12,399,564
Bridges and Guardrails	503,500
Lyndoch Valley Road, Lyndoch Footbridge Replacement	150,000
Moss Smith Bridge- Design Only	103,500
Smyth Road Tanunda Bridge (carried forward)	250,000
Buildings	330,000
Community Buildings and Office/ Depot Works	330,000
Footpaths	390,641
Footpath Program	390,641
Recreation, Sport and Open Spaces	1,390,000
Talunga Park Light Replacement	200,000
Tanunda Oval Renovation	1,190,000
Motor Vehicles, Plant and Equipment	775,000
General Inspector, Office and Other Vehicles (part carried forward)	325,000
Minor Plant	50,000
Motor Vehicles Renewal - including Depot Utes	400,000
Parks and Gardens	161,784
Playgrounds	72,400
Playground Equipment Renewal	30,000
Recreation assets- including internal roads	59,384
Road Resheeting	1,064,848
Resheet Program	1,064,848

Capital Program 2023/24 (continued)	
Disclaimer: The following capital items are subject to final approval of Council; alterations and additions to this list may occur	
Description	2023/24 Budget
<i>(Items noted as 'Carried Forward' are items transferred from 2022/23 Budget)</i>	
Road Construction, Sealing and/or Resealing	4,110,883
Craneford Road, Flaxman Valley	410,000
Fife Street sealing- design	30,000
Julius Street, Tanunda Reconstruction (part carried forward)	520,000
Keyneton Road, Moculta	220,000
Meadow Road, Kalbeeba	120,000
Melrose Street Mt Pleasant	920,000
Road Reseal Program Budget (Spray and Asphalt)	1,763,801
Road Shoulders Program	127,082
Stormwater	945,153
Baird Street, drainage upgrade	500,000
Calton Road to Hameister Court Drainage Kalbeeba (carried forward)	368,740
Project Management Salaries	76,413
Streetscaping	85,600
Streetscaping - townships- unallocated	85,600
Community Wastewater Management System (CWMS)	2,642,155
CWMS Pipeline Radio Link Upgrade/Control Change (carried forward)	92,100
Lyndoch Raising Main/ Pump Replacement	200,000
Nuriootpa Waste Water Treatment Plant - upgrades/improvements (carried forward)	1,600,000
Springton WWTP upgrade and renewal	300,000
Vehicle New Operators Technical Support (carried forward)	58,055
Vehicle Replacements Coordinator	42,000
Williamstown Lagoon and Infrastructure (carried forward)	350,000
Corporate Services and Business Innovation	518,000
ICT Software/Hardware - (part carried forward)	518,000
Nuriootpa Centennial Park Authority	345,000
C' Block amenities upgrade	100,000
Cleaners Van (carried forward)	25,000
Minor internal road renewal (carried forward)	20,000
Soccer Development Contribution (\$200k consolidated)	200,000

Capital Program 2023/24 (continued)	
Disclaimer: The following capital items are subject to final approval of Council; alterations and additions to this list may occur	
Description	2023/24 Budget
<i>(Items noted as 'Carried Forward' are items transferred from 2022/23 Budget)</i>	
The Big Project	8,732,962
Barossa Rugby Park - The Big Project (Infrastructure Projects Grant Programs)	2,444,473
Lyndoch Recreation Park (part carried forward)	3,841,504
Nuriootpa Soccer Clubrooms	1,300,000
Tanunda Recreation Park Change/ Club Rooms	946,985
The Big Project - salary, design and preparation	200,000
Grand total	22,150,996

Disclaimer: Capital items are subject to final approval of Council; alterations and additions to this list may occur. Items noted as 'Carried Forward' are items transferred from the 2023/24 budget.

2023/24 GRANTS, CONTRIBUTIONS AND ASSET SALES

Grants, Contributions and Asset Sales 2023/24	
Description	2023/24 Budget
The Big Project	2,255,381
Lyndoch Recreation Park Change/Clubrooms (carried forward)	890,381
Lyndoch Recreation Park - LRCIP R4	565,000
Lyndoch Recreation Park - Sport and Rec Grant	500,000
Tanunda Recreation Park - Club contribution to changerooms	300,000
Nuriootpa Centennial Park Authority	15,000
NCPA Contribution to Soccer TBP (Consolidated \$200k)	0
Soccer Club contribution towards Soccer TBP	15,000
Infrastructure and Environmental Services	648,736
LRCIP R4 Roads Only Funding	250,000
CWMS Developer Contributions	50,000
Open Space Developer Contributions	142,736
Vehicle and Equipment Trade-in Sales - Motor Vehicles and Plant	206,000
Grand total	2,919,117

2023/24 OPERATING BUDGET

Council is budgeting expenditure of \$62m in 2023/24 on the delivery of services, programs, maintenance of assets (not including depreciation), replacement, new and upgraded assets and loan servicing. Full Cost Attribution has not been applied in this plan. Full cost attribution is an allocation of internal services to external services and does not affect the overall budget position of Council. It will be included in the final version of this plan for adoption after Public Consultation.

OPERATING REVENUE

The 2023/24 Budget provides for operating revenue increase from the 2022/23 third quarter Budget Update of \$43.4m to \$47.1m. Recurrent revenue streams of Council are:

\$m	%	Type	Description
37.90	80.47%	General Rates and Service Charges	General rates on properties as well as service rates (i.e. sewerage and refuse/recycling rates)
3.80	8.07%	User Pay Charges set by Council	Charges for the Council's fee based facilities and services such as caravan parks, swimming pools, community halls, cemeteries and refuse dump fees
3.60	7.64%	Grants and Subsidies	Council seeks to attract as much grant funding from other tiers of government as possible, thereby reducing the reliance on other revenue streams
1.00	2.12%	Investment, Reimbursements and Other Income	Interest received on Council's internal cash reserves and deposits, Reimbursements for work undertaken and Other Income`
0.80	1.70%	Statutory Charges set by State Government	Fees and charges set by State Government regulation and received by the Council for regulatory functions undertaken such as assessment of development and building applications, and dog control management

OPERATING EXPENDITURE

The 2023/24 Budget provides for operating expenditure to increase from the 2022/23 third quarter Budget Update of \$44.8m to \$47.1m. Full Cost Attribution has been applied - this is an allocation of internal services to external services and does not affect the overall net result. Recurrent expenditures incurred by Council are:

\$m	%	Type	Description
18.50	39.28%	Contractual Services, Materials and Other Expenses	Payments for external provision of services Payments for physical goods such as water, fuel, energy, road materials, office consumables and administrative costs. Includes expenses not separately classified above such as insurances, postage, telephone, government levies, contributions and donations
17.40	36.94%	Employee Costs	All labour related expenses such as wages and salaries, and on-costs such as allowances, leave entitlements and employer superannuation
10.20	21.66%	Depreciation	Annual consumption of Council's fixed assets (e.g. infrastructure, equipment, buildings, etc) over their useful lives
1.00	2.12%	Finance Costs	Costs of financing Council's activities through borrowings or other types of financial accommodation

RATE IMPLICATIONS

Council plans to raise a net sum of **\$31.2m** from general rates in 2023/24 (which includes projected growth of 0.4% but excludes service charges and the State Landscape Board levy).

Council recognises that ratepayers would like increases to their rates to be as low as possible, however it is necessary to ensure that current services are properly funded and can continue to be delivered without significantly impacting standards or passing on a financial burden to future ratepayers or cutting services utilised by the community. Current assets and infrastructure owned by Council deteriorate over time through wear and tear and must be replaced or renewed at appropriate intervals in order to prolong their lives and continue to deliver services to the community.

The increase in rate revenue will provide the necessary funding to meet the programmed upgrade, renewal and replacement plans in place as outlined in the Long-Term Infrastructure and Asset Management Plan, ensuring that existing services to the community will be maintained.

The indexation applied to general rate revenue for 2023/24 proposed is 3.5% per annum. The growth in assessment numbers from last year is currently at 0.4%. The SA Local Government Price Index is 6.4% and the general Consumer Price Index Adelaide all Groups is 7.9% as at March 2023, change from the previous year.

Council is aware of the impact on ratepayers and is committed to providing and developing options to ease the rate burden through increasing its own efficiency and by providing those under hardship with appropriate alternatives to suit their circumstances.

RATING POLICY

Section 147 of the *Local Government Act 1999* provides Council with the power to rate all land within The Barossa Council, except for land specifically exempted, such as Crown land and land occupied by Council.

Council is mindful of its responsibility to continually review its rating policy to ensure it is fair and equitable on its residents. The current Rating Policy is available for inspection at all Council branches and can be downloaded from Council's website at barossa.sa.gov.au (Council rates are exempt from GST).

LAND VALUATION METHOD

Council uses the capital value determined by the Office of the Valuer General as the basis for valuing land and calculating rates.

Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more taxes than ratepayers of lesser wealth.

Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates.

The total property rateable valuations provided by the Office of the Valuer General I as at 20 May 2023 was \$7,293,576,194 an increase of 14.34% over last year, this includes growth in assessments of 0.4%. The table on the next page has the valuation movement by Local Government Category includes new assessments from growth.

Local Govt. Category	Total Valuation Movement
Residential	16.30%
Commercial	16.55%
Industry – Light	17.35%
Industry – Other	4.97%
Primary Production	10.71%
Vacant Land	9.73%
Other	14.77%

How rates are calculated



DIFFERENTIAL RATES

Council applies differential general rates based on the land use of the property, as outlined in the Local Government Category and Land Use tables.

FIXED CHARGE

As part of the general rates, Council applies a fixed charge component so that all rateable properties make a fixed contribution towards the cost of administering Council's activities. The fixed charge has increased from \$400 to \$420 per assessment.

STATE GOVERNMENT LEVIES

Council collects a regional Landscape Levy on behalf of Northern and Yorke Landscape Board on all rateable properties. In this capacity, Council is operating as a revenue collector for the State Government and does not retain the revenue or determine how it is spent. Further information is available from the Board.

MANDATORY REBATES

Council is required under the *Local Government Act 1999* to rebate rates payable on some land. Specific provisions are made for land used for specific purposes, e.g. health services, public cemeteries and educational institutions.

SERVICE RATES & CHARGES

Council provides various prescribed services pursuant to Section 155 of the *Local Government Act 1999* which includes community wastewater management systems, refuse collection and kerbside recycling service.

The cost of these services, including a component for future capital works where appropriate, is recovered from those ratepayers utilising the service.

DISCRETIONARY REBATES

Discretionary rebates may be applied by Council on land used for community purposes under Section 166 of the Act.

GENERAL RATE CAPPING – RESIDENTIAL AND PRIMARY PRODUCTION

Council offers a rebate of general rates to the principal ratepayer where the increase in general rates levied upon a property exceeds the 2022/23 general rates levied by more than:

- 7.5% for ratepayers on fixed government incomes;
- 15% for other ratepayers

Rate rebate, remission, relief and capping application forms with eligibility criteria are available on-line on Council's website barossa.sa.gov.au, from Council's Principal Office or any branch office.

CONCESSIONS AND POSTPONEMENT

In order to support ratepayers who are in receipt of fixed incomes, there are concessions available for eligible pensioners. The 'Cost of Living Concession Payment' is paid *directly to eligible concession holders by the State Government* and the concession for Community Wastewater Management System (CWMS), which will also be paid directly by the State Government. The Department of Human Services administer all State concessions and Council has no part in approving or providing these concessions. In accordance with the *Local Government Act 1999*, persons who hold a Seniors Card may apply to postpone payment for any amount in excess of \$500 (\$125 per quarter) for their principal place of residence.

Council encourages ratepayers who are experiencing difficulties in paying rates to contact Council on (08) 8563 8444 to discuss support that may be available to alleviate any financial hardship. Council confidentially treats such enquiries. Council treats such enquiries confidentially.

PAYING YOUR RATES

Council provides for quarterly payment of rates in September, December, March and June each year. Payments can be made via Council's website (barossa.sa.gov.au), B-Pay, Australia Post Billpay, by mail, allocated EFT payment or by cash/cheque/EFTPOS over the counter at the Nuriootpa or branch offices. If you would like to discuss alternative payment arrangements, please contact the Council on (08) 8563 8444.

SERVICE CHARGES

The adopted LTFP included an increase for Waste and CWMS service charges to ensure cost recovery and the service charge increase is rounded to the nearest dollar.

CWMS SERVICES

The Residential CWMS Service charge will increase from last year at \$362 to \$390. The Non-Residential CWMS service rate for each of the townships is to be decreased from last year at \$0.0011 to \$0.001009. An annual service charge was increased to \$95 for vacant allotments in Springton and an annual service charge remains at \$110 for all other vacant allotments where a CWMS connection fee has been paid but no wastewater is being discharged. The CWMS rate service charges will raise \$3.3m with other related revenue bringing the total for CWMS income to \$3.6m for 2023/24. Operating expenditure at \$3.6m, a net zero result. A CWMS reserve is held for future capital expenditure and to ensure the services are maintained and grow with service demands into the short to medium term. Total capital expenditure for CWMS is \$2.6m.

WASTE SERVICES

Overall, the refuse, recycling and green organics collection service charge has been increased from last year at \$247 to \$282. The 140L Refuse Bin has increased from last year at \$121 to \$137, Recycling has increased from last year at \$64 to \$72 and Green Organics increased from \$62 to \$73. The refuse collection service rate for 240L bins, available to commercial premises to upsize to 240L, has increased from last year at \$150 to \$170. The service charges are based on cost increases for collection and disposal.

IMPACT ON RATEPAYERS

The Annual Budget and Business Plan for 2023/24 for general rate revenue has been increased by 3.5%. Growth from new assessments of 0.4% is included in this budget.

For more information on the rate revenue increases please refer to the Long-Term Financial Plan (LTFP) section in this document.

The information on the following pages incorporates the overall rating and its impact using **average valuations**; rate changes for individual assessments will vary from these amounts.

Statement on Expected Rate Revenue				
Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.				
Expected Rates Revenue				
	2022/23 (as adopted)	2023/24 (estimated)	Change	Comments
General Rates Revenue				
General Rates (existing properties)		\$31,128,410 (a)	3.49%	Rates calculation is based on valuations as at 20 May 2023, Scenario 2, includes the fixed charge
General Rates (new properties)		\$120,439 (b)	0.40%	
General Rates (GROSS)	\$30,079,527	\$31,248,850 (c)	3.89%	
Less: Mandatory Rebates	(\$531,303)	(\$551,000) (d)		
General Rates (NET)	\$29,548,224	\$30,697,850 (e)	3.89%	
(e)=(c)+(d)				
Other Rates (inc. service charges)				
Regional Landscape Levy	\$560,146	\$821,926 (f)	The Regional Landscape Levy is a State tax, it is not retained by council.	
Waste collection	\$2,728,898	\$3,139,860 (g)	Green organic bin expense \$; new services	
CWMS	\$3,141,596	\$3,315,600 (h)	Service cost increase - depreciation and resources added; new services	
	\$35,978,864	\$37,975,236		
Less: Discretionary Rebates	(\$266,033)	(\$153,000) (i)	In 22/23 a Revaluation Initiative General Rates Cap (RI GRC) was \$120k, in 23/24 it has not been provided	
Expected Total Rates Revenue	\$35,418,718	\$37,153,310 (m)	4.9%	Excluding the Regional Landscape Levy and discretionary rebate
(m)=(e)+(g)+(h)				
Estimated growth in number of rateable properties				
Number of rateable properties	13,235	13,288 (n)	0.40%	Council rates are issued for Assessments not individual Properties
	Actual	Estimate		
'Grow th' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.				
Estimated average General Rates per rateable property				
Average per rateable property	\$2,273	\$2,352 (o)	3.47%	Individual assessments will vary from this average
				Includes the Fixed Charge
(o)=(c)/(n)				
Estimated average inc Service Charges per Residential rateable property				
Average per Residential property	\$2,335	\$2,474 (o2)	5.93%	Inc. Fixed Charge and Service Charges, not inc. Landscape levy
(o2)=General Rates average, fixed charge, Waste collection, CWMS				
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The average General Rates paid by all rateable properties will equal the amount adopted in the budget. Total Rates includes: Landscape Levy, Service charge and Rebates.				
Notes				
(d) Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories:				
Health Services - 100 per cent Religious purposes - 100 per cent Royal Zoological Society of SA - 100 per cent Community Services - 75 per cent Public Cemeteries - 100 per cent Educational purposes - 75 per cent The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).				
(e) Presented as required by the Local Government (Financial Management) Regulations 2011 reg 6(1)(ea)				
Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from <u>all</u> rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).				
(f) Councils are required under the Landscape South Australia Act 2019 to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.				
(i) Community Wastewater Management Systems				
(l) A council may grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who				
(m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.				
(n) 'Grow th' as defined in the Local Government (Financial Management) Regulations 2011 reg 6(2)				

Statement on Expected General Rate Revenue											
Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.											
Expected General Rates Revenue											
	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$		
	2022/23	2023/24	Change	2022/23	2023/24	2022/23	2023/24	Change	2023/24		
Land Use (General Rates - GROSS)											
Residential	\$12,831,741	\$13,460,608	4.9%	9651	9729	\$1,330	\$1,384 (p)	\$54	0.002945		
Commercial	\$2,069,824	\$2,179,609	5.3%	655	676	\$3,160	\$3,224 (p)	\$64	0.004540		
Industry - Light	\$97,209	\$101,647	4.6%	45	46	\$2,160	\$2,210 (p)	\$50	0.004500		
Industry - Other	\$3,918,168	\$3,952,845	0.9%	93	90	\$42,131	\$43,920 (p)	\$1,790	0.014340		
Primary Production	\$5,162,646	\$5,247,477	1.6%	2184	2176	\$2,364	\$2,412 (p)	\$48	0.002970		
Vacant Land	\$585,753	\$587,560	0.3%	465	421	\$1,260	\$1,396 (p)	\$136	0.005640		
Other	\$351,386	\$367,885	4.7%	142	150	\$2,475	\$2,453 (p)	-\$22	0.005000		
Total Land Use	\$25,016,727	\$25,897,630	3.5%	13,235	13,288	\$1,890	\$1,949 (p)	\$59			
GRAND TOTAL (GROSS)	\$25,016,727	\$25,897,630	3.52%	13,235	13,288	\$1,890	\$1,949 (p)	\$59			
The above information is general rates only for each Land Use. Note: a rate notice also includes the fixed charge, Landscape Levy and where relevant service charges. Service charges include Waste Services for Refuse, Recycling and Green Organic and Community Wastewater Management Systems (CWMS).											
Fixed Charge											
	Total expected revenue			Charge							
	2022/23	2023/24	Change	2022/23	2023/24	Change					
Fixed Charge	\$5,062,800	\$5,351,220	5.7%		\$400	\$420 (q)	\$20				
This revenue amount is included in the General Rates GROSS figure at (c).											
Adopted valuation method											
Capital Value/Site Value/Annual Value											
Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:											
Capital Value – the value of the land and all improvements on the land;											
Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or											
Annual Value – a valuation of the rental potential of the property.											
Council uses the capital value determined by the State Valuation Office as the basis for valuing land and calculating rates.											
Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers on the following basis:											
•The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more taxes than ratepayers of lesser wealth;											
•Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates.											
Notes											
(p) Average per rateable property calculated as General Rates for category, excludes any fixed charge and services charges where applicable, divided by number of rateable properties within that category in the relevant financial year.											
(q) A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Also if two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.											

PERFORMANCE MEASURES

Measuring and monitoring performance is important to ensure our objectives are achieved and services are delivered to our community. Council monitors financial performance through its **Business Planning Framework** (refer also to the section on “Strategic Directions”). This includes:

Monthly Financial Reports which regularly track Council finances;

Quarterly Budget Reviews which outline financial performance against the Annual Budget and Business Plan;

Audited Financial Statements which are included in the Annual Report as required under the Local Government Act 1999;

the Annual Report which describes the performance of Council on objectives set in the Annual Budget and Business Plan;

Council's Community Plan 2020-2040 includes the long term objectives and strategies Council is striving to achieve. The Community and Corporate plans are used to form the Annual Budget and Business Plan.

To provide advice and recommendations on financial and governance matters, Council has appointed an Audit Committee which includes independent members with qualifications and experience in related disciplines.

KEY PERFORMANCE INDICATORS

Council has a number of financial Key Performance Indicators (KPI's) which measure the impact of the annual budget on Council's financial position. Each of these indicators, together with associated comments, is outlined below:

Indicator	Target Not Met	Target At Risk	Target Met
Legend:			

Forecast is the third Budget Update (Q3)+ for the year, adopted by Council at the 1 June 2023 meeting and material financial information received since that time has been included.

Individual years are shown within the Long Term Financial Plan section in this document from including a rolling 3 year period on selected KPIs.

Key Performance Indicator 1: Operating Result (\$'000)

Council 's target is to achieve an operating break-even position, or better, over any ten year period. The operating result for 2023/24 is forecast as a deficit of \$5k. The cumulative ten year period operating surplus is forecast at \$549k for more information refer to LTFP section within this plan.

Year	2020/21 Actual	2021/22 Actual	2022/23 Forecast Q3+	2023/24 Budget
Result	2,747	2,749	(1,321)	(5)
Status				

Key Performance Indicator 2 Operating Surplus/(Deficit) Ratio

Expresses the projected Operating Surplus/(Deficit) result as a percentage of general rate revenue. Council has set a target too achieve an operating surplus ratio of between -2% to 10%. This forecast is ratio is within the target range and at 0% where operating revenue and operating expenditure are within \$1k.

Year	2020/21 Actual	2021/22 Actual	2022/23 Forecast Q3+	2023/24 Budget
Result	6.7%	6.4%	(3.0%)	0
Status				

Key Performance Indicator 3-1: Net Financial Liabilities (\$'000)

Council has set the a target that Council's level of net financial liabilities is no greater than its annual operating revenue and not less than zero.

Year	2020/21 Actual	2021/22 Actual	2022/23 Forecast Q3+	2023/24 Budget
Result	1,797	1,773	19,919	28,960
Status				

Key Performance Indicator 3-2: Net Financial Liabilities Ratio

Expresses the projected Net Financial Liabilities as a percentage of total operating revenue for each year. It is Council policy (and industry best practice) that this ratio shall not exceed 100%. Council has set the target that a Net financial liabilities ratio is **greater than zero but less than 100%** of total operating revenue.

Year	2020/21 Actual	2021/22 Actual	2022/23 Forecast Q3+	2023/24 Budget
Result	4%	4%	46%	61%
Status				

Key Performance Indicator 4: Asset Renewal Funding Ratio

Expresses the rate by which assets are wearing out and being replaced by comparing capital outlays on renewal/replacement to the Infrastructure Asset Management Plans. Council has set the following target: Capital outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans. A substantial amount of 'Upgraded' asset work completed each year are partly renewing components of existing assets. The calculation to compile this ratio does not include any upgrade costs as it is not considered 'renewal/replacement'. This is then effectively understating the expenditure for asset replacement and the ratio is not then reflecting the true actual net asset renewals. It is expected the renewal spend information will be more accurate when the four year review of the IAMP's is undertaken and the improvement plans from that work provides these projections pa.

Year	2020/21 Actual	2021/22 Actual	2022/23 Forecast Q3+	2023/24 Budget
Result	216%	89%	116%	116%
Status				

NON-FINANCIAL PERFORMANCE MEASURES

Council continues to review its Key Performance Indicators (KPIs) to improve the measurement of performance. This is part of Council's Community Plan, as well as continuous improvement initiatives related to Council's Business Planning Framework. Indicators measuring the performance of Council in relation to the Annual Business Plan are show below.

They provide information with regards to Council's capacity to effectively deliver services to our community and the targets Council intends to meet. Council's performance against these indicators is then reported in the Annual Report each year.

Indicator	Description	Target
Theme 1 – Natural & Built Heritage		
Development Performance	% of development applications decided within timeframe	80%
Theme 2 – Community & Culture		
Library Visits	The number of library visits and participation within the Barossa Council Area	5 visits per capita
Theme 3 – Infrastructure		
Asset Spending Ratio	Ratio of asset expenditure on renewal, replacement and upgraded assets and maintenance on assets	Between 100% and 150% of Depreciation
Theme 4 – Health & Wellbeing		
Nuisance and Environmental Complaint Resolution Rate	Percentage resolved within due date	75%
Waste Disposal Rate	Percentage of waste disposed to landfill	Less than 65%
Recycling Rate	Percentage of waste recycled	More than 35%
Theme 5 – Business & Employment		
Tourism Customer Satisfaction with Visitor Information Services	Average Customer Satisfaction Rating	4 or above
Visitor Information Centre Bookings	Annual Booking Revenue (Accommodation/Tours/Tickets)	100% of Budget
How We Work – Good Governance		
LGA KPI Audit Action Plan	Percentage of KPI Audit Actions Complete	90%
LGA Risk Review	Percentage risk review conformance	90%
Customer Request Completion Rate	Percentage of Customer Requests Completed (On Time and Overdue)	85%
Customer Request Resolution Rate	Percentage of Customer Requests Resolved on Time	85%
Operational Expenditure Against Budget	Actual Operating Expenditure as a % of Budgeted Operating Expenditure	95%-100%
Capital Expenditure Against Budget	Actual Capital Expenditure as a percentage of Budgeted Capital Expenditure as adjusted	90%
Staff Development - Training	Percentage of staff with an approved training needs analysis	85%
Staff Development – Performance Partnering	Percentage of staff who have completed performance partnering	85%
Staff Retention	Percentage of employees retained	90%



BUDGETED FINANCIAL STATEMENTS 2023/24

BUDGETED FINANCIAL STATEMENTS

The following pages contain Council's budgeted financial statements, **including the Nuriootpa Centennial Park Authority (NCPA)**, in a format consistent with the requirements of Regulation 5B of the *Local Government (Financial Management) Regulations*, comprising for the year ending 30 June 2023:

- **Statement of Comprehensive Income**
- **Statement of Financial Position**
- **Statement of Changes in Equity**
- **Statement of Cash Flows**
- **Uniform Presentation of Finances**

Please note: the format of the following Financial Statements is based on the 2020 Model Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ending 30 June 2024

	2022/23 Original Budget (\$'000)	2022/23 Revised Budget* (\$'000)	2023/24 Budget (\$'000)
Income			
Rates	35,759	35,793	37,911
Statutory Charges	797	789	828
User Charges	3,200	3,754	3,837
Grants, Subsidies and Contributions	1,857	1,965	3,557
Investment Income	88	153	152
Reimbursements	61	61	62
Other Income	722	980	731
Net Gain – Joint Ventures and Associates	0	0	0
TOTAL REVENUES	42,484	43,495	47,078
Expenses			
Employee Costs	16,493	16,356	17,430
Materials, Contracts and Other Expenses	17,878	18,882	18,495
Depreciation, Amortisation and Impairment	9,159	9,159	10,170
Finance Costs	419	419	988
Net Loss – Joint Ventures and Associations	0	0	0
TOTAL EXPENSES	43,949	44,816	47,083
Operating Surplus / (Deficit)	(1,465)	(1,321)	(5)
Asset Disposal & Fair Value Adjustments	(821)	(974)	(848)
Amounts Received Specifically for New or Upgraded Assets	7,251	7,227	2,713
Physical Resources Received Free of Charge	0	0	0
Net Surplus / (Deficit)	4,965	4,932	1,860
Transferred to Equity Statement	0	0	0
Other Comprehensive Income	0	0	0
Changes in revaluation surplus - infrastructure, property, plant & equipment	0	0	0
Total Other Comprehensive Income	0	0	0
Total Comprehensive Income	4,965	4,932	1,860

* Revised Budget is the Third Budget Update for the year, adopted by Council at the May 2023 meeting and material financial information received since that time has been included.

STATEMENT OF FINANCIAL POSITION

For the year ending 30 June 2024

	2022/23 Original Budget (\$'000)	2022/23 Revised Budget* (\$'000)	2023/24 Budget (\$'000)
Assets			
Current Assets			
Cash and Cash Equivalents	88	10,062	3,366
Trade and Other Receivables	2,463	2,697	2,677
Other Financial Assets	0	0	0
Inventories	218	391	391
Subtotal	2,769	13,150	6,434
Non-Current Assets Held for Sale	0	0	0
Total Current Assets	2,769	13,150	6,434
Non-current Assets			
Financial Assets	1,358	1,319	1,240
Equity Accounted Investments in Council	2,286	2,281	2,281
Infrastructure, Property, Plant and Equipment	438,860	421,995	438,363
Other Non-Current Assets	0	0	0
Total Non-current Assets	442,504	425,595	441,884
Total Assets	445,273	438,745	448,318
Liabilities			
Current Liabilities			
Trade and Other payables	4,589	5,471	5,431
Borrowings	8,356	8,356	9,813
Provisions	2,521	3,392	3,035
Total Current Liabilities	15,466	17,219	18,279
Non-Current Liabilities			
Borrowings	15,701	15,706	16,893
Provisions	1,330	1,073	1,073
Total Non-current Liabilities	17,031	16,779	17,966
Total Liabilities	32,497	33,998	36,245
Net Assets	412,776	404,747	412,073
Equity			
Accumulated Surplus	104,602	102,638	105,979
Asset Revaluation Reserve	297,205	287,623	293,089
Other Reserves	10,969	14,486	13,005
Total Equity	412,776	404,747	412,073

* Revised Budget is the Third Budget Update for the year, adopted by Council at the May 2023 meeting and material financial information received since that time has been included.

STATEMENT OF CHANGES IN EQUITY

As at 30 June 2024

	Accumulated Surplus (\$'000)	Asset Revaluation Reserve (\$'000)	Other Reserves (\$'000)	Total Equity (\$'000)
Balance at end of previous reporting period 30 June 2023 (Original Budget 2022/23)	104,602	297,205	10,969	412,776
Restated opening balance (Revised Budget)	102,638	287,623	14,486	404,747
Net Surplus / (Deficit) for year	1,860			1,860
Other Comprehensive Income	0	0	0	0
Gain on revaluation of infrastructure, property, plant	0	5,466	0	5,466
Transfer to accumulated surplus on sale of infrastructure, property, plant and	0	0	0	0
Transfer between reserves	1,481	0	(1,481)	0
Balance at the End of Period	105,979	293,089	13,005	412,073

* Revised Budget is the Third Budget Update for the year, adopted by Council at the May 2023 meeting and material financial information received since that time has been included.

STATEMENT OF CASH FLOWS

As at 30 June 2023

	2022/23 Original Budget (\$'000)	2022/23 Revised Budget* (\$'000)	2023/24 Budget (\$'000)
Cash Flows from Operating Activities			
Receipts			
Operating Receipts	42,396	43,342	46,927
Investment Receipts	88	153	152
Payments			
Operating payments to Suppliers and Employees	(34,371)	(34,757)	(35,920)
LandFill rehabilitation expense	0	0	(362)
Finance Payments	(419)	(419)	(988)
Net Cash Provided by (or Used in) Operating Activities	7,694	8,319	9,809
Cash Flows from Investing Activities			
Receipts			
Amounts Specifically for New or Upgraded Assets	5,604	5,580	2,671
Sale of Replaced Assets	411	384	232
Repayments of Loans by Community Groups	73	73	99
Payments			
Expenditure on Renewal / Replacement of Assets	(7,266)	(8,248)	(7,811)
Expenditure on New / Upgraded Assets	(27,131)	(25,345)	(14,340)
Loans made to Community Groups	(300)	(300)	0
Net Cash Provided by (or Used in) Investing Activities	(28,609)	(27,856)	(19,149)
Cash Flows from Financing Activities			
Receipts			
Loans Received	17,300	17,300	5,100
Proceeds from Internal Borrowings	1,450	1,450	600
Payments			
Repayments of Borrowings	(908)	(908)	(2,407)
Repayment Lease Liabilities	(56)	(56)	(49)
Repayment of Internal Borrowings	(1,450)	(1,450)	(600)
Net Cash Provided by (or Used in) Financing Activities	16,336	16,336	2,644
Net Increase / (Decrease) in Cash Held	(4,579)	(3,201)	(6,696)
Cash and Cash Equivalents at Beginning of Period	4,667	13,263	10,062
Cash and Cash Equivalents at End of Period	88	10,062	3,366

* Revised Budget is the Third Budget Update for the year, adopted by Council at the May 2023 meeting and material financial information received since that time has been included.

UNIFORM PRESENTATION OF FINANCES

For the year ending 30 June 2024

The following is a high level summary of both operating and capital investment activities of the Council prepared in a uniform and consistent basis.

All Councils in South Australia voluntarily have agreed to summarise annual budgets and long term financial plans on the same basis.

The arrangement ensures that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2022/23 Original Budget (\$'000)	2022/23 Revised Budget* (\$'000)	2023/24 Budget (\$'000)
Income	42,484	43,495	47,078
Less Expenses	(43,949)	(44,816)	(47,083)
Operating Surplus / (Deficit)	(1,465)	(1,321)	(5)
Less Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	(7,266)	(8,248)	(7,811)
Less Depreciation, Amortisation and Impairment	9,159	9,159	10,170
Less Proceeds from Sale of Replaced Assets	411	384	232
	2,304	1,295	2,591
Less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	(27,131)	(25,345)	(14,340)
Less Amounts Received Specifically for New and Upgraded Assets	5,604	5,580	2,671
Less Proceeds from Sale of Surplus Assets	0	0	0
	(21,527)	(19,765)	(11,669)
Net Lending / (Borrowing) for Financial Year	(20,688)	(19,791)	(9,083)

* Revised Budget is the Third Budget Update for the year, adopted by Council at the May 2023 meeting and material financial information received since that time has been included.



ASSUMPTIONS AND FINANCIAL INDICATORS

Under the *Local Government Act 1999*, Councils are required to have a **Long Term Financial Plan (LTFP)** (for a minimum period of 10 years). This Long Term Financial Plan (LTFP) has been declared by The Barossa Council as a Strategic Management Plan pursuant to Section 122(8) of the *Local Government Act 1999*. This document subsequently reflects an annual review of Council's Long Term Financial Plan and acts as a starting reference point in the formulation of Council's Annual Budget and Business Plan 2023/24.

The Long Term Financial Plan is designed as a 'high-level' document that summarises the future planning of Council's financial operations – particularly in relation to key components such as rate movements, service levels to our community, major infrastructure asset replacement/renewal, loan indebtedness and internal cash reserves.

On this basis and given the 'high-level' nature of the document, the Plan has been developed based on a number of key assumptions previously discussed and endorsed by Council. Further, Council has also previously endorsed a number of strategic financial policies which have also driven the formulation of the Plan.

Section 122 of the *Local Government Act 1999* also prescribes that Councils must have a Long Term Infrastructure and Asset Management Plan to guide the future replacement, renewal and maintenance of our significant fixed asset base. Council's Infrastructure and Asset Management Plan (IAMP) was adopted by Council in February 2023, with an ongoing review process to provide improved asset data and information.

Consequently, in recognition of this, it is appropriate that a cautious and conservative approach be undertaken with financial modelling as part of the update to the Long Term Financial Plan.

With a significant fixed asset base being predominantly comprised of major community infrastructure such as roads, footpaths, stormwater drainage and community wastewater management systems, it is imperative that there is an appropriate link and consistency between the Infrastructure and Asset Management Plan and the Long Term Financial Plan, towards ensuring that the Long Term Financial Plan provides for the necessary capital outlays (as identified in the Infrastructure and Asset Management Plan) for the renewal and replacement of existing community assets – herein referred to as 'non-discretionary' capital expenditure.

GENERAL ASSUMPTIONS

- Long term financial plans have been prepared to measure and check financial sustainability for: CWMS; Waste; Nuriootpa Centennial Park Authority (NCPA); all other Council operations and a consolidated LTFP.
- The NCPA revised LTFP will be adopted by the NCPA Board in June and is incorporated into this LTFP.
- The LTFP reflects existing recurrent service levels to our community being maintained. Council's budget process considers on-going service delivery and commitments and new expenditure items or initiatives.
- For most new initiatives, a Due Diligence Report is prepared to assess the financial commitment in order that current and future budgets are accurate and that Council has full information regarding the financial risks of their decisions. This draft budget contains a number of new initiatives.
- All new initiatives were then assessed using a Bid Analysis Tool and given a score against set criteria.

OPERATIONS

- General Rate Revenue and Service Charges increments have been reviewed to ensure funding and service level provision is maintained in line with sustainability requirements.
- Operating Costs for Employee, Contractors and Materials have been based on a zero based method for this budget year.
- Rubble raising in 2023/24 will be sufficient for use in 2023/24 and 2024/25.

- Selected costs have been isolated from general expenditure, eg. energy use for electricity, water costs, insurance premiums and waste collection and disposal service costs; projected increases from 0% to 4%.
- Depreciation has been calculated on existing asset classes, structures, valuation, and condition rating; asset componentisation has been included as appropriate to selected asset types. A review of useful lives of all assets and components is an ongoing task refining the data.
- In May 2023 the Federal Budget allocated an amount for Supplementary Road Funding for use as \$246k in the years 2023/24 to 2025/26 these amounts are allocated to project(s) within the existing budget program.
- The Roads to Recovery (RTR) grant funded program will continue in 2023/24 at \$483k per annum and then to \$383k for the remaining years in the LTFP.
- Staff levels have been increased for the adopted Business Case – Sustainable Resourcing Model, the mowing contract brought in-house and other changes have been made for grant funding programs ending and overall increases are projected to be in line with current Enterprise Bargaining Agreements.
- Full Cost Attribution - an allocation of internal services to relevant charge areas has been allocated in the LTFP. This allocation from internal to external service areas does not affect the overall net result.

CAPITAL

- Asset Renewal and/or Replacement expenditure is provided for on various buildings, recreation, transport, stormwater, bridge, CWMS and plant & equipment assets at \$70m providing for future needs until the IAMP renewal programs have been prepared and approved.
- The Big Project capital expenditure program over the next nine years is \$31m, funded by grants & contributions of \$12m and the balance loan funding as needed. (Note: the majority of these projects are subject to funding approval and appropriate timing).
- Capital grants and contributions in this review include CWMS developer contributions \$50k pa, other developer contributions \$142k pa for two years.
- Infrastructure programs for new and upgraded roads, bike path, bridges, carpark, footpath program, stormwater and the continuous improvement program \$8.3k with offset funding at \$0.4m

LOAN PRINCIPAL AND INTEREST REPAYMENTS

- The internal loan from Council to Nuriootpa Centennial Park Authority (NCPA) is included in the LTFP and is to be repaid at \$130k in 2023/24 - the remaining balance 30 June 2023 will be \$130k.
- Council's loan debt is predicted to peak at \$27.3m in 2024/25. The net loan balance outstanding as at 30 June 2023 will be \$24m and a projected balance of \$11.1m by 30 June 2033.
- An internal loan (funded from the CWMS operations reserve) will be required to ensure Council's general operations meet financial sustainability indicators. No interest is charged as funding is for all Council services.
- There is a scheduled balloon payment for \$2.9m on an existing loan in the year 2024/25 at which time Council will assess its loan requirements and re-finance if/as needed.
- Loan financing is a mix of fixed loans and Cash Advance Debenture (CAD) in 2023/24 \$6.2m, in 2024/25 \$4.5m and in 2028/29 \$2m with the CAD balance \$nil by 2030/31.

FINANCIAL SUSTAINABILITY PERFORMANCE CHIEF EXECUTIVE OFFICER REPORT

- KPI 1: Operating Surplus a deficit for years 2023/24 to 2026/26; accumulative surplus by year 2027/28 The general rate increases for years for 2023/24 is 3.5% and for 2024/25 at 3.25% and the remaining years in the LTFP are 3% plus growth in assessments and service nos. to recover the revenue and return to an operating surplus in 2030/31.
- KPI 2: Operating surplus ratios average 3 years. Council's forecast retrospective results range from (1.7%) to 3.4%; Annual ranges from (2.0%) to 4.4%.
- KPI 3: The forecast is 61.5% in 2023/24 peaks at 69.1% or \$33.6m in 2024/25 and by year 2032/33 is projected to be at 18.9% or \$12m.
- KPI 4: The target is being met over the ten year period, the average being 99.6% and within previously IAMP spend requirements. IAMP renewal spend information will be updated when the improvement plans are updated for future spend requirements. A selection of TBP builds will upgrade and replace a considerable amount of assets; these works will be identified and then re-assigned as appropriate to renewal works and therefore will improve this ratio.
- Council has reviewed its financial parameters for the LTFP including the indexation used for forward projections on income and expenditure.
- In line with Council Policy a regular review of Council's treasury management will be required to ensure a positive cash position is maintained.

It should be noted that not all KPI's are within the target ranges but Council attains a financially sustainable position within the 10 year period of the LTFP. With the inclusion of TBP grant funding and loan financing, Council has the capacity to undertake TBP asset construction, operational costs and other minor additional projects along with consideration of other major works in future years.

FINANCIAL SUSTAINABILITY

The Barossa Council is committed to the principles of financial sustainability. The importance of this is to ensure that each generation 'pays their way', rather than any generation 'living off their assets' and leaving it to future generations to address the issue of repairing worn out infrastructure. Such issues are frequently referred to as 'intergenerational equity'.

With community infrastructure such as roads, footpaths and stormwater drainage comprising a major proportion of Council's balance sheet, it is important that Council implement appropriate strategies towards the effective maintenance and renewal of such assets to ensure it is fairly and equitably funded from current ratepayers (general rate income) and future ratepayers (long term loan borrowings).

Given the importance of ensuring financial sustainability of operations in the longer term, it is a legislative requirement that Council adopt Long Term Financial Management and Infrastructure and Asset Management Plans (minimum 10 years) as part of future planning.

The Long Term Financial Plan is designed as a 'high-level' summarised document towards the future planning of Council's financial operations; particularly in relation to key components such as rate movements, service levels to our community, major infrastructure asset replacement/renewal, loan financing and internal cash reserves. Council conducts an annual review of its Long Term Financial Plan each year.

The financial sustainability of Council is measured by the surplus/deficit (before capital revenues) disclosed in the Income Statement; with a consistent breakeven or operating surplus result indicative of a Council that is financially sustainable in the long term. Other financial sustainability indicators are separately included within this report.

FUNDING PLAN

Council uses a mix of service, user and statutory charges, grants, commercial, other income and loan financing as a means of funding both operating and capital expenditure. Refer to the appendix for funding the long term indexation, financial assumptions and estimates and the review of financial indicators.

To assist in keeping rates affordable, Council is limiting general rates income to an increase per annum to provide required service levels to the community over the life of this Plan. Selected services areas use services charges and service rates to recover the cost, including - Waste services for Refuse, Recycling and Green Organic with 2023/24 at 14% and future years ranging from 2% to 3%; and CWMS with 2023/24 at 7.73% and future years ranging from 1% to 2.5%.

Council is planning to spend an average of \$13.5m per annum (including indexation and The Big Project) on capital projects and an average of \$40.1m per annum on day to day essential services (operational expenditure, excluding interest and depreciation but including indexation) over the next 10 years.

OUR FINANCIAL PRINCIPLES

As part of its commitment to financial sustainability, Council operates under the following key financial principles in preparing the Annual Business Plan:

- Ongoing education and training such that all Council Members and Staff understand and fulfil their financial governance responsibilities
- Policies and practices that support decision making and assessment of performance
- Budget and financial information is presented at a strategic level, succinct and easy to follow
- Budget and financial information is based on the Long Term Financial Plan

- The Asset Management Plans are maintained and reflect whole of life costs
- The Rating strategy is equitable and generates sufficient revenue to meet financial needs
- Financial performance is managed using suitable financial indicators and targets
- A robust audit and internal control process is in place to ensure effective financial and governance compliance
- Information provided to the community is open, transparent and relevant.

Public Consultation



APPENDIX 1: KEY PERFORMANCE INDICATORS AND FINANCIAL PARAMETERS

A1 Consolidated Results: Key Performance Indicators and Financial Parameters											
Draft Bud - next years draft; LTFF = Long Term Financial Plan											
	Budget	LTFF	LTFF	LTFF	LTFF	LTFF	LTFF	LTFF	LTFF	LTFF	LTFF
	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %
Key Performance Indicators (KPI's) - Summary											
	Adopted target										
KPI 1 - Operating Surplus cumulative forward 10 year period*	Surplus year 10	(5)	(992)	(1,968)	(2,136)	(2,029)	(1,597)	(479)	879	3,050	5,826
KPI 2 - Operating Surplus Ratio - Rolling 3 year - retrospective average	(2%) to 10%	1.1%	(1.7%)	(1.3%)	(1.4%)	(0.7%)	0.2%	1.0%	1.7%	2.6%	3.4%
KPI 2 - Operating Surplus Ratio - Annual		(0.0%)	(2.0%)	(1.9%)	(0.3%)	0.2%	0.8%	2.0%	2.3%	3.6%	4.4%
KPI 3 - Net Financial Liabilities ratio	0-100%	61.5%	69.1%	62.4%	55.3%	52.3%	52.3%	46.2%	37.6%	29.0%	18.7%
KPI 4 - Asset Renewal Funding Ratio - Annual	80% to 110%	115.8%	106.9%	94.5%	88.2%	90.8%	100.4%	103.3%	103.0%	97.2%	96.4%
Financial parameters - Indexation											
RATE REVENUE INCREASES											
General - Rate Revenue Net Increase (excl growth)		3.50%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Growth -22/23 Development - General rates 0.75%; Service nos. - CWMS 1-1.5% & W	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%
CWMS - Service Charge & Rates Increase (+ growth 0.5-1.5%)		7.73%	2.50%	2.50%	2.75%	2.75%	2.50%	2.50%	2.25%	2.25%	2.25%
Refuse, Recycling and Green Organic Services Charge Net Increase (excl growth)		14.1%	3.75%	3.75%	3.75%	3.75%	2.75%	2.50%	2.50%	2.50%	2.50%
OPERATING REVENUE											
Operating Grants		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Statutory Charges		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
User Charges		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Investment Income		1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Reimbursements		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other Revenue		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
OPERATING EXPENDITURE											
Service Cost Natural Growth** (Waste, CWMS, NCPA growth is 1% all years)		0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Employee Costs		2.50%	2.50%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Contracts, Materials & Other	Current		4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Energy Costs	Current		4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Water Costs	Current		4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debtenture & Cash Advance Loan interest rate		5.8%	5.8%	5.8%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Insurance		4.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Asset Revaluation Increments											
Land Assets		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Building Assets		6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%
Recreation Assets		6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%
Infrastructure Assets		0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	6.0%	0.0%
CWMS		0.0%	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stormwater Assets		0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	6.0%
Asset Renewal Expenditure Increments											
Infrastructure renewal increments		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Office fleet vehicles		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
* All amounts in KPI 1 are in \$'000											
** Growth index included where relevant to Employee Costs and Contracts, Materials & Other for additional service requirements											
***2023/24 the operating expenditure is based on last years budget unless a contract or agreement(s) applies or where actual costs are higher to provide the current service level then no index was added to actual for the budget \$											

APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2023/24 TO 2032/33

A2-1 Consolidated Results: Budgeted Statement of Comprehensive Income											
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
REVENUES											
Rates	37,911	39,430	40,931	42,498	44,125	45,767	47,461	49,208	51,018	52,896	
Statutory Charges	828	844	861	878	896	914	932	951	970	989	
User Charges	3,837	3,866	3,897	3,975	4,055	4,137	4,220	4,305	4,391	4,479	
Grants, subsidies and contributions	3,557	3,522	3,585	3,378	3,438	3,500	3,563	3,628	3,694	3,761	
Investment Income	152	159	161	164	166	168	171	174	177	180	
Reimbursements	62	44	20	48	43	38	33	29	24	20	
Other Income	731	746	761	776	791	807	823	840	857	874	
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0	
TOTAL INCOME	47,078	48,611	50,216	51,717	53,514	55,331	57,203	59,135	61,131	63,199	
EXPENSES											
Employee Costs	17,430	18,008	18,547	18,911	19,312	19,722	20,140	20,568	21,005	21,451	
Materials, Contracts & Other expenses	18,495	19,557	20,530	20,938	21,568	22,351	23,062	23,838	24,582	25,403	
Depreciation, Amortisation & Impairment	10,170	10,616	10,901	11,075	11,597	11,837	12,010	12,702	12,883	13,103	
Finance Costs	988	1,417	1,214	961	930	989	873	669	490	466	
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0	
TOTAL EXPENSES	47,083	49,598	51,192	51,885	53,407	54,899	56,085	57,777	58,960	60,423	
OPERATING SURPLUS / (DEFICIT)	(5)	(987)	(976)	(168)	107	432	1,118	1,358	2,171	2,776	
Asset disposal & fair value adjustments	(848)	(652)	(772)	(824)	(940)	(934)	(914)	(948)	(965)	(1,002)	
Amounts specifically for new or upgraded assets	2,713	1,255	65	267	3,349	3,349	1,457	338	706	65	
Physical Resources received free of charge	0	1,780	1,848	1,868	1,914	1,976	2,026	2,063	2,106	2,136	
Operating result from discontinued operations											
NET SURPLUS / (DEFICIT)	1,860	1,396	165	1,143	4,430	4,823	3,687	2,811	4,018	3,975	

APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2023/24 TO 2032/33 (CONTINUED)

A2-2 Consolidated Results: Budgeted Statement of Financial Position	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current Assets										
Cash and cash equivalents	3,366	647	865	791	557	926	791	429	886	6,313
Trade & other receivables	2,677	2,636	2,715	2,710	2,693	2,692	2,690	2,680	2,670	2,598
Other financial assets	0	0	0	0	0	0	0	0	0	0
Inventories	391	391	391	391	391	391	391	391	391	391
	6,434	3,674	3,971	3,892	3,641	4,009	3,872	3,500	3,947	9,302
Non-Current Assets held for Sale	-	-	-	-	-	-	-	-	-	-
Total Current Assets	6,434	3,674	3,971	3,892	3,641	4,009	3,872	3,500	3,947	9,302
Non-Current Assets										
Financial Assets	1,240	1,201	1,084	972	876	781	689	607	535	535
Equity accounted investments in Council businesses	2,281	2,281	2,281	2,281	2,281	2,281	2,281	2,281	2,281	2,281
Infrastructure, Property, Plant & Equipment	438,363	454,920	458,944	466,089	481,582	493,795	502,156	512,141	518,577	523,746
Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	441,884	458,402	462,309	469,342	484,739	496,857	505,126	515,029	521,393	526,562
TOTAL ASSETS	448,318	462,076	466,280	473,234	488,380	500,866	508,998	518,529	525,340	535,864
LIABILITIES										
Current Liabilities										
Trade & Other Payables	5,431	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429
Borrowings	9,813	11,444	10,262	8,282	8,187	10,102	8,009	4,032	591	616
Provisions	3,035	3,040	3,045	3,050	3,055	3,059	3,064	3,069	3,074	3,080
Total Current Liabilities	18,279	19,913	18,736	16,761	16,671	18,590	16,502	12,530	9,094	9,125
Non-Current Liabilities										
Borrowings (External)	16,893	15,899	15,087	14,256	13,519	12,867	12,309	11,727	11,136	10,520
Provisions	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073
Total Non-Current Liabilities	17,966	16,972	16,160	15,329	14,592	13,940	13,382	12,800	12,209	11,593
TOTAL LIABILITIES	36,245	36,885	34,896	32,090	31,263	32,530	29,884	25,330	21,303	20,718
NET ASSETS	412,073	425,191	431,384	441,144	457,117	468,336	479,114	493,199	504,037	515,146
EQUITY										
Accumulated Surplus	105,979	107,842	107,773	108,291	112,131	117,025	120,054	122,173	125,372	128,492
Asset Revaluation Reserve	293,089	304,811	310,838	319,454	330,998	337,392	344,483	355,759	362,577	369,711
Other Reserves	13,005	12,538	12,773	13,399	13,988	13,919	14,577	15,267	16,088	16,943
TOTAL EQUITY	412,073	425,191	431,384	441,144	457,117	468,336	479,114	493,199	504,037	515,146

APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2023/24 TO 2032/33 (CONTINUED)

A2-3 Consolidated Results: Budgeted Statement of Cash Flows	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts:										
Operating receipts	46,927	48,452	50,054	51,553	53,348	55,163	57,033	58,959	60,954	63,019
Investment receipts	152	159	161	164	166	168	171	174	177	180
Payments:										
Landfill rehabilitation expense	(362)	0	0	0	0	0	0	0	0	0
Operating payments to suppliers & employees	(35,920)	(37,560)	(39,072)	(39,844)	(40,875)	(42,068)	(43,197)	(44,401)	(45,581)	(46,849)
Finance payments	(988)	(1,418)	(1,214)	(961)	(930)	(989)	(873)	(669)	(490)	(466)
Net cash provided by (or used in) Operating Activities	9,809	9,633	9,929	10,912	11,709	12,274	13,134	14,063	15,060	15,884
CASH FLOW FROM INVESTING ACTIVITIES										
Receipts:										
Amounts specifically for new or upgraded assets	2,671	1,255	65	267	3,349	3,349	1,457	338	706	65
Sale of replaced assets	232	510	361	372	440	699	419	425	431	438
Repayment of loans by community groups	99	79	39	118	112	96	94	93	82	72
Payments:										
Expenditure on renewal/replacement of assets	(7,811)	(6,783)	(6,806)	(7,139)	(8,538)	(10,408)	(8,480)	(8,701)	(8,831)	(9,068)
Expenditure on new/upgraded assets	(14,340)	(8,050)	(1,376)	(1,792)	(6,474)	(6,904)	(4,107)	(2,021)	(2,959)	(1,373)
Net Purchases of Investment securities	0	0	0	0	0	0	0	0	0	0
Loans made to community groups	0	0	0	0	0	0	0	0	0	0
Net cash provided by (or used in) Investment Activities	(19,149)	(12,989)	(7,717)	(8,174)	(11,111)	(13,168)	(10,617)	(9,866)	(10,571)	(9,866)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts:										
Proceeds from borrowings	5,100	4,550	0	0	0	2,000	0	0	0	0
Proceeds from internal borrowings (CWMS)	600	1,000	1,200	1,730	2,060	700	0	0	0	0
Payments:										
Repayment of borrowings	(2,407)	(3,899)	(1,987)	(2,812)	(832)	(737)	(2,652)	(4,559)	(4,032)	(591)
Repayment of Lease	(49)	(14)	(7)	0	0	0	0	0	0	0
Repayment of internal borrowings (CWMS)	(600)	(1,000)	(1,200)	(1,730)	(2,060)	(700)	0	0	0	0
Net cash provided by (or used in) Financing Activities	2,644	637	(1,994)	(2,812)	(832)	1,263	(2,652)	(4,559)	(4,032)	(591)
Net Increase/(Decrease) in Cash held	(6,696)	(2,719)	218	(74)	(234)	369	(135)	(362)	457	5,427
Cash at beginning of period	10,062	3,366	647	865	791	557	926	791	429	886
CASH AT END OF PERIOD	3,366	647	865	791	557	926	791	429	886	6,313

APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2023/24 TO 2032/33 (CONTINUED)

A2-4 Consolidated Results: Budgeted Uniform Presentation of Finances	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Operating Revenues	47,078	48,611	50,216	51,717	53,514	55,331	57,203	59,135	61,131	63,199
less Operating Expenses	(47,083)	(49,598)	(51,192)	(51,885)	(53,407)	(54,899)	(56,085)	(57,777)	(58,960)	(60,423)
Operating Surplus / (Deficit)	(5)	(987)	(976)	(168)	107	432	1,118	1,358	2,171	2,776
less Net outlays on existing Assets										
Capital expenditure on renewal and replacement of existing assets	(7,811)	(6,783)	(6,806)	(7,139)	(8,538)	(10,408)	(8,480)	(8,701)	(8,831)	(9,068)
less Depreciation, Amortisation and Impairment	10,170	10,616	10,901	11,075	11,597	11,837	12,010	12,702	12,883	13,103
less Proceeds from Sale of Replaced Assets	232	510	361	372	440	699	419	425	431	438
	2,591	4,343	4,456	4,308	3,499	2,128	3,949	4,426	4,483	4,473
less Net outlays on New and Upgraded Assets										
Capital expenditure on New and Upgraded Assets	(14,340)	(8,050)	(1,376)	(1,792)	(6,474)	(6,904)	(4,107)	(2,021)	(2,959)	(1,373)
less Amounts received specifically for New and Upgraded Assets	2,671	1,255	65	267	3,349	3,349	1,457	338	706	65
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0
	(11,669)	(6,795)	(1,311)	(1,525)	(3,125)	(3,555)	(2,650)	(1,683)	(2,253)	(1,308)
Net Lending / (Borrowing) for Financial Year	(9,083)	(3,439)	2,169	2,615	481	(995)	2,417	4,101	4,401	5,941

APPENDIX 3: CAPITAL EXPENDITURE

A3 Consolidated Results: Budgeted Capital Expenditure		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
		Budget \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000
Renewal/Replacement Capital summary: Non-Discretionary											
Land		0	0	0	0	0	0	0	0	0	0
Buildings		675	857	870	884	1,098	1,112	1,127	1,141	1,157	1,172
Recreation		1,280	91	93	96	398	530	530	530	530	530
Transport - Roads & Footpaths		4,296	4,090	4,236	4,778	4,946	5,121	5,302	5,489	5,683	5,883
Stormwater, Bridges & Floodplain		530	300	300	300	300	1,000	300	300	300	300
CWMS		100	164	353	97	608	800	98	98	0	0
Equipment - Plant & Vehicles		840	1,185	854	881	1,078	1,730	1,003	1,015	1,028	1,042
Other Assets		90	95	100	105	110	115	121	127	134	140
		7,811	6,782	6,806	7,141	8,538	10,408	8,481	8,700	8,832	9,067
New/Upgrade Capital summary: Discretionary											
Land		0	0	0	0	0	0	0	0	0	0
Buildings (includes TBP program)		6,346	3,704	50	237	5,619	5,619	2,834	732	50	50
Recreation (includes TBP program)		2,660	2,133	78	398	83	86	89	92	1,699	99
Transport - Roads & Footpaths		1,225	90	182	190	198	206	214	223	232	242
Stormwater, Bridges & Floodplain		1,049	333	337	341	345	349	353	358	362	367
CWMS		2,543	1,791	931	830	457	959	964	969	974	979
Equipment - Plant & Vehicles		0	0	0	0	0	0	0	0	0	0
Other		518	300	108	110	113	29	0	0	0	0
		14,341	8,351	1,686	2,106	6,815	7,248	4,454	2,374	3,317	1,737
Total Capital Expenditure		22,152	15,133	8,492	9,247	15,353	17,656	12,935	11,074	12,149	10,804
Note: includes internal allocations											

DEBATE REPORT

2.1 Office of the Mayor and CEO

2.1.3 GROWING REGIONS PROGRAM

**Author: Chief Executive Officer
23/22969**

PURPOSE

To seek Council approval to prepare an Expression of Interest and if successful a Business Case for the Growing Regional Program (GRP) for the Barossa Creative Industries Centre (BCIC).

RECOMMENDATION

That Council authorise:

- (1) The Chief Executive Officer to make an application for the Barossa Creative Industries Centre to the Growing Regions Program Round 1, and if unsuccessful, target Round 2 of the Growing Regions Program and during the budget and business plan consultation period update the Annual Business Plan and Budget and Long-Term Financial Plan to give effect to this decision.
- (2) A budget amendment to the 2022-23 budget of \$17,040 ex GST to The Big Project budget to support the costs of the applications development.

REPORT

Background

Historically there has been a community and economic development fund for regional and rural Australia offered by the Commonwealth Government. The prior program was known as the Building Better Regions Fund (BBRF). This fund ceased soon after the current governance was elected. Council had an application pending the outcomes, of what is now, the final round of BBRF for the BCIC. No BBRF round 6 programs were funded as the program was cancelled.

The current Government has recently announced a new program called GRP and Council where briefed on the program at a recent workshop, the presentation information is at [Attachment 1](#). The presentation can be provided publicly now as the component that made the briefing confidential has been made public, that being the purchase of land at Lyndoch. The GRP has been significantly rewritten and the governance model updated to remove the Ministerial Panel, the Department will make the decision of the Expression of Interest processes and make final recommendations to the Minister.

Introduction

The information as provided at Attachment 1 was developed shortly after the announcement of the new program and has since been verified and further clarifications made.

It is clear any project under the GRP guidelines must be formally approved under State planning laws for the purposes of development commencement; coupling a project that is approved with one under design and development will not comply with the program guidelines.

The above clarification leaves only one project which is shovel ready that meets the guidelines, the BCIC. The briefing notes at Attachment 1 articulate why other types of projects will not be eligible for instance stormwater, roads or footpaths.

One further recent critical clarification of the GRP guidelines is that it is very geared and tailored to social and community infrastructure, social inclusion and first nations outcomes. Job development, whilst important, is not the determining factor, unlike the BBRF program.

Discussion

The BCIC is the only investment of its type in the whole of The Big Project compared to significant recreational and sporting investments, all required. The BCIC is an approved strategic arts culture and heritage investment achieving Council's strategy for community, economic and social development. It encases in our Community Plan, Corporate Plan, approved stage 1 priorities for The Big Project and the Local Economic Development Plan. The project is also a priority in the Regional Development Australia Regional Plan, links strongly to the current State and Federal Government strategies including (links provided later in this report):

- SA - Arts and Culture Tourism Strategy 2025
- Commonwealth – National Culture Policy - Revive

There is no need currently to develop a further strategy, business case information or basis for the development given its extensive links and vision. An arts and culture plan is planned to be developed in 2023-24, which will activate these strategies and other investments and programs of Council. It is clear to me that investing in another strategy when we don't have the infrastructure vision in place is not the logically strategic path. The BCIC is the hub of a critical and enabling piece of infrastructure for the vision. It is also critical we deal with the matter of the existing condition of the regional gallery building in any case, which amount to significant investment needs alone, yet carried out in isolation, will add very little additional value. These deficiencies include: air-conditioning, power upgrade needs, further lighting, structural and cosmetic needs.

At Attachment 2 is the current Business Case analysis, which demonstrates a return on investment 4.28, which means for each \$1 invested it returns \$4.28 to the community, this will have potentially increased since the prior analysis due to cost and passage of time and if the Expression of Interest is approved this analysis will need to be updated for the Business Case. At the time of undertaking all the Business Case analysis work, performed independently, the BCIC has the highest rate of return than any other project under the banner of The Big Project. It is also important to understand the Business Case analysis is significantly aligned to the requirements of the Commonwealth Treasury.

The GRP at the time of developing the current draft budget and business plan was not released, there were no foreseeable grant funding programs available and thus it was pushed out in the current draft until at least the 2027-28 financial year. This announcement has changed the basis of the current settlements rationale and it is recommended it be revisited. As outlined recently to Council in notes I provided to a Notice of Motion the decision to align the BCIC to the revised date was dependent on a suitable grant program being available.

"Creative Industries Centre now targeted to commence in 2027-28 financial year unless grant funding can be achieved earlier."

The strategy to proceed with an application now has many benefits for this project and the Lyndoch Recreation Precinct project. Whilst it is clear we cannot couple Lyndoch into the GRP Expression of Interest; the unique set of timing circumstances that now apply with the announcement of the GRP give the opportunity for an overall collective strategy that could be structured to achieve both projects and achieve Council's strategic funding requirements. This is achieved as follows:

- The BCIC is constructed at a current estimated cost of \$13.922M, with significant contingencies.
- The model for The Big Project is 40% third party funding and 60% Council funding and is very much a strategy geared to lever grants up as former programs like BBRF gave additional weighting to greater matched funding contributions. The GRP does not, so long as it is no more than 50% of the cost for the geographical location in which our Council sits, it meets the guidelines, no additional benefit or determinant is achieved by funding a greater percentage.
- The BCIC can also apply for future Open Spaces funding through the State Government for the external elements of the project Council has a strong track record of success with Open Space funding applications: Barossa Adventure Station; Stockwell Pump Track etc.
- With open spaces funding target of \$1M and GRP funding (of 50% of the cost) of \$6.961M that achieves a third-party funding ratio of 57.2%.
- A funding ratio of 57.2% from third party sources releases \$2.395M in Council's budget to support the Lyndoch development.

In analysing the Lyndoch development, the following applies:

- Current funds set aside in the draft budget and business plan for the development is \$9.604M this is an increase in funding from the December 2022 report due to the second oval and new netball court needs but excludes the land purchase. It is likely with redesign this level of additional funding will be reduced as other works will no longer be required. The process of new design commences on 14 June 2023 when the Mayor, I and other senior staff meet with the park recreation stakeholders.
- Funding target from third parties on this build cost is \$3.842M
- Only \$500,000 has been sourced to date.
- Up to \$825,000 is likely to be available from the next round of Local Roads and Community Infrastructure Program, which Council has already resolved to support the application of this program to Lyndoch (if it does so Lyndoch is also not eligible for GRF but as stated above Lyndoch will not be eligible as it is not yet approved for development through the formal planning assessment process and won't be by the application date).

- The Barossa District Sporting Club (AFL and Netball) has in principle committed future funding up to \$300,00 to the project.
- This makes a total forecast third part contribution of \$1.625M being \$2.217M short of the target.
- The third-party benefit from a successful GRP application for the BCIC and associated strategy as outlined in this report is \$2.395M.

In other words when the projects are put together the total investment is fully funded and achieves the 40% third party funding and 60% Council funding model. The following table sets out the above analysis.

	BCIC		Lyndoch	
	TBP Base Model	GRP Model	TBP Base Model	GRP Model
Construction Cost	13,922,000	13,922,000	9,604,000	9,604,000
Council Contribution %	60%	42.8%	60%	83.1%
Council Contribution \$	8,353,200	5,961,000	5,762,400	7,978,960
	BCIC + Lyndoch		Saving	
Total Council Funding	14,115,600	13,939,960	-175,640	

To ensure the sustainability of any decision to apply to the GRP Expression of Interest for the BCIC a full analysis of the Long-Term Financial Plan has been undertaken. The results of this analysis has been compared with that currently aligned to the draft Budget and Business Plan for the 2023-24 year settings approved and discussed by Council over the past 6 months.

The analysis provided at [Attachment 3](#). The key analysis settings are:

1. The BCIC build costs commence in 2024-25 and finish in 2026-27 (likely to mainly be final components in early 2026-27).
2. Project starts in May 2024 similar time to Lyndoch if successful.
3. Additional operating funding allocated to budget from 2026-27 to run the facility.
4. Depreciation added at \$350,000 base from 2026-27 to recognise the utilisation of the asset.
5. Borrowings adjusted accordingly needing additional upfront borrowing and nothing in the outyears after 2026-27 financial year.
6. A small increase in rates in 2024-25 to 2026-27 financial years to assist with cash flow needs above the current draft budget and business plan estimates and offset later in the forward estimates resulting in a rating reduction over the 10 years of 0.25% in total. As time proceeds and we continue to work on savings and outcomes of market forces and inflation this will be altered, or additionally further borrowings could be made.

The key performance indicators over the 10- year analysis period for the altered GRF investment decision model compared to the current Budget and Business Plan for 2023-24 show:

- Operating surplus being \$946K less with a surplus position of \$4.88M, target is to be in surplus.

- Operating surplus ratio within the targets set and ranges from -1.73% (target is no lower than -2%) and 3.44% (target is not higher than 10%).
- Net financial liabilities (measuring what we owe against what is collected) are lower by \$2.616M and peak at \$35.743M in 2023-24.
- Net financial liabilities ratio is lower by 4.11% at year 10 and only 14.56% in total and peaks at 73.18% or 4.06% higher than the current forecast well within the target of 0% to 100%.
- Loan funding needed is \$300,000 more than current forecast.
- Loan balances are the same as that currently forecast at year 10, as the loans to be used will be cash advances and paid back in full during the forecast period, the \$11.136M is related to current fixed loans.
- The cash balance of Council is stronger from the financial year 2029-30 than currently forecast.

Further an update to The Big Project prudential report will be undertaken post the approval of the Budget and Business Plan for the 2023-24 year.

Assistance is needed due to workload and particularly Commonwealth funding – “program logic” expertise to give effect to the application. Council has worked extensively with Section 51 to write applications the principal of this company and staff has excellent understanding of the project. Having them assist staff to develop the EOI will be much more efficient than seeking other grant writer assistance who have no knowledge of the project. This will also allow project staff to concentrate on project rollout at Nuriootpa, Tanunda and Mt Pleasant whilst the Project Director, Team Leader Communications and Engagement and myself help write the application. A quote has been received and is at [Attachment 4](#). The cost with some contingency allowance is \$17,020. This will be funded through the general consultancy funds in The Big Project budget through an approved budget amendment.

Summary and Conclusion

The analysis and work undertaken support the sustainability of the strategy to proceed with the GRF application for the BCIC and it has two critical outcomes of being able to generate grants to deliver upon both the BCIC and Lyndoch developments within the bounds of The Big Project funding model.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

- Attachment 1 Growing Regions Program Preliminary Briefing [↓](#) 
- Attachment 2 Business Case - Barossa Creative Industries Centre [↓](#) 
- Attachment 3 Growing Regions Program - Long Term Financial Analysis [↓](#) 
- Attachment 4 Section 51 Quote [↓](#) 

Supporting references

[Arts and Cultural Tourism Strategy 2025 | Tourism SA](#)
[A new National Cultural Policy | Office for the Arts](#)

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Community Plan



Community and Culture



Infrastructure

Goal

4. The Barossa fosters community resilience, connection and wellbeing through its social planning, recreation, safety, education, preventative health and social strategies especially for our youth and vulnerable people.
7. Community infrastructure planning is aligned to both current and the future needs of the community

Strategies

- 4.3. Embrace place-making principles when developing community infrastructure and regulate planning and development in public spaces and active recreation.
- 7.2. Ensure both current and future infrastructure needs are met in a proactive rather than reactive way.

Legislative Requirements

Section 123 of the Local Government Act

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Outlined in the report. An updated full cost estimate for the BCIC was obtained by Officers in February 2023 in anticipation of future funding and Big Project financial modelling and prudential management reporting requirements.

Risk continues to be evident in cost growth, and the longer the builds take the greater this risk. There is reputational risk to Council inherent in not delivering the projects.

If the application is not successful there is a second round of funding in 18 months, however the benefit of releasing cash in the budget will be lost and that will potentially require Council to either fund additional costs at Lyndoch or the need to seek further third-party funding.

COMMUNITY ENGAGEMENT

There has been extensive consultation and engagement on The Big Project, and it continues as projects are rolled out.

Budgets will be consulted upon and if approved the current budget and business plan will allude to this application.

Growing Regions Program

Preliminary Briefing



Office of the
Mayor and CEO

Growing Regions Program

- New program released last week – web link [here](#).
- Essentially a revised version of the other Building Better Regions Fund.
- The basics:
 - Two stage process – Expression of Interest due by 1 August 2023; second stage is full submission if selected by 1 November 2023.
 - Funding in 2024 – latest start date 15 May 2024.
 - Local Government is eligible.
 - Delivery required 31 December 2025.
 - \$300M available in this first round – forward budgets identify further \$300M over two more rounds.
 - Min grant \$500,000 max grant \$15M.
 - Barossa is Group 3 – 50/50 funding requirement.

Growing Regions Program

- Objectives:
 - Constructing or upgrading community infrastructure that fills an identified gap or need for community infrastructure.
 - Contributing to achieving a wide range of community socio-economic outcomes .
 - Is strategically aligned with regional priorities.
- Outcomes:
 - Delivery of community-focused infrastructure which contributes to local and regional priorities.
 - Provision of infrastructure which benefits the community by improving equity and supports diverse social inclusion.
 - To contribute to the achievement of broader Government priorities such as net zero emissions, gender equity, and/or First Nations priorities.
 - Growing local economies and enhancing amenity and liveability in the regions.



Growing Regions Program

- Key other eligibility criteria:
 - Constructing new community infrastructure.
 - Expanding or upgrading existing infrastructure for wider community benefit:
 - Provided examples:
 - Community hubs and centres (youth centres, men's sheds)
 - Art galleries/libraries/museums/cultural facilities
 - Aquatic/sports centres
 - Social and community infrastructure which encourages economic and social liveability
 - Be shovel ready and approved for construction.
 - Address identified gap – and a wide range of community socio-economic outcomes.
 - Address regional priorities.



Early Analysis

- The project is aimed at community infrastructure.
- The examples are clearly aligned to general investment opportunities for community, arts, culture, recreation and other types of investment.
- Local roads and other infrastructure will not meet the criteria as they cannot demonstrate regional priorities nor align to the guidelines outlined in this presentation.
- Risk at strategic level including funding capacity – reputation risk of not trying – and delivery risk of two significant projects at once.
- This leaves the following options:
 - Lyndoch Recreational Development – All or Phased
 - Creative Industries Centre – Has been deferred in current draft budget give cost pressures and unknown funding sources at time of budget development.
 - There are no other Council projects in a state that can achieve the objects, outcomes and eligibility criteria.



Early Analysis

- Lyndoch Recreational Park Development:
 - Current estimated cost – with second oval (not including the purchase cost) is \$9.604M.
 - Funding target for this project is identified at \$3.146M or 40% - have achieved commitments to date of \$0.800M.
 - Have earmarked \$565K from LRCIP Round 4 but cannot use other commonwealth funding if we go for GRP.
 - Would therefore need to seek \$2.346M from GRP – work cannot commence until 2024. Or reallocate funds from elsewhere in budget and apply LRCIP Round 4 to that work e.g. an existing road project.
 - There is a risk that funding deadlines for the three streams of funding will not coincide resulting in grant compliance and delivery risks.
 - Could be phases with existing plans lodged for approval now which would be the main clubroom/change room infrastructure and then phase 2 the remainder of the work.
 - Remainder of work primarily been new oval, netball courts and lights and netball changerooms, clubrooms, canteen, civils and car parking.
 - Is it a regional priority? Will mainly rely on Tourism link in RDA Strategic Plan.
 - It is identified as a key project in the SANFL/SACA and State Sporting Strategies as a priority and aligns to the four-pronged strategy for recreation investment in the Barossa.
 - Would need to lodge phase 1 application immediately.



Early Analysis

- Creative Industries Centre:
 - Is shovel ready and has approval (approvals extended once so far and now in place until 27 January 2024) can commence by 14 May 2024.
 - Current estimated costs \$13.922M.
 - Funding target for this project is identified at \$6.961M or 50%.
 - Is not funded until the 2027-28 financial year in draft budget.
 - Meets the core criteria especially regional priorities and social-economic initiatives, addresses a gap and will incorporate First Nations.
 - RDA Barossa identified creative industries as regional priority as part of its Regional Strategic Plan – pg 11 of the plan identifies the growth opportunities which include tourism and creative industries.



Third Party Approach

- Representatives of National Trust have also approach Council on a project for restoration and integration with the CIC.
- Further information needed but preliminary notes:
 - Not approved.
 - Needs \$2M matching funds from third party.
 - Transfer of risk to Council



Strategy Options and Risks

- Option 1 – Round 1 Application
 - Lyndoch Recreational Park Development only:
 - Aligns with draft budget.
 - Will it be significant enough to be a regional priority?
 - Development approval not currently in place this is a significant risk to potential selection via EOI process – maybe able to phase.
- Option 2 – Round 1 Application
 - Creative Industries Centre only:
 - Does not align with current draft budget.
 - Need to determine long term financial plan impacts before committing.
 - Is a regional priority.
 - Development approval is currently in place.



Strategy Options and Risks

- Option 3 – Round 1 Application
 - Lyndoch Recreational Park and Creative Industrial Centre together :
 - Does not align with draft budget.
 - Need to determine long term financial plan impacts before committing.
 - Can be phased to achieve compliance with approval requirements.
 - Higher risk strategy around delivery.
 - How can we align the strategy/argument to meet the criteria – what is the regional gap and alignment of the two projects – is the argument to be made viable.
- Option 4 – Round 1 Application
 - Do nothing:
 - Does not align with draft budget.
 - Misses an opportunity to fund projects by third parties.
 - Reasonable expectation to try and lever Council funding by community.

Strategy Options and Risks

- Option 5 – Longer Term Strategy
 - Lyndoch Recreational Park – Round 1 Application
 - Creative Industrial Centre together – Round 2 Application
 - The same risk and analysis of other options apply.
- Critical issues:
 - Need long term financial plan analysis before any commitments for any options are resolved.
 - Formal report needs to come to Council to advise staff direction – the past resolution regarding grant applications of this type no longer applies.
 - The EOI process is reasonably refined but will require support and resourcing will be required if we get through the EOI for the full application - will absorb large amount internally.



The Barossa Council

BAROSSA CREATIVE INDUSTRIES CENTRE

COST BENEFIT ANALYSIS 2021



Disclaimer

The details provided in this report are based on information available at the time of preparation and terms of reference of the project. All estimates and statements made are given in good faith and in the belief that such statements are not false or misleading. All sources of information are detailed in the report. Readers are recommended to make appropriate enquiries and/or take appropriate advice before acting on information supplied in this report. A.P. SHEERE CONSULTING is not liable to any person for loss or damage incurred or suffered as a result of acting on or accepting any offer contained in this report.

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1.0 EXECUTIVE SUMMARY

1.1 Project description

The Barossa Council is repurposing and adding to the historic Barossa Regional Gallery to develop a landmark cultural hub and creative industry precinct to be a cultural beacon that truly showcases the heritage, culture and creative industries of its world renowned community – regionally, nationally and internationally. It will be known as the **BAROSSA CREATIVE INDUSTRIES CENTRE**.

The Centre will dramatically enhance the current performance and exhibition spaces, create a heritage education centre with a focus on digital and multimedia engagement platforms, broadcasting and production suites, music education facilities, arts studio and workshop spaces, residency program capability, external performance areas that talk to the indigenous history and landscapes of the region, event and sensory public gathering open spaces, all in the heart of iconic Tanunda Township.

This project has six integrated parts:

1. New broadcasting, production, workshop and studio hub, education and cultural residency programme spaces and providing 24/7 access to users.
2. New exhibition areas including digital and multi media capability to expand the existing gallery capacity, new contemporary collection storage and workshop space, retail area and administrative office.
3. Dedicated and upgraded performing arts, flat floor and stage area, function space with production storage, changing rooms and green room with lift access to rehearsal / overspill greenroom and music archive storage.
4. New entrance and entry foyer from Basedow Road and connecting to rear external courtyard spaces.
5. External performance space and public art, gathering, social and passive recreational areas. All zones provide capacity for function and event activities.
6. Car parking and internal roadway.

1.2 Cost Benefit Analysis summary

The CBA assessment finds that **Option 1 - undertaking the BAROSSA CREATIVE INDUSTRIES CENTRE** (without delay) is preferred overall due its lower capital cost, lower risks, higher BCR, greater opportunities to support new events and expanded activities, expedited new jobs and increased tourism activity and the fact that by completing the project without delay, will result in the associated benefits being experienced much sooner.

Using a real discount rate of 7 per cent, the total project generates a net present value of over \$55.6 million with a benefit cost ratio of 4.28. A benefit-cost ratio of 4.28 means that policymakers can expect \$4.28 in benefits for every \$1 in costs.

This suggests that investment in the **BAROSSA CREATIVE INDUSTRIES CENTRE (without delay)** will return greater benefits than a 'without project' scenario.

2.0 INTRODUCTION

This Business Case and Cost Benefit Analysis document demonstrates the merit and intended execution of the proposed Barossa Council investment titled:

BAROSSA CREATIVE INDUSTRIES CENTRE

Note that a full Business Case has been developed and is provided as a separate attachment.

2.1 Introduction to Barossa

The Barossa is located in South Australia, about 70km north-east of Adelaide, the state's capital city. Located in South Australia, the Barossa Valley and surrounds are an easy one-hour drive from the capital Adelaide's CBD and the Adelaide International Airport.

The Barossa Valley is a renowned wine-producing region northeast of Adelaide, in South Australia. The area encompasses towns such as Tanunda, Angaston and Nuriootpa, and an array of high-profile wineries offering tours and cellar-door tastings.

2.2 Background and description

The Barossa Council is repurposing and adding to the historic Barossa Regional Gallery to develop a landmark cultural hub and creative industry precinct to be a cultural beacon that truly showcases the heritage, culture and creative industries of its world renowned community – regionally, nationally and internationally. It will be known as the **BAROSSA CREATIVE INDUSTRIES CENTRE**.

The Centre will dramatically enhance the current performance and exhibition spaces, create a heritage education centre with a focus on digital and multimedia engagement platforms, broadcasting and production suites, music education facilities, arts studio and workshop spaces, residency program capability, external performance areas that talk to the indigenous history and landscapes of the region, event and sensory public gathering open spaces, all in the heart of iconic Tanunda Township.

It will also serve as a hub and landing point for specialist creative professionals and visitors alike providing visibility, promotion and signposting to other creative facilities and content throughout the Barossa region.

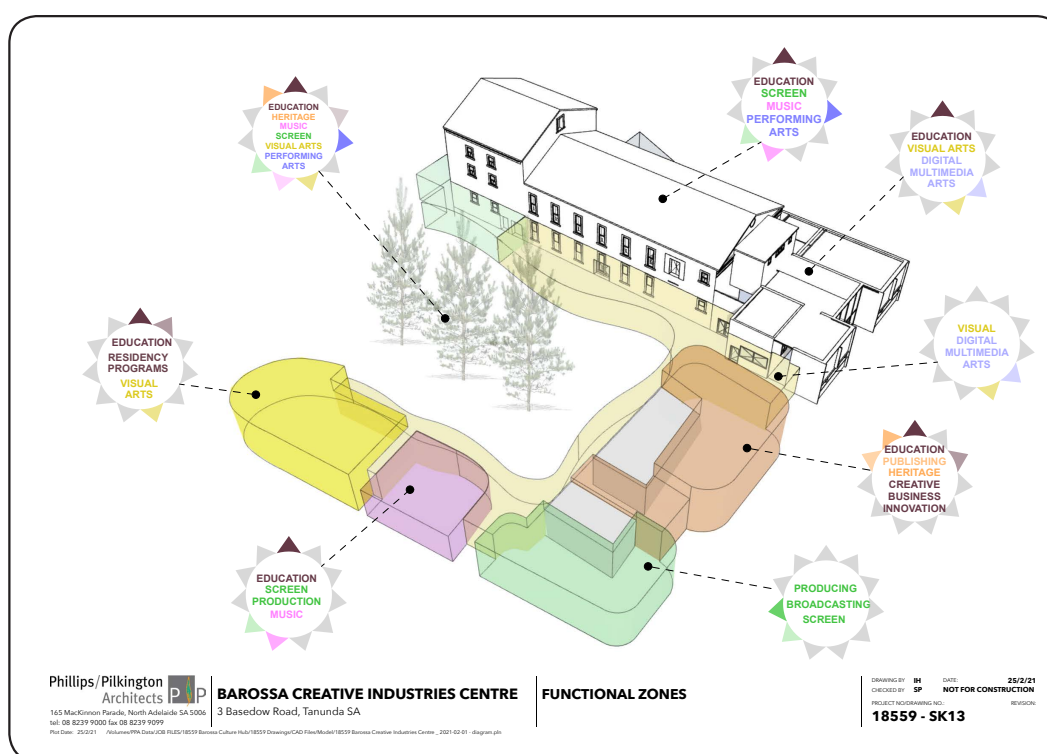
A true hub and spoke model and approach that builds content, capability and capacity. New Council staff appointed specifically for the new facility will provide specialist creative direction, curation and administration to support the centre, creative professionals, volunteers and community groups.

As a current soldiers' memorial hall, the extended building will continue to honour and commemorate in an appropriate manner.

2.3 Project scope elements

This project has six integrated parts:

1. The first is new broadcasting, production, workshop and studio hub, education and cultural residency programme spaces and providing 24/7 access to users.
2. Second, is the addition of new exhibition areas including digital and multi media capability to expand the existing gallery capacity, new contemporary collection storage and workshop space, retail area and administrative office.
3. Third, is dedicated and upgraded performing arts, flat floor and stage area, function space with production storage, changing rooms and green room with lift access to rehearsal / overspill greenroom and music archive storage.
4. Fourth is new entrance and entry foyer from Basedow Road and connecting to rear external courtyard spaces, including reception space, soldiers' memorial, bar/performance catering and access to lift and digital and contemporary heritage library.
5. Fifth involves taking the cultural experience outside with external performance space and public art, gathering, social and passive recreational areas. All zones provide capacity for function and event activities.
6. Sixth is the car parking and internal roadway.



3.0 COST BENEFIT ANALYSIS

The objective of this economic appraisal is to assess whether undertaking the **BAROSSA CREATIVE INDUSTRIES CENTRE** project would be more beneficial for the community as a whole than a 'without project' case scenario.

This economic appraisal uses a cost benefit framework (CBA) to assess the desirability of each option. The appraisal focuses on the benefits and costs accrued by users (The Barossa LGA and region, visitors, businesses and the community as a whole), which include benefits from increased tourism, social benefits and encouraging further investment and visitation. Benefits arising from each option identified are based on net decreases in user costs relative to the 'without project' case.

There are a number of social and environmental impacts that cannot be valued due to limited information about the valuations of social and environmental benefits and costs associated with certain elements of the project. To compensate for this, this study separately identifies, in a qualitative way, the full range of program outcomes, including economic, social and environmental costs and benefits. This approach is outlined in the Qualitative Assessment.

3.1 Project objectives

The principle objectives of the **BAROSSA CREATIVE INDUSTRIES CENTRE** are to:

- Economic Benefit: By fostering the next wave of innovation through a creative industries centre, we are supporting businesses which will drive economic growth and diversification, rebuild our region and create the jobs of the future.
- Social benefit: Support greater opportunities for increased employment, volunteering, social connections, increased participation in arts, resulting in a more liveable and attractive region whilst addressing social disadvantage.

A separate Business Case has been developed which details the full rationale for investment.

3.2 Scope assessment - options analysis

In addition to the Base Case ('do nothing'), two other options were considered by The Barossa Council for this project, as follows:

1. Option 1 – Undertake the **BAROSSA CREATIVE INDUSTRIES CENTRE** in full
2. Option 2 – Undertake the **BAROSSA CREATIVE INDUSTRIES CENTRE** in full but at a later stage

A 'do nothing scenario' was dismissed as being unproductive and not addressing any objectives. Various plans and designs were investigated but ultimately the infrastructure elements presented are the only feasible ones and result in the greatest economic and social benefit. As such, this cost-benefit assessment analyses Option 1 and Option 2 listed above.

Base case - do nothing

Scenario 1 – 'base case- do nothing' It is assumed that development in the project area would remain largely unchanged, resulting in a number of detrimental situations including:

- increased youth unemployment

- less competitive than other wine regions resulting in a decline in tourist numbers
- less access to arts and culture
- fewer employment opportunities
- less community cohesion
- less CBD and regional activation
- no catalyst for attracting additional private investment into the region
- no additional jobs being created within the local community
- less community infrastructure
- less attractive to current and future residents
- lost opportunities to develop the character of the Barossa

Given the considerable support for this project, including the inclusion of such infrastructure in many Council strategies, an ongoing 'do nothing' option is not considered feasible.

Option 1 - Undertake the BAROSSA CREATIVE INDUSTRIES CENTRE project in full

Option 1 involves the development of the **BAROSSA CREATIVE INDUSTRIES CENTRE** project in full, as soon as possible. This option will meet the project objectives and result in :

- improved destination image, competitiveness and sustainability
- creation of a central place for storytelling
- greater social cohesion and sense of belonging
- improved liveability of the region
- population growth as the region becomes more attractive to residents
- greater volunteer opportunities
- workshops assisting people into new employment roles
- reduction in youth unemployment
- new training opportunities
- support a generation of new entrepreneurs in the creative industries
- the region has an additional drawcard to compliment its already renowned reputation as global wine city
- local employment opportunities created
- more business opportunities
- induced/leveraged development
- induced visitor numbers and expenditure (increased length of stay)
- induced local expenditure (retention of local expenditure)
- increased output for a number of growth industry sectors including tourism
- greater access to the arts and culture
- reduction in seasonality of tourism

Option 2 – Undertake the BAROSSA CREATIVE INDUSTRIES CENTRE in full but at a later stage

This option would see the same benefits but they would not be experienced until a later date.

3.3 Capital costs and operational costs

The project costings are based upon independent assessment from Chris Sale Consulting, Quantity Surveyors. The total project cost is \$10,719,000 (GST exclusive).

Project:	Barossa Creative Industries Centre	Estimate:	Cost Estimate
Project No:	192289	Date:	25 February 2021
GFA:	1,714 m2		

Code	Description	Quantity	Unit	Rate	Total
	BAROSSA CREATIVE INDUSTRIES CENTRE				
	BUILDING WORKS				
EB	Extension Building	1,072	m2	3,962	4,247,410
RF	Refurbishment	642	m2	2,090	1,341,619
	Sub-Total Building Works	1,714	m2	3,261	5,589,029
	EXTERNAL WORKS				
SI	Site infrastructure and External works		Item		2,102,550
	Sub-Total External Works		Item		2,102,550
	Sub-Total Building & External Works	1,714	m2	4,488	7,691,579
BW	Building works on cost		Item		1,588,000
	Total Builder's Work	1,714	m2	5,414	9,279,579
PC	Project on cost		Item		1,439,421
	Total Project Cost (excluding GST)	1,714	m2	6,254	10,719,000

The projected ongoing costs are presented below and have been carefully estimated by Council. Council has made provision for the **BAROSSA CREATIVE INDUSTRIES CENTRE** operational costs in the ongoing Long Term Financial Plan. These budgeted amounts will be reviewed on an ongoing basis as part of the annual budget cycle.

The table following illustrates figures for year 1 post development. Operating Expenses include employee costs, services, program and exhibition costs. Maintenance Expenses include mowing/landscaping, electrical repairs and cleaning. Note that depreciation has NOT been included as part of this CBA as recommended by the Australian Government's Handbook of cost-benefit analysis to avoid potential double counting of costs.

Barossa Creative Industries Centre	Year 1
Total Operating Expenses	\$565,189
Total Maintenance Expenses	\$24,078
Total per annum	\$589,267

Source: Barossa Council 2021

A summary of the capital costs and annual costs for the two options is provided in the table below:

Option	Option details	Capital cost (GST excl)	Average annual operating costs
Option 1	Undertake the project in full	\$10,719,000	\$589,267
Option 2	Undertake the project in full but at a later stage (5% increase in costs).	\$11,254,950	\$618,730

Source: Barossa Council 2021

It should be noted that Option 2, by delaying the project, may result in additional costs such as the risk of manual handling accidents, trips and falls, damage to artwork and stock due to poor climate control, etc.

3.4 Quantitative assessment of benefits

This economic appraisal has been carried out according to Treasury Guidelines. Costs and benefits that can be directly expressed in economic terms are referred to as 'quantitative'. Costs or benefits that cannot be quantified in economic terms are referred to as 'qualitative costs' and 'qualitative benefits'. It is important here to understand that 'quantitative' in this sense means quantified in monetary terms. Even though something can be expressed numerically, it may not necessarily be able to be quantified in the economic sense by the assignment of a monetary value. Both Options 1 and 2 have been assessed compared to the base case to help identify a preferred option.

3.4.1 General parameter values

The following general parameter values have been used for the **BAROSSA CREATIVE INDUSTRIES CENTRE project** user cost benefit analysis.

- Base Year - The base year considered for discounting purposes is 2019/20.
- Discount Rates - A discount rate of 7% has been used to discount future capital costs and user costs to the base year. Discount rates of 3% and 10% have also been used for the purpose of sensitivity analysis.
- Evaluation Period - An evaluation period of 20 years has been used for the economic analysis.
- Dollar values - All dollar values are based on the Australian dollar using estimated 2020/21 figures.

3.4.2 Monetised benefits

The benefits of the **BAROSSA CREATIVE INDUSTRIES CENTRE project** are further detailed below and where applicable, have been estimated as the sum of:

- increase in visitor numbers and subsequent spend
- various revenue streams from workshops in the hub and leases
- increased volunteer activities
- reduction in OH&S issues and associated safety risks

In order to quantify the impacts listed, unit values for each parameter are required. These have been derived by referencing other reports and surveys and through discussions with Council and other entities. All calculations are considered to be conservative. Where dollar values were not available, this has been highlighted. A summary of the monetised benefits and their characteristics have been provided in table 3.4.2 below with full calculations provided in the following narrative.

A summary of the monetised benefits and their characteristics have been provided in table 4.2.2.

Table 4.2.2 CBA Quantitative summary table	
Benefit type	Benefit \$ value first year post development only
Increase in visitor numbers and subsequent spend:	\$5,184,990
Various revenue streams from workshops in the hub and leases	\$203,011
Increased volunteer activities	\$93,132

3.4.2.1 increase in visitor numbers and subsequent spend

Using the Tourism metrics for Barossa LGA - 2019 from Tourism Research Australia 2019 (SEE APPENDIX A), it has been estimated that post development tourism numbers will increase by (a conservative) 3% per annum post development. This is as a direct result of the the project and the associated activities and events etc, that will be created through the centre.

As a result of the increase in tourist numbers, the increase in expenditure is estimated to total \$5,184,990 in the first year post development. Tourism figures are expected to increase by a further 5% per annum. Figures for International visitors have not been included in this assessment.

	2019 visitors	% increase	Av. spend per trip/ day	Total \$ First year
Domestic overnight	202,000	3% increase = 6,060	\$564	\$3,417,840
Domestic day	765,000	3% increase = 22,950	\$77	\$1,767,150
Increased tourism expenditure total				\$5,184,990

Source: TRA 2019 LGA Profile

3.4.2.2 Revenue streams from the new Hub

A number of revenue streams will provide income on an annual basis post development. The table below provides a summary of these income streams.

Revenue stream	Note	First year of income
Artist Studio Tenancy	4 units for practicing artists @ 6, 12 or 24 month leases	24,720
Triple B Lease	Annual lease - negotiated with radio station	4,244
Liedertafel Lease	Annual lease - negotiated with group and reflects current arrangements	1,750
Music Incubator Lease	Annual lease - negotiated with commercial operator	10,000
Barossa Players Lease	Annual lease - negotiated with group and reflects current arrangements	3,713
Concert Income	Bach Festival - 3 per annum 25% contribution per ticket World organ festival - 3 concerts 25% contribution per ticket	8,434
Door Donations	Based on historical donations at events - conservative estimate	10,000
Venue Hire	Presumption based upon mainly community rates with some commercial venue hirers	4,000
Workshop Fees	Estimate	8,000
Commission on Sales / Merchandise Sales	Annual estimate based on number of events, exhibitions and current sales trends and commission of 25% for each item.	39,900
Project Funding / Signature Events	Signature Exhibition - 2 per annum - 1000 attendees @ \$10 each; Membership; Specific project funding for annual programs; Benefactor Support for projects and events	60,000
Artist Residency Sponsorship	Min 4 sponsored residencies per annum	6,000
Heritage Sponsorship	Barossa Heritage Festival 1 event with 3 items per annum 500 attendees @ \$30	10,000
Artist Residency Fee for Service Income	Min 4 sponsored residencies per annum fees for overheads, services and access	12,250
Total		\$203,011

Source: Barossa Council 2021

3.4.2.3 Increased volunteer activities

“Volunteers are the lifeblood of so many facets of our society, including aged care, emergency services, environmental management, health care, sport and tourism – all of which simply could not operate effectively without them.” Minister for Citizenship and Communities NSW.

It is anticipated that post development a significant number of additional volunteer opportunities will arise. Roles just as additional guides, front of house, marketing, ticket collection, sales, event assistants, etc, will be created. Currently there are 55 volunteers contributing a total of 3,227 volunteer hours. 3,227 hours across 55 volunteers, is 58.67 hours per volunteer, per annum.

Gallery Volunteer Hours (2017/2018 year) Total - 3,227	
Volunteer role	Volunteer hours
Sitters and shop	1827 (formally gathered)
Organ Volunteers	1000
Exhibition Volunteers	400
Total	3,227 hours (55 volunteers)

Source: Barossa Council

Twice a year, *Volunteering SA&NT* updates the volunteering dollar replacement hourly rate figure, which is currently \$45.10 per hour (2020 rates). The basis of this calculation is taken from the biannual Australian Bureau of Statistics (ABS) average weekly earnings figures for Australia.

55 volunteers contributing 3,227 hours per annum equates to an average of 59 volunteer hours per person (volunteer), per annum. It is estimated that post development, volunteer numbers will reach 90 persons (equivalent to 35 additional volunteers) with an additional 2,065 hours contributed to the **BAROSSA CREATIVE INDUSTRIES CENTRE**. This equates to **\$93,132 in volunteer value** per annum - (2,065hrs x \$45.10). For the purposes of this CBA, the figure for number of volunteers has been increased by (on average) 1 person per year. This is considered to be very conservative.

3.5 Qualitative Assessment

A qualitative assessment has been undertaken to support the Cost Benefit Analysis to highlight a range of potential costs and benefits associated with the project that cannot be assigned a value or easily costed.

Improved livability

The contribution of an arts/cultural program to liveability may be evidenced by:

- improved residents' perceptions of the place where they live
- increased social capital – the norms and networks that enable collective action
- greater participation and contribution by volunteers
- stronger public/private/voluntary sector partnerships

Valuing diversity and increased participation

With one quarter of Australians born overseas many regional areas are linguistically and culturally diverse. This creates potential benefits for production, innovation and creativity.

Participation in multicultural arts activities leads to the promotion of trust and acceptance. The positive recognition and expression of diversity through a range of art forms is important in creating a cohesive society. In 2014 the Australia Council for the Arts found that 92% of people surveyed agreed that Indigenous arts are an important part of Australian culture. Indigenous artists practicing traditional and contemporary art are supporting better understanding and reconciliation across the regions.

Feeling Part of Society

Problems such as unemployment or family breakdown are alleviated when people feel included in society. Social inclusion is a determinant of mental health and well-being. The arts play a vital role in reaching and engaging people. They provide social opportunities and entertainment alongside other activities such as sports or gaming. Volunteering is a key activity that brings people together and creates social capital. Most arts organisations in regional areas rely on volunteers, and provide the opportunity for people to engage and connect. Volunteering builds networks, skills and professional experience and has positive effects on people's physical and mental vitality.

The Value of Civic Pride

Civic pride in a community can improve social behaviour and encourage people to care for the neighbourhood and the environment. A community which prides itself can generate a feeling of well-being for residents, which in turn boosts internal and external perceptions of a region.

The arts provide many opportunities for individuals and groups to generate civic pride. Public celebrations and local festivals engage people and enable community self-determination. Festivals and arts events give regional communities an opportunity to communicate the vision and values of a place and help a regional community to form a strong and distinct shared identity. Public art projects engage people. They often create a physical expression of local cultural values.

The Value of Local Groups

Many regional arts activities and organisations are small, local and community-focussed. Local community choirs, small theatre or dance groups, a gallery society or a group of artists all serve the local community, creating a sense of community identity.

The critical importance of the role of these community associations involved in visual arts and crafts, music, theatre, dance and other arts is widely recognised by community development, health and academic institutions.

Arts Projects Can Re-Define Locations

Rural, regional and remote locations are unique, complex and a significant part of Australian identity, defined in part by history and landscape. Many are now adversely affected by shifts in local economies and populations. Arts activities and projects can re-define such locations in new and positive ways, providing both residents and visitors with a strong sense of a community's unique identity. The First Coat mural festival and project in Toowoomba has been credited with reducing vandalism from tagging and graffiti, changing the nature of the CBD, attracting tourists and bringing the region to national and international attention. Tanunda is already a popular town mainly due to its association with the wineries. The town has an opportunity to increase its appeal as a destination in itself with the **BAROSSA CREATIVE INDUSTRIES CENTRE** offering a range of exciting events and activities.

3.5.1 Summary of Qualitative benefits

A summary of qualitative benefits according to the Option has been provided below ranked 1-3 where 3 is a high impact ranking and 1 is a low impact ranking. Option 1 shows the highest benefit rating.

Summary of qualitative benefits		
	Option 1	Option 2 - do later
Improved livability	3	1
Valuing diversity and increased participation	3	1
Feeling Part of Society	3	1
The Value of Civic Pride	3	2
The Value of Local Groups	3	2
Arts Projects Can Re-Define Locations	2	2
Total	17	9
	high	medium

3.6 Cost Benefit Analysis results using a real discount rate of 7 per cent

The costs and benefits identified in an economic assessment typically occur over a number of years. In order to compare costs and benefits over time, the values attached to costs and benefits need to be converted and expressed in today's dollar value. This is referred to as 'discounting' future values. The discount rate is the percentage rate at which future values are reduced to bring them into line with today's values.

In this case to provide the total present value of benefits for undertaking the **BAROSSA CREATIVE INDUSTRIES CENTRE**, the resultant time-stream of cost savings (or increases) were discounted and summed over the 20 year evaluation period from the construction ending.

A similar process of discounting and addition was carried out for the capital and maintenance costs previously identified, to provide the equivalent present value of costs for each option.

A summary of the results for the economic analysis in terms of Net Present Value (NPV) and Benefit Cost Ratio (BCR) are provided below. These were calculated from the estimates of Present Value Benefits and Present Value Costs assessed in accordance with the method outlined above. A Benefit Cost Ratio greater than 1 means that the benefits outweigh the costs and the investment should be considered. If the ratio is less than 1, the costs outweigh the benefits. If the BCR is equal to 1, the benefits equal the costs.

Taking Option 1 as an example, using a real discount rate of 7 per cent, the total project generates a net present value of over \$55.6 million with a benefit cost ratio of 4.28. A benefit-cost ratio of 4.28 means that policymakers can expect \$4.28 in benefits for every \$1 in costs. A summary of results for both Options is provided below:

BAROSSA CREATIVE INDUSTRIES CENTRE PROJECT		
CBA Results using a real discount rate of 7 per cent		
	Option 1	Option 2 - do later
Present value of costs:	16,961,691.79	17,809,772.68
Present value of benefits:	72,570,754.70	72,570,754.70
Net present value:	55,609,062.91	54,760,982.02
Benefit cost ratio:	4.28	4.07
Internal rate of return %	48%	45

The internal rate of return is highest under Option 1 at 48% and lowest with Option 2 at 45%.

3.7 Sensitivity Analysis for the Options

There may be considerable uncertainty about predicted impacts and their appropriate monetary valuation. Sensitivity analysis provides information about how changes in different variables will affect the overall costs and benefits of the proposed project. It shows how sensitive predicted net benefits are to different values of uncertain variables and to changes in assumptions. It tests whether the uncertainty over the value of certain variables matters, and identifies critical assumptions.

The sensitivity analysis for each Option was carried out using a Discount Rate of 3% and 10% as per Federal Guidelines (and Building Better Regions Fund Round Five – Cost-Benefit Analysis factsheet).

If the NPV is positive, the proposal improves efficiency. If the NPV is negative, the proposal is inefficient. Even at the higher discount rate of 10%, the project still yields a positive NPV and BCR under both options but Option 1 shows the highest values.

	Option 1	Option 2 - do later
NPV with 3% discount rate	86,085,858.46	85,111,569.73
NPV with 10% discount rate	41,199,045.86	40,412,262.02
BCR at 3% discount rate	5.42	5.13
BCR at 10% discount rate	3.62	3.45

4.0 ECONOMIC IMPACT ASSESSMENT USING INPUT/OUTPUT MODELLING

The **BAROSSA CREATIVE INDUSTRIES CENTRE** project will generate both construction and ongoing employment and value added impacts for the Barossa regional economy.

4.1 Assessment framework

In addition to the Cost Benefit Analysis, the economic impact of the Project was assessed using a Regional Input Output model. The construction and operational phases were modelled separately. The economic impacts are calculated using an input output model which is derived from the local economy model developed by National Economics (NIEIR).

An input output matrix describes how the different industries in an economy interrelate, and how supply chains operate in the local area. The economic modelling reproduces the National Accounts data for local areas. Data sources in the model include:

- Census Journey to Work data
- ABS Labour Force Survey
- Centrelink employment estimates
- ABS building approvals commercial floorspace estimates.
- Australian Taxation Office worker income data
- Microsimulation of household expenditure

The modelling produces a factor, which shows the flow on effects of economic productivity in an industry sector, to other sectors and the total economy.

The main outputs from this model are total direct and indirect employment and gross regional product arising from expenditures directly related to the Project.

NOTE THAT A SEPARATE JOB CREATION DOCUMENT HAS BEEN DEVELOPED USING ACTUAL FEEDBACK FROM LOCAL BUSINESSES FOR THIS PROJECT.

4.2 Construction phase impact assessment results

Using the NIEIR Impact Assessment Module to assess an economic impact gives an idea of the likely flow on effects.

The investment of \$10.719 million of Construction activity into the LGA would add **\$2.95 million in direct impact in value added** and **30.9 jobs** associated directly with the construction.

Given the size of this project, this is likely to have a regional impact as not all of these jobs will be performed by local residents but many will be.

In addition, **another 10.2 jobs** (\$1.1 million in value added) would come from associated industries (suppliers and users), with approximately **7.4 jobs** in consumption impact (more money flowing

through the economy from increased spending by additionally employed workers).

The total impact on the local economy of this construction project is estimated to be 48.5 jobs and \$4.67 million in value add from the construction phase of the project.

The impact model also includes assumptions around input output relationships between regions and therefore there are additional impacts to the broader Australian economy as a result of supply chain relationships. **These impacts would be an additional \$3.42 m in value added and 29 extra jobs outside the region.**

Impact Assessment

Region:	Barossa_(DC)
Industry:	Construction
Change in Sales (\$m):	10.7

Starting position of the Region	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Construction	209.73	57.78	604.62	918.60
All Industries	2,674.49	1,065.52	12,245.99	12,752.15

Impacts on Region economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Direct impact	10.72	2.95	30.90	--
Industrial impact	2.59	1.10	10.2	--
Consumption impact	1.12	0.61	7.4	--
Total impact on the Region	14.43	4.67	48.5	36.5
Type 1 multiplier (direct & industrial)	1.24	--	--	--
Type 2 multiplier (direct, industrial & consumption)	1.35	--	--	--

Impact on State economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Impact outside of region with the state	2.63	1.23	11.3	23.4
Total impact State economy	17.06	5.89	59.9	59.9

Impact on Australian economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Impact outside of the State	4.85	2.19	17.7	17.7
Total impact on Australian economy	21.91	8.08	77.6	77.6

Industry sectors (1-digit ANZSIC)	Value-Added \$m Change (Type 1) - Region	Value-Added \$m Change (Type 2) - Region	Value-Added \$m Change (Type 2) - State	Value-Added \$m Change (Type 2) - Australia
Agriculture, Forestry and Fishing	0.05	0.10	0.12	0.17
Mining	0.07	0.08	0.09	0.13
Manufacturing	0.30	0.34	0.48	0.73
Electricity, Gas, Water and Waste Services	0.03	0.04	0.11	0.18
Construction	3.16	3.16	3.17	3.20
Wholesale Trade	0.04	0.06	0.16	0.33
Retail Trade	0.07	0.19	0.26	0.36
Accommodation and Food Services	0.02	0.06	0.11	0.20
Transport, Postal and Warehousing	0.09	0.11	0.19	0.33
Information Media and Telecommunications	0.03	0.06	0.09	0.18
Financial and Insurance Services	0.11	0.21	0.37	0.66
Rental, Hiring and Real Estate Services	0.00	0.00	0.04	0.09
Professional, Scientific and Technical Services	0.00	0.00	0.16	0.56
Administrative and Support Services	0.04	0.05	0.10	0.29
Public Administration and Safety	0.01	0.01	0.03	0.07
Education and Training	0.00	0.04	0.11	0.17
Health Care and Social Assistance	0.00	0.07	0.16	0.23
Arts and Recreation Services	0.00	0.02	0.04	0.06
Other Services	0.04	0.07	0.11	0.15
Total Industries	4.05	4.67	5.89	8.08

Industry sectors (1-digit ANZSIC)	Local Jobs Change (Type 1) - Region	Local Jobs Change (Type 2) - Region	Local Jobs Change (Type 2) - State	Local Jobs Change (Type 2) - Australia
Agriculture, Forestry and Fishing	0.2	0.5	0.7	1.0
Mining	0.4	0.4	0.5	0.6
Manufacturing	2.6	3.1	4.2	6.4
Electricity, Gas, Water and Waste Services	0.1	0.1	0.3	0.6
Construction	33.0	33.1	33.1	33.4
Wholesale Trade	0.2	0.3	0.9	1.9
Retail Trade	1.2	3.3	4.5	6.1
Accommodation and Food Services	0.5	1.3	2.4	4.1
Transport, Postal and Warehousing	0.9	1.2	2.0	3.1
Information Media and Telecommunications	0.2	0.3	0.5	0.9
Financial and Insurance Services	0.4	0.7	1.3	2.2
Rental, Hiring and Real Estate Services	0.0	0.0	0.2	0.6
Professional, Scientific and Technical Services	0.0	0.0	1.5	4.8
Administrative and Support Services	0.6	0.7	1.2	2.2
Public Administration and Safety	0.1	0.1	0.3	0.6
Education and Training	0.0	0.8	1.7	2.6
Health Care and Social Assistance	0.0	0.9	2.0	2.9
Arts and Recreation Services	0.1	0.4	0.6	0.9
Other Services	0.6	1.3	1.8	2.4
Total Industries	41.1	48.5	59.9	77.6

Prepared by National Institute of Economic and Industry Research (NIEIR)

Dated: February-2021

4.3 Jobs post development

It is estimated that 3.6FTE jobs will be created post development at the **BAROSSA CREATIVE INDUSTRIES CENTRE** itself. A summary of the roles are as follows:

- Manager, **BAROSSA CREATIVE INDUSTRIES CENTRE** - The primary objective of this position is to plan, lead and manage the **BAROSSA CREATIVE INDUSTRIES CENTRE** to deliver a unique cultural and creative space that activates cultural activity and supports creative industries across the region.
- Programs Officer - To support the effective operation of the **BAROSSA CREATIVE INDUSTRIES CENTRE** through the development and co-ordination of a range of program activities providing a premiere cultural experience for the local community and visitors to the region and promoting creative industries.
- Heritage Officer - To support the effective operation of the **BAROSSA CREATIVE INDUSTRIES CENTRE** through management of the heritage collection, program development and implementation as well as providing high level customer service to deliver a premium cultural experience for the local community and visitors to the region.
- Admin Officer - To ensure the effective operation of the **BAROSSA CREATIVE INDUSTRIES CENTRE** through providing general administration support as well as a friendly, effective and comprehensive information and booking service for visitors and the general community to deliver a unique arts and cultural experience.

The full economic impact report can be found in the Appendix.

5.0 CONCLUSION

The CBA assessment identifies that undertaking the **BAROSSA CREATIVE INDUSTRIES CENTRE (without delay)** is the preferred option. This is because:

- it offers better value for money and delivers the principal outcomes
- provides direct tangible and long lasting benefits to the community
- meets all the project objectives
- results in the highest economic and social impact in the shortest time
- has the highest BCR at 4.28 at a 7% discount rate
- confident that construction of all elements can be completed before 31st December 2023

The preferred project option can deliver an outcome that is likely to increase the long-term sustainability of the Barossa region by investing in new physical assets resulting in a broader range of activities, job opportunities, and increased tourism. In addition to this, the project will deliver a wide range of social and economic benefits to the region and the surrounding regional community.

While the business as usual option does not require any further investment over and above current maintenance, it does not enable economic diversification, or support increased CBD patronage or events. There are additional OH&S risks and the potential for ongoing damage to existing and archived artworks. Continuing with a business as usual approach is a very short-term option only with little or no identified benefits.

Options 1 and 2 will provide similar benefits supporting the ability to host more events, increased tourism, more jobs, and improved access to the arts and culture. Visitations from tourists under both options will increase when compared to the business as usual option. The increase in visitations will translate into a more vibrant region and economy whilst providing infrastructure which meets the expectations of the community, businesses and visitors.

Both options will result in a number of job opportunities both during and post construction. The job creation opportunities of the preferred option have been detailed in the separate jobs document. Delaying the project does not provide any additional advantages and is not considered favourably.

To commence the project as soon as possible will yield the faster realisation of the benefits including new jobs and thus avoid increased construction costs as a result of the delay or further damage to existing artworks. It should be noted that the community has been waiting for this project to proceed for a number of years, so further delay would be considered unreasonable.

Therefore, **Option 1 -undertaking the BAROSSA CREATIVE INDUSTRIES CENTRE (without delay)** is preferred overall due its lower capital cost, lower risks, higher BCR, greater opportunities to support new events and expanded activities, expedited new jobs and increased tourism activity and the fact that by completing the project without delay, will result in the associated benefits being experienced much sooner.

6.0 APPENDIX

Impact Assessment

Region:	Barossa_(DC)
Industry:	Construction
Change in Sales (\$m):	10.7

Starting position of the Region	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Construction	209.73	57.78	604.62	918.60
All industries	2,674.49	1,065.52	12,245.99	12,752.15

Impacts on Region economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Direct impact	10.72	2.95	30.90	--
Industrial impact	2.59	1.10	10.2	--
Consumption impact	1.12	0.61	7.4	--
Total impact on the Region	14.43	4.67	48.5	36.5
Type 1 multiplier (direct & industrial)	1.24	--	--	--
Type 2 multiplier (direct, industrial & consumption)	1.35	--	--	--

Impact on State economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Impact outside of region with the state	2.63	1.23	11.3	23.4
Total impact State economy	17.06	5.89	59.9	59.9

Impact on Australian economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Impact outside of the State	4.85	2.19	17.7	17.7
Total impact on Australian economy	21.91	8.08	77.6	77.6

Industry sectors (1-digit ANZSIC)	Value-Added \$m Change (Type 1) - Region	Value-Added \$m Change (Type 2) - Region	Value-Added \$m Change (Type 2) - State	Value-Added \$m Change (Type 2) - Australia
Agriculture, Forestry and Fishing	0.05	0.10	0.12	0.17
Mining	0.07	0.08	0.09	0.13
Manufacturing	0.30	0.34	0.48	0.73
Electricity, Gas, Water and Waste Services	0.03	0.04	0.11	0.18
Construction	3.16	3.16	3.17	3.20
Wholesale Trade	0.04	0.06	0.16	0.33
Retail Trade	0.07	0.19	0.26	0.36
Accommodation and Food Services	0.02	0.06	0.11	0.20
Transport, Postal and Warehousing	0.09	0.11	0.19	0.33
Information Media and Telecommunications	0.03	0.06	0.09	0.18
Financial and Insurance Services	0.11	0.21	0.37	0.66
Rental, Hiring and Real Estate Services	0.00	0.00	0.04	0.09
Professional, Scientific and Technical Services	0.00	0.00	0.16	0.56
Administrative and Support Services	0.04	0.05	0.10	0.29
Public Administration and Safety	0.01	0.01	0.03	0.07
Education and Training	0.00	0.04	0.11	0.17
Health Care and Social Assistance	0.00	0.07	0.16	0.23
Arts and Recreation Services	0.00	0.02	0.04	0.06
Other Services	0.04	0.07	0.11	0.15
Total Industries	4.05	4.67	5.89	8.08

Industry sectors (1-digit ANZSIC)	Local Jobs Change (Type 1) - Region	Local Jobs Change (Type 2) - Region	Local Jobs Change (Type 2) - State	Local Jobs Change (Type 2) - Australia
Agriculture, Forestry and Fishing	0.2	0.5	0.7	1.0
Mining	0.4	0.4	0.5	0.6
Manufacturing	2.6	3.1	4.2	6.4
Electricity, Gas, Water and Waste Services	0.1	0.1	0.3	0.6
Construction	33.0	33.1	33.1	33.4
Wholesale Trade	0.2	0.3	0.9	1.9
Retail Trade	1.2	3.3	4.5	6.1
Accommodation and Food Services	0.5	1.3	2.4	4.1
Transport, Postal and Warehousing	0.9	1.2	2.0	3.1
Information Media and Telecommunications	0.2	0.3	0.5	0.9
Financial and Insurance Services	0.4	0.7	1.3	2.2
Rental, Hiring and Real Estate Services	0.0	0.0	0.2	0.6
Professional, Scientific and Technical Services	0.0	0.0	1.5	4.8
Administrative and Support Services	0.6	0.7	1.2	2.2
Public Administration and Safety	0.1	0.1	0.3	0.6
Education and Training	0.0	0.8	1.7	2.6
Health Care and Social Assistance	0.0	0.9	2.0	2.9
Arts and Recreation Services	0.1	0.4	0.6	0.9
Other Services	0.6	1.3	1.8	2.4
Total Industries	41.1	48.5	59.9	77.6

Prepared by National Institute of Economic and Industry Research (NIEIR)

Dated: February-2021

Impact Assessment

Region:	Barossa_ (DC)
Industry:	Arts and Recreation Services
Change in Local Jobs:	4.7 (3.6 FTE = 4.7 FT & PT Employed)

Starting position of the Region	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Arts and Recreation Services	12.51	5.79	138.60	179.80
All industries	2,674.49	1,065.52	12,245.99	12,752.15

Impacts on Region economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Direct impact	0.42	0.20	4.68	--
Industrial impact	0.11	0.05	0.7	--
Consumption impact	0.08	0.04	0.5	--
Total impact on the Region	0.62	0.29	5.9	4.3
Type 1 multiplier (direct & industrial)	--	--	1.15	--
Type 2 multiplier (direct, industrial & consumption)	--	--	1.26	--

Impact on State economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Impact outside of region with the state	0.16	0.08	0.7	2.4
Total impact State economy	0.78	0.37	6.6	6.7

Impact on Australian economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Impact outside of the State	0.33	0.15	1.3	1.2
Total impact on Australian economy	1.10	0.52	7.9	7.9

Industry sectors (1-digit ANZSIC)	Value-Added \$m Change (Type 1) - Region	Value-Added \$m Change (Type 2) - Region	Value-Added \$m Change (Type 2) - State	Value-Added \$m Change (Type 2) - Australia
Agriculture, Forestry and Fishing	0.01	0.01	0.01	0.02
Mining	0.00	0.00	0.00	0.00
Manufacturing	0.01	0.01	0.01	0.02
Electricity, Gas, Water and Waste Services	0.00	0.00	0.01	0.01
Construction	0.00	0.00	0.00	0.00
Wholesale Trade	0.00	0.00	0.01	0.02
Retail Trade	0.00	0.01	0.02	0.02
Accommodation and Food Services	0.00	0.00	0.01	0.01
Transport, Postal and Warehousing	0.00	0.01	0.01	0.02
Information Media and Telecommunications	0.00	0.01	0.01	0.02
Financial and Insurance Services	0.00	0.01	0.02	0.04
Rental, Hiring and Real Estate Services	0.00	0.00	0.00	0.01
Professional, Scientific and Technical Services	0.00	0.00	0.01	0.04
Administrative and Support Services	0.01	0.01	0.01	0.03
Public Administration and Safety	0.00	0.00	0.00	0.00
Education and Training	0.00	0.00	0.01	0.01
Health Care and Social Assistance	0.00	0.01	0.01	0.02
Arts and Recreation Services	0.21	0.21	0.21	0.22
Other Services	0.00	0.00	0.01	0.01
Total Industries	0.25	0.29	0.37	0.52

Industry sectors (1-digit ANZSIC)	Local Jobs Change (Type 1) - Region	Local Jobs Change (Type 2) - Region	Local Jobs Change (Type 2) - State	Local Jobs Change (Type 2) - Australia
Agriculture, Forestry and Fishing	0.0	0.1	0.1	0.1
Mining	0.0	0.0	0.0	0.0
Manufacturing	0.1	0.1	0.1	0.3
Electricity, Gas, Water and Waste Services	0.0	0.0	0.0	0.0
Construction	0.0	0.0	0.0	0.0
Wholesale Trade	0.0	0.0	0.1	0.1
Retail Trade	0.1	0.2	0.3	0.4
Accommodation and Food Services	0.0	0.1	0.2	0.3
Transport, Postal and Warehousing	0.0	0.1	0.1	0.2
Information Media and Telecommunications	0.0	0.0	0.1	0.1
Financial and Insurance Services	0.0	0.0	0.1	0.1
Rental, Hiring and Real Estate Services	0.0	0.0	0.0	0.0
Professional, Scientific and Technical Services	0.0	0.0	0.1	0.4
Administrative and Support Services	0.1	0.1	0.1	0.2
Public Administration and Safety	0.0	0.0	0.0	0.0
Education and Training	0.0	0.1	0.1	0.2
Health Care and Social Assistance	0.0	0.1	0.1	0.2
Arts and Recreation Services	5.0	5.0	5.0	5.1
Other Services	0.0	0.1	0.1	0.1
Total Industries	5.4	5.9	6.6	7.9

Prepared by National Institute of Economic and Industry Research (NIEIR)

Dated: February-2021

Impact Assessment

Region:	Barossa (DC)
Industry:	Arts and Recreation Services
Change in Local Jobs:	6.5 (5 FTE = 6.5 FT & PT Employed)

Starting position of the Region	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Arts and Recreation Services	12.51	5.79	138.60	179.80
All industries	2,674.49	1,065.52	12,245.99	12,752.15

Impacts on Region economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Direct impact	0.59	0.27	6.50	--
Industrial impact	0.16	0.07	1.0	--
Consumption impact	0.11	0.06	0.7	--
Total impact on the Region	0.85	0.41	8.2	6.0
Type 1 multiplier (direct & industrial)	--	--	1.15	--
Type 2 multiplier (direct, industrial & consumption)	--	--	1.26	--

Impact on State economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Impact outside of region with the state	0.22	0.11	1.0	3.3
Total impact State economy	1.08	0.51	9.2	9.3

Impact on Australian economy	Output (\$m)	Value-added (\$m)	Local Jobs	Residents jobs
Impact outside of the State	0.45	0.21	1.8	1.7
Total impact on Australian economy	1.53	0.72	11.0	11.0

Industry sectors (1-digit ANZSIC)	Value-Added \$m Change (Type 1) - Region	Value-Added \$m Change (Type 2) - Region	Value-Added \$m Change (Type 2) - State	Value-Added \$m Change (Type 2) - Australia
Agriculture, Forestry and Fishing	0.01	0.01	0.02	0.02
Mining	0.00	0.00	0.00	0.00
Manufacturing	0.01	0.01	0.02	0.03
Electricity, Gas, Water and Waste Services	0.00	0.00	0.01	0.02
Construction	0.00	0.00	0.00	0.00
Wholesale Trade	0.00	0.00	0.01	0.03
Retail Trade	0.00	0.02	0.02	0.03
Accommodation and Food Services	0.00	0.01	0.01	0.02
Transport, Postal and Warehousing	0.01	0.01	0.01	0.02
Information Media and Telecommunications	0.01	0.01	0.01	0.02
Financial and Insurance Services	0.00	0.01	0.03	0.05
Rental, Hiring and Real Estate Services	0.00	0.00	0.00	0.01
Professional, Scientific and Technical Services	0.00	0.00	0.02	0.06
Administrative and Support Services	0.01	0.01	0.02	0.04
Public Administration and Safety	0.00	0.00	0.00	0.01
Education and Training	0.00	0.00	0.01	0.02
Health Care and Social Assistance	0.00	0.01	0.02	0.02
Arts and Recreation Services	0.29	0.29	0.29	0.30
Other Services	0.00	0.01	0.01	0.01
Total Industries	0.35	0.41	0.51	0.72

Industry sectors (1-digit ANZSIC)	Local Jobs Change (Type 1) - Region	Local Jobs Change (Type 2) - Region	Local Jobs Change (Type 2) - State	Local Jobs Change (Type 2) - Australia
Agriculture, Forestry and Fishing	0.1	0.1	0.1	0.1
Mining	0.0	0.0	0.0	0.0
Manufacturing	0.1	0.1	0.2	0.3
Electricity, Gas, Water and Waste Services	0.0	0.0	0.0	0.1
Construction	0.0	0.0	0.0	0.0
Wholesale Trade	0.0	0.0	0.1	0.2
Retail Trade	0.1	0.3	0.4	0.6
Accommodation and Food Services	0.0	0.1	0.2	0.4
Transport, Postal and Warehousing	0.1	0.1	0.1	0.2
Information Media and Telecommunications	0.0	0.1	0.1	0.1
Financial and Insurance Services	0.0	0.0	0.1	0.2
Rental, Hiring and Real Estate Services	0.0	0.0	0.0	0.0
Professional, Scientific and Technical Services	0.0	0.0	0.2	0.5
Administrative and Support Services	0.1	0.1	0.2	0.3
Public Administration and Safety	0.0	0.0	0.0	0.0
Education and Training	0.0	0.1	0.2	0.3
Health Care and Social Assistance	0.0	0.1	0.2	0.3
Arts and Recreation Services	6.9	6.9	7.0	7.1
Other Services	0.0	0.1	0.1	0.2
Total Industries	7.5	8.2	9.2	11.0

Prepared by National Institute of Economic and Industry Research (NIEIR)

Dated: February-2021

A.P. SHEERE CONSULTING
IN PARTNERSHIP WITH
THE BAROSSA COUNCIL

Long Term Financial Plan Comparison

Growing Regions Program - Barossa Creative Industries Centre

Key Performance Indicators and Indexation Estimates

Revised Results – Barossa Creative Industries Centre – Commence in 2024/25 Financial Year (at current cost estimate completed February 2023)

A1 Consolidated Results: Key Performance Indicators and Financial Parameters											
Draft Bud - next years draft; LTFF = Long Term Financial Plan											
		Budget	LTFF	LTFF	LTFF	LTFF	LTFF	LTFF	LTFF	LTFF	LTFF
		\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %
Key Performance Indicators (KPI's) - Summary											
	Adopted target										
KPI 1 - Operating Surplus cumulative forward 10 year period*	Surplus year 10	(5)	(850)	(1,555)	(1,866)	(1,831)	(1,384)	(254)	946	2,709	4,880
KPI 2 - Operating Surplus Ratio - Rolling 3 year - retrospective average	(2%) to 10%	1.1%	(1.6%)	(1.0%)	(1.2%)	(0.6%)	0.1%	0.9%	1.6%	2.3%	2.8%
KPI 2 - Operating Surplus Ratio - Annual		(0.0%)	(1.7%)	(1.4%)	(0.6%)	0.1%	0.8%	2.0%	2.0%	2.9%	3.4%
Operating Surplus Ratio - Lower Target	KPI 2	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)
Operating Surplus Ratio - Upper Target	KPI 2	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Net Financial Liabilities ('000)	KPI 3	28,960	35,743	35,364	33,611	30,184	28,242	23,879	19,445	14,958	9,189
Operating Revenue ('000)	KPI 3	47,078	48,840	50,773	52,463	54,288	55,953	57,662	59,416	61,224	63,090
Loan financing required		5,100	6,050	800	-	-	-	-	-	-	-
Loan Balances		26,706	28,843	28,649	26,838	23,506	21,769	17,868	14,309	11,727	11,136
Cash Balances		3,366	5	117	70	187	398	866	1,757	3,677	8,933
KPI 3 - Net Financial Liabilities ratio	0-100%	61.5%	73.2%	69.7%	64.1%	55.6%	50.5%	41.4%	32.7%	24.4%	14.6%
KPI 4 - Asset Renewal Funding Ratio - Annual	80% to 110%	115.8%	106.9%	94.5%	88.2%	90.8%	100.4%	103.3%	103.0%	97.2%	96.4%
Financial parameters - Indexation											
RATE REVENUE INCREASES											
General - Rate Revenue Net Increase (excl growth)		3.50%	4.00%	4.00%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Growth -22/23 Development - General rates 0.75%; Service nos. - CWMS 1-1.5% & W		0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%
CWMS - Service Charge & Rates Increase (+ growth 0.5-1.5%)		7.73%	2.50%	2.50%	2.75%	2.75%	2.50%	2.50%	2.25%	2.25%	2.25%
Refuse, Recycling and Green Organic Services Charge Net Increase (excl growth)		14.1%	3.75%	3.75%	3.75%	3.75%	2.75%	2.50%	2.50%	2.50%	2.50%
OPERATING REVENUE											
Operating Grants		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Statutory Charges		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
User Charges		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Investment Income		1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Reimbursements		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other Revenue		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
OPERATING EXPENDITURE											
Service Cost Natural Growth** (Waste, CWMS, NCPA growth is 1% all years)		0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Employee Costs		2.50%	2.50%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Contracts, Materials & Other	Current		4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Energy Costs	Current		4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Water Costs	Current		4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debenture & Cash Advance Loan interest rate		5.8%	5.8%	5.8%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Insurance		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Asset Revaluation Increments											
Land Assets		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Building Assets		6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%
Recreation Assets		6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%
Infrastructure Assets		0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%
CWMS		0.0%	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stormwater Assets		0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	6.0%
Asset Renewal Expenditure Increments											
Infrastructure renewal increments		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Office fleet vehicles		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
* All amounts in KPI 1 are in \$'000											
** Growth index included where relevant to Employee Costs and Contracts, Materials & Other for additional service requirements											
***2023/24 the operating expenditure is based on last years budget unless a contract or agreement(s) applies or where actual costs are higher to provide the current service level then no index was added to actual for the budget \$											

Current Draft Budget and Plan – Barossa Creative Industries Centre – Commence in 2027/28 Financial Year (costs have not been indexed forward in this model for the build estimates and assumes there will be a grant program that can support the strategy)

A1 Consolidated Results: Key Performance Indicators and Financial Parameters		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Draft Bud - next years draft; LTFP = Long Term Financial Plan		Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
		\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %	\$'000 or %
Key Performance Indicators (KPI's) - Summary		Adopted target									
KPI 1 - Operating Surplus cumulative forward 10 year period*	Surplus year 10	(5)	(992)	(1,968)	(2,136)	(2,029)	(1,597)	(479)	879	3,050	5,826
KPI 2 - Operating Surplus Ratio - Rolling 3 year - retrospective average	(2%) to 10%	1.1%	(1.7%)	(1.3%)	(1.4%)	(0.7%)	0.2%	1.0%	1.7%	2.6%	3.4%
KPI 2 - Operating Surplus Ratio - Annual		(0.0%)	(2.0%)	(1.9%)	(0.3%)	0.2%	0.8%	2.0%	2.3%	3.6%	4.4%
Operating Surplus Ratio - Lower Target	KPI 2	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)	(2.0%)
Operating Surplus Ratio - Upper Target	KPI 2	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Net Financial Liabilities ('000)	KPI 3	28,960	33,600	31,315	28,589	28,012	28,912	26,401	22,220	17,746	11,805
Operating Revenue ('000)	KPI 3	47,078	48,611	50,215	51,717	53,514	55,331	57,204	59,134	61,131	63,199
Loan financing required		5,100	4,550	-	-	-	2,000	-	-	-	-
Loan Balances		26,706	27,343	25,349	22,538	21,706	22,969	20,318	15,759	11,727	11,136
Cash Balances		3,366	647	865	791	557	926	791	429	886	6,313
KPI 3 - Net Financial Liabilities ratio	0-100%	61.5%	69.1%	62.4%	55.3%	52.3%	52.3%	46.2%	37.6%	29.0%	18.7%
KPI 4 - Asset Renewal Funding Ratio - Annual	80% to 110%	115.8%	106.9%	94.5%	88.2%	90.8%	100.4%	103.3%	103.0%	97.2%	96.4%
Financial parameters - Indexation											
RATE REVENUE INCREASES											
General - Rate Revenue Net Increase (excl growth)		3.50%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Growth -22/23 Development - General rates 0.75%; Service nos. - CWMS 1-1.5% & W		0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%
CWMS - Service Charge & Rates Increase (+ growth 0.5-1.5%)		7.73%	2.50%	2.50%	2.75%	2.75%	2.50%	2.25%	2.25%	2.25%	2.25%
Refuse, Recycling and Green Organic Services Charge Net Increase (excl growth)		14.1%	3.75%	3.75%	3.75%	3.75%	2.75%	2.50%	2.50%	2.50%	2.50%
OPERATING REVENUE											
Operating Grants		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Statutory Charges		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
User Charges		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Investment Income		1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Reimbursements		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other Revenue		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
OPERATING EXPENDITURE											
Service Cost Natural Growth** (Waste, CWMS, NCPA growth is 1% all years)		0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Employee Costs		2.50%	2.50%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Contracts, Materials & Other	Current	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Energy Costs	Current	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Water Costs	Current	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debtenture & Cash Advance Loan interest rate		5.8%	5.8%	5.8%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Insurance		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Asset Revaluation Increments											
Land Assets		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Building Assets		6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%
Recreation Assets		6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%
Infrastructure Assets		0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	6.0%	0.0%
CWMS		0.0%	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stormwater Assets		0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	6.0%
Asset Renewal Expenditure Increments											
Infrastructure renewal increments		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Office fleet vehicles		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
* All amounts in KPI 1 are in \$'000											
** Growth index included where relevant to Employee Costs and Contracts, Materials & Other for additional service requirements											
***2023/24 the operating expenditure is based on last years budget unless a contract or agreement(s) applies or where actual costs are higher to provide the current service level then no index was added to actual for the budget \$											

Consolidated Income Statement

Revised Results – Barossa Creative Industries Centre – Commence in 2024/25 Financial Year (at current cost estimate completed February 2023)

A2-1 Consolidated Results: Budgeted Statement of Comprehensive Income	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUES										
Rates	37,911	39,659	41,488	43,244	44,899	46,389	47,919	49,490	51,112	52,787
Statutory Charges	828	844	861	878	896	914	932	951	970	989
User Charges	3,837	3,866	3,897	3,975	4,055	4,137	4,220	4,305	4,391	4,479
Grants, subsidies and contributions	3,557	3,522	3,585	3,378	3,438	3,500	3,563	3,628	3,694	3,761
Investment Income	152	159	161	164	166	168	171	174	177	180
Reimbursements	62	44	20	48	43	38	33	29	24	20
Other Income	731	746	761	776	791	807	823	840	857	874
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME	47,078	48,840	50,773	52,463	54,288	55,953	57,661	59,417	61,225	63,090
EXPENSES										
Employee Costs	17,430	18,008	18,547	18,911	19,312	19,722	20,140	20,568	21,005	21,451
Materials, Contracts & Other expenses	18,495	19,557	20,519	21,072	21,695	22,470	23,170	23,933	24,662	25,465
Depreciation, Amortisation & Impairment	10,170	10,616	11,007	11,637	12,235	12,379	12,458	13,113	13,305	13,537
Finance Costs	988	1,504	1,405	1,154	1,011	935	763	603	490	466
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	47,083	49,685	51,478	52,774	54,253	55,506	56,531	58,217	59,462	60,919
OPERATING SURPLUS / (DEFICIT)	(5)	(845)	(705)	(311)	35	447	1,130	1,200	1,763	2,171
Asset disposal & fair value adjustments	(848)	(652)	(772)	(824)	(940)	(934)	(914)	(948)	(965)	(1,002)
Amounts specifically for new or upgraded assets	2,713	4,540	3,349	1,659	65	65	65	338	706	65
Physical Resources received free of charge	0	1,780	1,869	1,910	1,968	2,008	2,037	2,064	2,107	2,137
Operating result from discontinued operations										
NET SURPLUS / (DEFICIT)	1,860	4,823	3,741	2,434	1,128	1,586	2,318	2,654	3,611	3,371

Current Draft Budget and Plan – Barossa Creative Industries Centre – Commence in 2027/28 Financial Year (costs have not been indexed forward in this model for the build estimates and assumes there will be a grant program that can support the strategy)

A2-1 Consolidated Results: Budgeted Statement of Comprehensive Income	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget \$'000	LTFP \$'000	LTFP \$'000	LTFP \$'000	LTFP \$'000	LTFP \$'000	LTFP \$'000	LTFP \$'000	LTFP \$'000	LTFP \$'000
REVENUES										
Rates	37,911	39,430	40,931	42,498	44,125	45,767	47,461	49,208	51,018	52,896
Statutory Charges	828	844	861	878	896	914	932	951	970	989
User Charges	3,837	3,866	3,897	3,975	4,055	4,137	4,220	4,305	4,391	4,479
Grants, subsidies and contributions	3,557	3,522	3,585	3,378	3,438	3,500	3,563	3,628	3,694	3,761
Investment Income	152	159	161	164	166	168	171	174	177	180
Reimbursements	62	44	20	48	43	38	33	29	24	20
Other Income	731	746	761	776	791	807	823	840	857	874
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME	47,078	48,611	50,216	51,717	53,514	55,331	57,203	59,135	61,131	63,199
EXPENSES										
Employee Costs	17,430	18,008	18,547	18,911	19,312	19,722	20,140	20,568	21,005	21,451
Materials, Contracts & Other expenses	18,495	19,557	20,530	20,938	21,568	22,351	23,062	23,838	24,582	25,403
Depreciation, Amortisation & Impairment	10,170	10,616	10,901	11,075	11,597	11,837	12,010	12,702	12,883	13,103
Finance Costs	988	1,417	1,214	961	930	989	873	669	490	466
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	47,083	49,598	51,192	51,885	53,407	54,899	56,085	57,777	58,960	60,423
OPERATING SURPLUS / (DEFICIT)	(5)	(987)	(976)	(168)	107	432	1,118	1,358	2,171	2,776
Asset disposal & fair value adjustments	(848)	(652)	(772)	(824)	(940)	(934)	(914)	(948)	(965)	(1,002)
Amounts specifically for new or upgraded assets	2,713	1,255	65	267	3,349	3,349	1,457	338	706	65
Physical Resources received free of charge	0	1,780	1,848	1,868	1,914	1,976	2,026	2,063	2,106	2,136
Operating result from discontinued operations										
NET SURPLUS / (DEFICIT)	1,860	1,396	165	1,143	4,430	4,823	3,687	2,811	4,018	3,975

Consolidated Balance Sheet

Revised Results – Barossa Creative Industries Centre – Commence in 2024/25 Financial Year (at current cost estimate completed February 2023)

A2-2 Consolidated Results: Budgeted Statement of Financial Position	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current Assets										
Cash and cash equivalents	3,366	5	117	69	186	396	864	1,755	3,674	8,931
Trade & other receivables	2,677	2,636	2,715	2,710	2,693	2,692	2,690	2,680	2,670	2,598
Other financial assets	0	0	0	0	0	0	0	0	0	0
Inventories	391	391	391	391	391	391	391	391	391	391
	6,434	3,032	3,223	3,170	3,270	3,479	3,945	4,826	6,735	11,920
Non-Current Assets held for Sale	-	-	-	-	-	-	-	-	-	-
Total Current Assets	6,434	3,032	3,223	3,170	3,270	3,479	3,945	4,826	6,735	11,920
Non-Current Assets										
Financial Assets	1,240	1,201	1,084	972	876	781	689	607	535	535
Equity accounted investments in Council businesses	2,281	2,281	2,281	2,281	2,281	2,281	2,281	2,281	2,281	2,281
Infrastructure, Property, Plant & Equipment	438,363	460,488	469,997	480,418	490,120	496,625	502,308	512,277	518,696	523,850
Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	441,884	463,970	473,362	483,671	493,277	499,687	505,278	515,165	521,512	526,666
TOTAL ASSETS	448,318	467,002	476,585	486,841	496,547	503,166	509,223	519,991	528,247	538,586
LIABILITIES										
Current Liabilities										
Trade & Other Payables	5,431	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429
Borrowings	9,813	12,944	13,562	12,582	9,987	8,902	5,559	2,582	591	616
Provisions	3,035	3,040	3,045	3,050	3,055	3,059	3,064	3,069	3,074	3,080
Total Current Liabilities	18,279	21,413	22,036	21,061	18,471	17,390	14,052	11,080	9,094	9,125
Non-Current Liabilities										
Borrowings (External)	16,893	15,899	15,087	14,256	13,519	12,867	12,309	11,727	11,136	10,520
Provisions	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073
Total Non-Current Liabilities	17,966	16,972	16,160	15,329	14,592	13,940	13,382	12,800	12,209	11,593
TOTAL LIABILITIES	36,245	38,385	38,196	36,390	33,063	31,330	27,434	23,880	21,303	20,718
NET ASSETS	412,073	428,617	438,389	450,451	463,484	471,836	481,789	496,111	506,944	517,868
EQUITY										
Accumulated Surplus	105,979	111,268	114,778	116,936	117,836	119,863	121,906	124,263	127,456	130,391
Asset Revaluation Reserve	293,089	304,811	310,838	320,116	331,660	338,054	345,306	356,581	363,400	370,534
Other Reserves	13,005	12,538	12,773	13,399	13,988	13,919	14,577	15,267	16,088	16,943
TOTAL EQUITY	412,073	428,617	438,389	450,451	463,484	471,836	481,789	496,111	506,944	517,868

Current Draft Budget and Plan – Barossa Creative Industries Centre – Commence in 2027/28 Financial Year (costs have not been indexed forward in this model for the build estimates and assumes there will be a grant program that can support the strategy)

A2-2 Consolidated Results: Budgeted Statement of Financial Position	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current Assets										
Cash and cash equivalents	3,366	647	865	791	557	926	791	429	886	6,313
Trade & other receivables	2,677	2,636	2,715	2,710	2,693	2,692	2,690	2,680	2,670	2,598
Other financial assets	0	0	0	0	0	0	0	0	0	0
Inventories	391	391	391	391	391	391	391	391	391	391
	6,434	3,674	3,971	3,892	3,641	4,009	3,872	3,500	3,947	9,302
Non-Current Assets held for Sale	-	-	-	-	-	-	-	-	-	-
Total Current Assets	6,434	3,674	3,971	3,892	3,641	4,009	3,872	3,500	3,947	9,302
Non-Current Assets										
Financial Assets	1,240	1,201	1,084	972	876	781	689	607	535	535
Equity accounted investments in Council businesses	2,281	2,281	2,281	2,281	2,281	2,281	2,281	2,281	2,281	2,281
Infrastructure, Property, Plant & Equipment	438,363	454,920	458,944	466,089	481,582	493,795	502,156	512,141	518,577	523,746
Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	441,884	458,402	462,309	469,342	484,739	496,857	505,126	515,029	521,393	526,562
TOTAL ASSETS	448,318	462,076	466,280	473,234	488,380	500,866	508,998	518,529	525,340	535,864
LIABILITIES										
Current Liabilities										
Trade & Other Payables	5,431	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429
Borrowings	9,813	11,444	10,262	8,282	8,187	10,102	8,009	4,032	591	616
Provisions	3,035	3,040	3,045	3,050	3,055	3,059	3,064	3,069	3,074	3,080
Total Current Liabilities	18,279	19,913	18,736	16,761	16,671	18,590	16,502	12,530	9,094	9,125
Non-Current Liabilities										
Borrowings (External)	16,893	15,899	15,087	14,256	13,519	12,867	12,309	11,727	11,136	10,520
Provisions	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073
Total Non-Current Liabilities	17,966	16,972	16,160	15,329	14,592	13,940	13,382	12,800	12,209	11,593
TOTAL LIABILITIES	36,245	36,885	34,896	32,090	31,263	32,530	29,884	25,330	21,303	20,718
NET ASSETS	412,073	425,191	431,384	441,144	457,117	468,336	479,114	493,199	504,037	515,146
EQUITY										
Accumulated Surplus	105,979	107,842	107,773	108,291	112,131	117,025	120,054	122,173	125,372	128,492
Asset Revaluation Reserve	293,089	304,811	310,838	319,454	330,998	337,392	344,483	355,759	362,577	369,711
Other Reserves	13,005	12,538	12,773	13,399	13,988	13,919	14,577	15,267	16,088	16,943
TOTAL EQUITY	412,073	425,191	431,384	441,144	457,117	468,336	479,114	493,199	504,037	515,146

Consolidated Cash Flow Statement

Revised Results – Barossa Creative Industries Centre – Commence in 2024/25 Financial Year (at current cost estimate completed February 2023)

A2-3 Consolidated Results: Budgeted Statement of Cash Flows	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts:										
Operating receipts	46,927	48,681	50,612	52,299	54,122	55,785	57,491	59,241	61,047	62,910
Investment receipts	152	159	161	164	166	168	171	174	177	180
Payments:										
Landfill rehabilitation expense	(362)	0	0	0	0	0	0	0	0	0
Operating payments to suppliers & employees	(35,920)	(37,560)	(39,060)	(39,978)	(41,002)	(42,186)	(43,305)	(44,496)	(45,661)	(46,911)
Finance payments	(988)	(1,505)	(1,405)	(1,154)	(1,011)	(935)	(763)	(603)	(490)	(466)
Net cash provided by (or used in) Operating Activities	9,809	9,775	10,308	11,331	12,275	12,832	13,594	14,316	15,073	15,713
CASH FLOW FROM INVESTING ACTIVITIES										
Receipts:										
Amounts specifically for new or upgraded assets	2,671	4,540	3,349	1,659	65	65	65	338	706	65
Sale of replaced assets	232	510	361	372	440	699	419	425	431	438
Repayment of loans by community groups	99	79	39	118	112	96	94	93	82	72
Payments:										
Expenditure on renewal/replacement of assets	(7,811)	(6,783)	(6,806)	(7,139)	(8,538)	(10,408)	(8,480)	(8,701)	(8,831)	(9,068)
Expenditure on new/upgraded assets	(14,340)	(13,619)	(6,945)	(4,576)	(905)	(1,336)	(1,322)	(2,021)	(2,959)	(1,373)
Net Purchases of Investment securities	0	0	0	0	0	0	0	0	0	0
Loans made to community groups	0	0	0	0	0	0	0	0	0	0
Net cash provided by (or used in) Investment Activities	(19,149)	(15,273)	(10,002)	(9,566)	(8,826)	(10,884)	(9,224)	(9,866)	(10,571)	(9,866)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts:										
Proceeds from borrowings	5,100	6,050	800	0	0	0	0	0	0	0
Proceeds from internal borrowings (CWMS)	600	1,000	1,200	1,730	2,060	700	0	0	0	0
Payments:										
Repayment of borrowings	(2,407)	(3,899)	(987)	(1,812)	(3,332)	(1,737)	(3,902)	(3,559)	(2,582)	(591)
Repayment of Lease	(49)	(14)	(7)	0	0	0	0	0	0	0
Repayment of internal borrowings (CWMS)	(600)	(1,000)	(1,200)	(1,730)	(2,060)	(700)	0	0	0	0
Net cash provided by (or used in) Financing Activities	2,644	2,137	(194)	(1,812)	(3,332)	(1,737)	(3,902)	(3,559)	(2,582)	(591)
Net Increase/(Decrease) in Cash held	(6,696)	(3,361)	112	(47)	117	211	468	891	1,920	5,256
Cash at beginning of period	10,062	3,366	5	117	70	187	398	866	1,757	3,677
CASH AT END OF PERIOD	3,366	5	117	70	187	398	866	1,757	3,677	8,933

Current Draft Budget and Plan – Barossa Creative Industries Centre – Commence in 2027/28 Financial Year (costs have not been indexed forward in this model for the build estimates and assumes there will be a grant program that can support the strategy)

A2-3 Consolidated Results: Budgeted Statement of Cash Flows	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts:										
Operating receipts	46,927	48,452	50,054	51,553	53,348	55,163	57,033	58,959	60,954	63,019
Investment receipts	152	159	161	164	166	168	171	174	177	180
Payments:										
LandFill rehabilitation expense	(362)	0	0	0	0	0	0	0	0	0
Operating payments to suppliers & employees	(35,920)	(37,560)	(39,072)	(39,844)	(40,875)	(42,068)	(43,197)	(44,401)	(45,581)	(46,849)
Finance payments	(988)	(1,418)	(1,214)	(961)	(930)	(989)	(873)	(669)	(490)	(466)
Net cash provided by (or used in) Operating Activities	9,809	9,633	9,929	10,912	11,709	12,274	13,134	14,063	15,060	15,884
CASH FLOW FROM INVESTING ACTIVITIES										
Receipts:										
Amounts specifically for new or upgraded assets	2,671	1,255	65	267	3,349	3,349	1,457	338	706	65
Sale of replaced assets	232	510	361	372	440	699	419	425	431	438
Repayment of loans by community groups	99	79	39	118	112	96	94	93	82	72
Payments:										
Expenditure on renewal/replacement of assets	(7,811)	(6,783)	(6,806)	(7,139)	(8,538)	(10,408)	(8,480)	(8,701)	(8,831)	(9,068)
Expenditure on new/upgraded assets	(14,340)	(8,050)	(1,376)	(1,792)	(6,474)	(6,904)	(4,107)	(2,021)	(2,959)	(1,373)
Net Purchases of Investment securities	0	0	0	0	0	0	0	0	0	0
Loans made to community groups	0	0	0	0	0	0	0	0	0	0
Net cash provided by (or used in) Investment Activities	(19,149)	(12,989)	(7,717)	(8,174)	(11,111)	(13,168)	(10,617)	(9,866)	(10,571)	(9,866)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts:										
Proceeds from borrowings	5,100	4,550	0	0	0	2,000	0	0	0	0
Proceeds from internal borrowings (CWMS)	600	1,000	1,200	1,730	2,060	700	0	0	0	0
Payments:										
Repayment of borrowings	(2,407)	(3,899)	(1,987)	(2,812)	(832)	(737)	(2,652)	(4,559)	(4,032)	(591)
Repayment of Lease	(49)	(14)	(7)	0	0	0	0	0	0	0
Repayment of internal borrowings (CWMS)	(600)	(1,000)	(1,200)	(1,730)	(2,060)	(700)	0	0	0	0
Net cash provided by (or used in) Financing Activities	2,644	637	(1,994)	(2,812)	(832)	1,263	(2,652)	(4,559)	(4,032)	(591)
Net Increase/(Decrease) in Cash held	(6,696)	(2,719)	218	(74)	(234)	369	(135)	(362)	457	5,427
Cash at beginning of period	10,062	3,366	647	865	791	557	926	791	429	886
CASH AT END OF PERIOD	3,366	647	865	791	557	926	791	429	886	6,313

Consolidated Capital Expenditure

Revised Results – Barossa Creative Industries Centre – Commence in 2024/25 Financial Year (at current cost estimate completed February 2023)

A3 Consolidated Results: Budgeted Capital Expenditure	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000
Renewal/Replacement Capital summary: Non-Discretionary										
Land	0	0	0	0	0	0	0	0	0	0
Buildings	675	857	870	884	1,098	1,112	1,127	1,141	1,157	1,172
Recreation	1,280	91	93	96	398	530	530	530	530	530
Transport - Roads & Footpaths	4,296	4,090	4,236	4,778	4,946	5,121	5,302	5,489	5,683	5,883
Stormwater, Bridges & Floodplain	530	300	300	300	300	1,000	300	300	300	300
CWMS	100	164	353	97	608	800	98	98	0	0
Equipment - Plant & Vehicles	840	1,185	854	881	1,078	1,730	1,003	1,015	1,028	1,042
Other Assets	90	95	100	105	110	115	121	127	134	140
	7,811	6,782	6,806	7,141	8,538	10,408	8,481	8,700	8,832	9,067
New/Upgrade Capital summary: Discretionary										
Land	0	0	0	0	0	0	0	0	0	0
Buildings (includes TBP program)	6,346	9,273	5,619	3,021	50	50	50	732	50	50
Recreation (includes TBP program)	2,660	2,133	78	398	83	86	89	92	1,699	99
Transport - Roads & Footpaths	1,225	90	182	190	198	206	214	223	232	242
Stormwater, Bridges & Floodplain	1,049	333	337	341	345	349	353	358	362	367
CWMS	2,543	1,791	931	830	457	959	964	969	974	979
Equipment - Plant & Vehicles	0	0	0	0	0	0	0	0	0	0
Other	518	300	108	110	113	29	0	0	0	0
	14,341	13,920	7,255	4,890	1,246	1,679	1,670	2,374	3,317	1,737
Total Capital Expenditure	22,152	20,702	14,061	12,031	9,784	12,087	10,151	11,074	12,149	10,804
Note: includes internal allocations										

Current Draft Budget and Plan – Barossa Creative Industries Centre – Commence in 2027/28 Financial Year (costs have not been indexed forward in this model for the build estimates and assumes there will be a grant program that can support the strategy)

A3 Consolidated Results: Budgeted Capital Expenditure		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
		Budget \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000	LTFP \$' 000
Renewal/Replacement Capital summary: Non-Discretionary											
Land		0	0	0	0	0	0	0	0	0	0
Buildings		675	857	870	884	1,098	1,112	1,127	1,141	1,157	1,172
Recreation		1,280	91	93	96	398	530	530	530	530	530
Transport - Roads & Footpaths		4,296	4,090	4,236	4,778	4,946	5,121	5,302	5,489	5,683	5,883
Stormwater, Bridges & Floodplain		530	300	300	300	300	1,000	300	300	300	300
CWMS		100	164	353	97	608	800	98	98	0	0
Equipment - Plant & Vehicles		840	1,185	854	881	1,078	1,730	1,003	1,015	1,028	1,042
Other Assets		90	95	100	105	110	115	121	127	134	140
		7,811	6,782	6,806	7,141	8,538	10,408	8,481	8,700	8,832	9,067
New/Upgrade Capital summary: Discretionary											
Land		0	0	0	0	0	0	0	0	0	0
Buildings (includes TBP program)		6,346	3,704	50	237	5,619	5,619	2,834	732	50	50
Recreation (includes TBP program)		2,660	2,133	78	398	83	86	89	92	1,699	99
Transport - Roads & Footpaths		1,225	90	182	190	198	206	214	223	232	242
Stormwater, Bridges & Floodplain		1,049	333	337	341	345	349	353	358	362	367
CWMS		2,543	1,791	931	830	457	959	964	969	974	979
Equipment - Plant & Vehicles		0	0	0	0	0	0	0	0	0	0
Other		518	300	108	110	113	29	0	0	0	0
		14,341	8,351	1,686	2,106	6,815	7,248	4,454	2,374	3,317	1,737
Total Capital Expenditure		22,152	15,133	8,492	9,247	15,353	17,656	12,935	11,074	12,149	10,804

Consolidated Uniform Presentation of Finances

Revised Results – Barossa Creative Industries Centre – Commence in 2024/25 Financial Year (at current cost estimate completed February 2023)

A2-4 Consolidated Results: Budgeted Uniform Presentation of Finances	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Operating Revenues	47,078	48,840	50,773	52,463	54,288	55,953	57,661	59,417	61,225	63,090
less Operating Expenses	(47,083)	(49,685)	(51,478)	(52,774)	(54,253)	(55,506)	(56,531)	(58,217)	(59,462)	(60,919)
Operating Surplus / (Deficit)	(5)	(845)	(705)	(311)	35	447	1,130	1,200	1,763	2,171
less Net outlays on existing Assets										
Capital expenditure on renewal and replacement of existing assets	(7,811)	(6,783)	(6,806)	(7,139)	(8,538)	(10,408)	(8,480)	(8,701)	(8,831)	(9,068)
less Depreciation, Amortisation and Impairment	10,170	10,616	11,007	11,637	12,235	12,379	12,458	13,113	13,305	13,537
less Proceeds from Sale of Replaced Assets	232	510	361	372	440	699	419	425	431	438
	2,591	4,343	4,562	4,870	4,137	2,670	4,397	4,837	4,905	4,907
less Net outlays on New and Upgraded Assets										
Capital expenditure on New and Upgraded Assets	(14,340)	(13,619)	(6,945)	(4,576)	(905)	(1,336)	(1,322)	(2,021)	(2,959)	(1,373)
less Amounts received specifically for New and Upgraded Assets	2,671	4,540	3,349	1,659	65	65	65	338	706	65
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0
	(11,669)	(9,079)	(3,596)	(2,917)	(840)	(1,271)	(1,257)	(1,683)	(2,253)	(1,308)
Net Lending / (Borrowing) for Financial Year	(9,083)	(5,581)	261	1,642	3,332	1,846	4,270	4,354	4,415	5,770

Current Draft Budget and Plan – Barossa Creative Industries Centre – Commence in 2027/28 Financial Year (costs have not been indexed forward in this model for the build estimates and assumes there will be a grant program that can support the strategy)

A2-4 Consolidated Results: Budgeted Uniform Presentation of Finances	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Operating Revenues	47,078	48,611	50,216	51,717	53,514	55,331	57,203	59,135	61,131	63,199
less Operating Expenses	(47,083)	(49,598)	(51,192)	(51,885)	(53,407)	(54,899)	(56,085)	(57,777)	(58,960)	(60,423)
Operating Surplus / (Deficit)	(5)	(987)	(976)	(168)	107	432	1,118	1,358	2,171	2,776
less Net outlays on existing Assets										
Capital expenditure on renewal and replacement of existing assets	(7,811)	(6,783)	(6,806)	(7,139)	(8,538)	(10,408)	(8,480)	(8,701)	(8,831)	(9,068)
less Depreciation, Amortisation and Impairment	10,170	10,616	10,901	11,075	11,597	11,837	12,010	12,702	12,883	13,103
less Proceeds from Sale of Replaced Assets	232	510	361	372	440	699	419	425	431	438
	2,591	4,343	4,456	4,308	3,499	2,128	3,949	4,426	4,483	4,473
less Net outlays on New and Upgraded Assets										
Capital expenditure on New and Upgraded Assets	(14,340)	(8,050)	(1,376)	(1,792)	(6,474)	(6,904)	(4,107)	(2,021)	(2,959)	(1,373)
less Amounts received specifically for New and Upgraded Assets	2,671	1,255	65	267	3,349	3,349	1,457	338	706	65
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0
	(11,669)	(6,795)	(1,311)	(1,525)	(3,125)	(3,555)	(2,650)	(1,683)	(2,253)	(1,308)
Net Lending / (Borrowing) for Financial Year	(9,083)	(3,439)	2,169	2,615	481	(995)	2,417	4,101	4,401	5,941

Summary of Key Changes

GRP = Growing Regions Program	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Current Base = Current Draft Budget for 23-24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
Operating Result - \$'000											
GRP Estimate	-5	-845	-705	-311	35	447	1,130	1,200	1,763	2,171	4,880
Current Base	-5	-987	-976	-168	107	432	1,118	1,358	2,171	2,776	5,826
Change	0	142	271	-143	-72	15	12	-158	-408	-605	-946
Operating Surplus Ratio - %											
GRP Estimate	-0.01%	-1.73%	-1.39%	-0.59%	0.07%	0.80%	1.96%	2.02%	2.88%	3.44%	7.44%
Current Base	-0.01%	-2.03%	-1.94%	-0.33%	0.20%	0.78%	1.96%	2.29%	3.55%	4.39%	8.87%
Change	0.00%	0.30%	0.56%	-0.27%	-0.13%	0.02%	0.01%	-0.28%	-0.67%	-0.95%	-1.42%
Net Financial Liabilities - \$'000											
GRP Estimate	28,960	35,743	35,364	33,611	30,184	28,242	23,879	19,445	14,958	9,189	
Current Base	28,960	33,600	31,315	28,589	28,012	28,912	26,401	22,220	17,746	11,805	
Change	0	-2,143	-4,049	-5,022	-2,172	670	2,522	2,775	2,788	2,616	
Net Financial Liabilities Ratio - %											
GRP Estimate	61.51%	73.18%	69.65%	64.07%	55.60%	50.47%	41.41%	32.73%	24.43%	14.56%	
Current Base	61.51%	69.12%	62.36%	55.28%	52.34%	52.25%	46.15%	37.58%	29.03%	18.68%	
Change	0.00%	-4.06%	-7.29%	-8.79%	-3.25%	1.78%	4.74%	4.85%	4.60%	4.11%	
Loan Funding Needs											
GRP Estimate	5,100	6,050	800	0	0	0	0	0	0	0	11,950
Current Base	5,100	4,550	0	0	0	2,000	0	0	0	0	11,650
Change	0	-1,500	-800	0	0	2,000	0	0	0	0	-300

GRP = Growing Regions Program	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Current Base = Current Draft Budget for 23-24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
Loan Balances \$'000											
GRP Estimate	26,706	28,843	28,649	26,838	23,506	21,769	17,868	14,309	11,727	11,136	
Current Base	26,706	27,343	25,349	22,538	21,706	22,969	20,318	15,759	11,727	11,136	
Change	0	-1,500	-3,300	-4,300	-1,800	1,200	2,450	1,450	0	0	
Rate Settings - General Rates - % Change											
GRP Estimate	3.50%	4.00%	4.00%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	30.50%
Current Base	3.50%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	30.75%
Change	0.00%	-0.75%	-1.00%	-0.50%	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.25%
Cash Balance at Year End \$'000											
GRP Estimate	3,366	5	117	70	187	398	866	1,757	3,677	8,933	
Current Base	3,366	647	865	791	557	926	791	429	886	6,313	
Change	0	-642	-748	-721	-370	-528	75	1,328	2,791	2,620	



GROWING REGIONS PROGRAM

EXPRESSION OF INTEREST ROUND 1

OFFER OF SERVICE

PO Box 6089

Kingston ACT 2604

Ph: (02) 6162 2092

admin@section51.com.au

www.section51.com.au

30 May 2023

Dear Jo,

Growing Regions Program EOI

Thank you for the opportunity to provide an offer of service for preparing the Expression of Interest for the Growing Regions Program,

The offer provides both the delivery of the EOI in support of council and transforming councils approach to grants under the Albanese and Malinauskas Governments. As we prepare the EOI with you, we teach how the new governments work, which will support your strong future with funding across all areas of council.

We look forward to being able to work with you on your great project.

We are happy to discuss any aspect of this offer.

Yours sincerely,

Colin Steele

Managing Director

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HOW IS GROWING REGIONS PROGRAM DIFFERENT TO THE PAST?

The Australian Government's new \$600 million Growing Regions Program has been developed as an entirely new grant program. BBRF has been replaced completely for the reasons outlined in the media release below.

Section51 provided detailed advice to the Department on the new grant program and guidelines, through the both the local government roundtable on Growing Regions Program and with submissions and appearing at hearing of the Joint Committee Of Public Accounts and Audit Inquiry into Commonwealth grants administration. Section51 thus has a comprehensive understanding of how the grant program was constructed and what sits behind the new approach.

MINISTERS MEDIA RELEASE EXTRACT

Grant guidelines have now been released for the first round of the Australian Government's new \$600 million Growing Regions Program, with expressions of interest to open on July 5 this year.

The October 2022-23 Budget established new grants programs to replace the discredited programs run by the Liberals and Nationals.

After a devastating ANAO report, which showed the programs had been pork barreled to give money to National party seats without any fairness, without adherence to the guidelines and without proper process, the Albanese government was determined to provide something better for regional Australians.

The program will invest in critical regional infrastructure and community projects across regional and rural Australia through two \$300 million funding rounds – with a second round to follow Round 1.

Local government entities and not-for-profit organisations will be able to apply for grants of between \$500,000 and \$15 million through the program, which will be open, competitive and merit-based.

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The grants can be used to cover up to 50 per cent of eligible project costs, with lower co-funding requirements in place to support First Nations, disaster-affected and remote applicants to make their projects a reality.

By funding community and economic infrastructure projects in rural and regional Australia, the program will drive economic prosperity, enhance liveability, bolster social inclusion and support local amenity.

Quotes attributable to Infrastructure, Transport, Regional Development and Local Government Minister Catherine King:

“As a regional Australian, I know how vital grants programs like this can be to make local projects in our regions a reality – projects that make a real difference for communities. “This will allow local government entities and not-for-profit organisations to do exactly that, with funding under this program able to be used to construct new community infrastructure, or upgrade and expand existing facilities.

Quotes attributable to Regional Development, Local Government and Territories Minister, Kristy McBain:

“The Growing Regions program forms part of our Government’s unwavering commitment to investing in Australia’s regions to create jobs, build opportunity and unlock economic growth and productivity. “Through this program, we are delivering on our commitment to establish a new regional grants program focused on integrity, transparency, accountability, collaboration and fairness – and I can’t wait to see the incredible benefits it will have in our regions.”

GUIDELINES EXTRACT

2. About the grant program

The objectives of the program are:

- constructing or upgrading community infrastructure that fills an identified gap or need for community infrastructure
- contributing to achieving a wide range of community socio-economic outcomes

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- is strategically aligned with regional priorities.

The intended outcomes of the program are:

- delivery of community-focused infrastructure which contributes to local and regional priorities
- provision of infrastructure which benefits the community by improving equity and supports diverse social inclusion
- to contribute to the achievement of broader Government priorities such as net zero emissions, gender equity, and/or First Nations priorities
- growing local economies and enhancing amenity and liveability in the regions.

Growing Regions Program Round 1 will be delivered through a two-stage selection process.

Applicants must first submit an Expression of Interest at Stage 1 and if successful, applicants will be invited to submit a full application at Stage 2. For further details see section 6.

8.1. Assessment of grant applications – Expression of Interest (stage one)

We first review your EOI against the eligibility criteria. Only eligible applications will proceed to the assessment stage.

If eligible, we will analyse your response to assessment criterion 1 – EOI to understand how your project aligns with the program objectives and how ready it is to proceed. We will provide our analysis of this information to the panel.

The panel will assess your EOI based on how strongly your project aligns with the regional priorities for the area (assessment criterion 2 – EOI). The panel will recommend projects to be invited to apply. DITRDCA approves which EOIs will proceed to a full application.

If your EOI is successful, you will be invited to submit a full application.

If applications are scored the same, DITRDCA will consider value for money, alignment to the program objectives and geographical spread to recommend applications for funding.

8.4. Who will approve grants?

The DITRDCA approves which EOIs (stage one) will be invited to submit a full application (stage two) taking into account the recommendations of the panel.

Appendix C Panel scoring matrix

Score 1-5	1 Unable to determine alignment with regional priority	2 Weak alignment with regional priority	3 Marginal alignment with regional priority	4 Strong alignment with regional priority	5 Very strong alignment with regional priority
How strongly does the project align with the regional priorities?	No information on the project's alignment with regional priorities provided.	Regional priorities identified are vague and not well linked to the project.	The proposed project aligns with the identified regional priorities but only at a high level.	The proposed project specifically and reasonably aligns with regional priorities.	The proposed project specifically and clearly aligns with regional priorities, and priorities are clearly defined.

EOI FORM EXTRACT

F.1. Assessment criterion 1 (non-weighted)

Your response is limited to 5000 characters including spaces and does not support formatting. This criterion is non-weighted and will be used to analyse project readiness.

To what extent is your project ready to proceed and how does it align to the program objectives? You should demonstrate this by identifying

- a. how advanced the project designs are
- b. how far you have progressed the tender process
- c. the extent to which your project fills an identified gap or need for community infrastructure
- d. the extent to which your project will contribute to achieving a wide range of community socio-economic outcomes.

You must attach evidence

F.2. Assessment criterion 2 (5 points)

Your response is limited to 5000 characters including spaces and does not support formatting.

How does your project align with regional priorities for the area? You should demonstrate this by identifying which regional priorities are being addressed and how your project addresses these priorities.

You must attach evidence of the regional priorities later in the form.

EVIDENCE REQUIREMENTS FOR EOI

The grant guidelines lists the evidence requirements, as does the sample form, but as expected they say slightly different things. Note that this list may not be exclusive as the online form may require additional attachments not listed. The online form will not be available until the grant program opens. Extract of the sample form is provided:

G.2. Additional information

You must attach the following supporting documentation. You should only attach documents we have requested. The total of all attachments cannot exceed 20 MB. Individual files must be smaller than 2.0mb

- evidence that you either own the land/infrastructure being built/upgraded upon, or that you have the landowner's permission to use the land/infrastructure*
- evidence of a cash contribution * You must attach evidence of the cash contribution regardless of the source of funding
- project budget * You must attach a project budget as per the template provided on business.gov.au and GrantConnect.
- evidence of alignment to local and regional priorities * You must attach either full documents or a list of hyperlinks within a document to official documented local and regional priorities
- evidence that the project is ready to commence* You must attach evidence including approved development applications, project designs and timelines

SECTION51 METHODOLOGY

The methodology for delivering the EOI with input from Council is set out in the following Project Schedule.

In the short timeframe, deliverables are broken into blocks culminating in submission on the 27th of July. The last week is for final approvals and submission. The project will be managed by Colin Steele, Section51.

The starting point is Assessment Criterion 2. The purpose of the Growing Regions Program EOI is to prove that your project will be delivering the Australian Government's policy outcomes through alignment with regional priorities for the area. To clearly prove how these projects will achieve these Australian Government's outcomes, Program logic will be used to create the story and themes of your EOI. Program logic is used extensively across the Australian and State Governments and is the foundation for preparing the EOI.

Assessment Criterion 1 has two very distinct questions in the one sentence. To what extent is your project ready and how does it align to the program objectives. These will be answered as separate component within the 5,000 characters and with the evidence documents of project plan and alignment with regional priorities attachments.

The methodology provided includes open and ongoing communication and the full use of all available technical and supporting knowledge. Document preparation, EOI writing and online forms will be completed by Section51.

The offer provides both the delivery of the EOI in support of council and transforming councils approach to grants under the Albanese and Malinauskas Governments. As we prepare the EOI with you, Colin will provide his intellectual property on the approach of the governments to grants and how they work. Having this understanding will help council across all areas of operation with the new governments.

Project schedule	Growing Regions Program EOI					
	By Thursday					
	15 June	29 June	6 July	13 July	20 July	27 July
Inception						
Inception meeting with council						
Game plan confirmed						
Project plan and alignment templates created						
Word version of form created with data need questions circulated.						
Drafting part one						
Program logic workshop						
Story write up based on workshop						
Prepare the first draft of the EOI. This includes project plan, regional alignment, and other evidence requirements						
EOI opens and online form created						
Review drafts with council						
Drafting part two						
Draft final EOI. This includes project plan, regional alignment, and other evidence requirements						

Project schedule		Growing Regions Program EOI				
		By Thursday				
	15 June	29 June	6 July	13 July	20 July	27 July
Finalise drafts and all supporting documentation for final review and approval						
EOI Submission						
Sign off of all EOI applications, documentation and all parts of the process by council						
EOI submission						

EXPERIENCE

Section51

Section51 is unique in that the company works across the 4 components of the funding system at all 3 levels of government. The company provides training, application preparation and submission, funding deed negotiations and strategic plan preparation to maximise the benefits of funding. These services are not found in this combination in this field within any other company.

Prior to establishing Section51, Colin Steele, the Managing Director, worked for over thirty years across three levels of government. He began with ten years as a local government planner in NSW, followed by eleven years in the NSW Government including in the Regional Strategic Planning team of NSW Planning and then in the executive of NSW Premiers Department.

He then moved to Canberra to work for the Commonwealth Government with eleven years in designing, assessing, managing and evaluating grants in environment, infrastructure and the Department of Climate Change. Colin worked for the then Minister Albanese designing and delivering grant programs for local government.

In the 13 years since Section51 was established, the company has worked with a wide and diverse range of councils in supporting growth through accessing funds for infrastructure, environment and economic development projects. The firm has advised more than 100 councils across every State and Territory and over 1,000 council representatives have attended its workshops.

Success

Counterintuitively, success is not a word that Section51 uses for our marketing. The grants system has too many variables for us to say we will be successful with an application. Our business model is to provide clients with the best possible opportunity for success. This model leads to us helping councils who may not be successful for reasons beyond the grants process, but we know our support will provide a positive difference.

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That said, if numbers are important, Section51 has achieved over \$400 million in Australian and State Government funding for councils for community, environment and infrastructure projects over our 13 years.

A.P. SHEERE CONSULTING

Business cases may be prepared by our partner economist Arabella of A.P. SHEERE CONSULTING. Arabella is a highly respected economist in the fields of economic development and marketing. Arabella Perugini-Sheere has over 20 years' experience in these subject areas and has successfully worked both in the public and private sectors.

Arabella has extensive specialist expertise developing comprehensive business cases with sound economic arguments and cost benefit analyses which are frequently required for funding application submissions. Arabella is based in the Blue Mountains, NSW and has been a partner economist with the Section51 team since 2015.

Note a business case is not required for the Expression of Interest.

QUOTE

Component:	Cost: (GST exclusive)
Prepare Growing Regions Program Expression of Interest (EOI) as per the project schedule.	\$14,200
Travel costs are additional and charged at cost price.	

An invoice for the works will be issued for the amount of 60% upon engagement and 40% upon completion. Full invoicing on engagement is available if preferred by council.

COMPANY DETAILS

Section51 Pty Ltd

ABN 58-142-769-891

OUR INSURANCE

Section51 has valid policies in:

Class: Professional Indemnity
Policy Number: BPIQ-201000749
Limit: \$5,000,000

Class: Public Liability
Policy Number: 14A636372BPK
Limit: \$20,000,000

Class: Workers Compensation
Policy Number: CWT0041627

CONTACT US

Email: admin@section51.com.au
Phone: (02) 6162 2092 or 0423337563
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www.section51.com.au

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COVER SHEET

CONFIDENTIAL REPORT

7 June 2023

Council Meeting

3.1 OFFICE OF THE MAYOR AND CEO CONFIDENTIAL REPORT

3.1.1 EXPRESSION OF INTEREST - TOUR DOWN UNDER 2024 - FOLLOW UP FROM JANUARY 2024

The matter of the agenda item being commercial information of a confidential nature (not being a trade secret) the disclosure of which-

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- (ii) would, on balance, be contrary to the public interest; pursuant to Section 90(3)(d) of the Local Government Act 1999 ("the Act") being information that must be considered in confidence.

There is strong public interest in enabling members of the public to observe Council's transparent and informed decision-making. This helps to ensure accountability, maintain transparency of public expenditure, facilitate public participation, assist public awareness and allow for the scrutiny of information. Attendance at a Council meeting is one means of satisfying this interest. The public will only be excluded from a Council meeting when the need for confidentiality pursuant to Section 90(2) of the Act outweighs the public interest of open decision-making.

In this matter, the reasons that receipt, consideration or discussion of the information or matter in a meeting open to the public would be contrary to the public interest are that as the matter has been requested to be considered confidential due to the commercial sensitive nature of the event.

On balance, the above reason which supports the need for confidentiality pursuant to Section 90(2) of the Act outweighs the factors in favour of the public interest of open decision-making.

RECOMMENDATION

That Council:

- (1) Under the provisions of Section 90(2) of the *Local Government Act 1999*, make an order that the public be excluded from the meeting with the exception of the Chief Executive Officer, Director Corporate Services and Business Innovation, Director Development and Community Services, Director Infrastructure and Environmental Services, and the Minute Secretary, in order to consider in confidence a report relating to 3.1.1 Expression of Interest - Tour Down Under 2024 - Follow Up from January 2024 being information that must be considered in confidence pursuant to:

Section 90(3)(d) of the *Local Government Act 1999*:

commercial information of a confidential nature (not being a trade secret) the disclosure of which-

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- (ii) would, on balance, be contrary to the public interest; and

- (2) Accordingly, on this basis, Council is satisfied that public interest in conducting meetings in a place open to the public has been outweighed by the need to keep the information and discussion confidential in order that as the matter has been requested to be considered confidential due to the commercial sensitive nature of the event.

COVER SHEET

CONFIDENTIAL REPORT

7 June 2023

Council Meeting

3.1 OFFICE OF THE MAYOR AND CEO CONFIDENTIAL REPORT

3.1.2 TALUNGA VILLAGE - MANAGEMENT ARRANGEMENTS

The matter of the agenda item being information the disclosure of which-

- (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and
- (ii) would, on balance, be contrary to the public interest; pursuant to Section 90(3)(j) of the Local Government Act 1999 ("the Act") being information that must be considered in confidence.

There is strong public interest in enabling members of the public to observe Council's transparent and informed decision-making. This helps to ensure accountability, maintain transparency of public expenditure, facilitate public participation, assist public awareness and allow for the scrutiny of information. Attendance at a Council meeting is one means of satisfying this interest. The public will only be excluded from a Council meeting when the need for confidentiality pursuant to Section 90(2) of the Act outweighs the public interest of open decision-making.

In this matter, the reasons that receipt, consideration or discussion of the information or matter in a meeting open to the public would be contrary to the public interest are that information related to tenancy arrangements and personal details.

On balance, the above reason which supports the need for confidentiality pursuant to Section 90(2) of the Act outweighs the factors in favour of the public interest of open decision-making.

RECOMMENDATION

That Council:

- (1) Under the provisions of Section 90(2) of the *Local Government Act 1999*, make an order that the public be excluded from the meeting with the exception of the Chief Executive Officer, Director Corporate Services and Business Innovation, Director Development and Community Services, Director Infrastructure and Environment, and the Minute Secretary, in order to consider in confidence a report relating to 3.1.2 Talunga Village - Management Arrangements being information that must be considered in confidence pursuant to:

Section 90(3)(j) of the *Local Government Act 1999*:

information the disclosure of which-

- (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and
- (ii) would, on balance, be contrary to the public interest; and

- (2) Accordingly, on this basis, Council is satisfied that public interest in conducting meetings in a place open to the public has been outweighed by the need to keep the information and discussion confidential in order that information related to tenancy arrangements and personal details.