TheBarossaCouncil

MINUTES OF THE MEETING OF SPECIAL COUNCIL MEETING

held on Wednesday 27 November 2024 commencing at 5.30pm
in the Council Chambers, 43-51 Tanunda Road, Nuriootpa.

M I N U T E S

Welcome by Mayor Bim Lange declared the meeting open at 5.30pm.

1. ATTENDANCE RECORD

1.1 Members Present

Mayor Bim Lange, Crs John Angas, Don Barrett, David de Vries, Kathryn Schilling, Jane Evans, Bruce Preece, Jess Greatwich, and Rick Lane

Apologies

Crs Heidi Thompson and Cathy Troup

Not Present

Cr Hurn

Leave of Absence

Nil

2. DEBATE REPORTS

2.1 Corporate Services, Strategy and Innovation

2.1.1 2023-24 ANNUAL FINANCIAL STATEMENTS - THE BAROSSA COUNCIL 24/109959

MOVED Cr de Vries

That Council, having reviewed consolidated annual financial statements for the 2023-24 financial year and noting the Audit and Risk Committee endorsement:

(1) Adopts the consolidated annual financial statements for the 2023-24 financial year as presented at Attachment 1.

(2) Receives and notes the draft audit report for The Barossa Council from Council's external auditor Mr Tim Muhlhausler of Galpins Accountants, Auditors and Business Consultants for the year ended 30 June 2024 as presented at Attachment 2.

(3) Receives and notes the management representation letter, which was provided to Mr Tim Muhlhausler of Galpins Accountants, Auditors and Business Consultants for the year ended 30 June 2024 as presented at Attachment 3.

(4) Notes the analysis contained in the separate Council report comparing the Council's audited 2023-24 annual financial statements to the 2023-24 original adopted budget.

SECONDED Cr Lane **CARRIED 2022-26/586**

PURPOSE

To review and adopt The Barossa Council consolidated annual financial statements for the 2023-24 financial year.

REPORT

Background
The 2023-24 Barossa Council consolidated annual financial statements and accompanying notes have been prepared in accordance with Section 127 of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Regulation 13 of the *Local Government (Financial Management) Regulations 2011* requires that the financial statements of a Council be prepared in accordance with the requirements set out in the model financial statements.

Regulation 10 of the *Local Government (Financial Management) Regulations 2011* requires a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statement compared with the estimated financial results set out in the budget.

The Mayor and Chief Executive Officer were endorsed to sign the certification of the financial statements at the 17 September 2024 meeting in accordance with Regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

Introduction
The Barossa Council consolidated annual financial statements for the 2023-24 financial year are presented at Attachment 1. These have been audited by the Council's external auditor Galpins Accountants, Auditors and Business Consultants, who have returned a draft unmodified opinion on the financial statements and an unmodified controls opinion. The draft audit report is presented at Attachment 2.

A copy of the management representation letter for the year ended 30 June 2024, which has been provided to Galpins Accountants, Auditors and Business Consultants, has also been presented for your information and noting at Attachment 3.

The Audit and Risk Committee has reviewed and endorsed for adoption the Council's consolidated annual financial statements for the 2023-24 financial year at its 25 November 2024 meeting.

Discussion

Key results of consolidated annual financial statements include:

- 2023-24 operating deficit of $1.139 million compared to $0.949 million operating surplus for 2022-23.
- 2023-24 adjusted and true underlying operating surplus (adjusting for the advanced payment of 2023-24 financial assistance grants of $2.086 million paid in the 2022-23 financial year) of $0.947 million. For comparison the adjusted and true underlying operating surplus for 2022-23 was $0.247 million.
- An estimated underlying uncommitted improvement to the cash position from the excellent performance of the operating position as at 30 June 2024 of $2.047 million compared to budget, which has effectively been applied in the 2024-25 budget to the capital program, it will effectively reduce borrowing needs by this amount.
- 2023-24 net surplus after capital adjustments of $1.535 million (2022-23 $8.403 million net surplus).
- 2023-24 total comprehensive income after changes in revaluation surplus and share of other comprehensive income of equity accounted council businesses of $4.306 million surplus (2022-23 $3.685 million surplus).
- Net assets increased to $407.809 million as at 30 June 2024 from $403.503 million as at 30 June 2023.
- Cash and cash equivalents at 30 June 2024 were $3.153 million (2023 $4.618 million).
- Total borrowings have increased by $6.471 million from $8.958 million to $15.429 million at 30 June 2024.
- There was a $469,000 increase to the revaluation surplus for infrastructure, property, plant and equipment recognised in 2023-24 in addition to $2.302 million recognised for the Barossa Council's share of other comprehensive income of equity accounted council businesses.
- Future commitments for capital expenditure are recorded at Note 14 of the Annual Financial Statements and totalled $10.860 million.

Refer to the separate Council report with the Report on Financial Results as at 30 June 2024 for a more detailed analysis comparing the Barossa Council's audited 2023-24 annual financial statements to the 2023-24 original adopted budget, as required by Regulation 10 of the *Local Government (Financial Management) Regulations 2011*.

Summary and Conclusion

The Barossa Council consolidated annual financial statements for the 2023-24 financial year are presented for adoption.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1	Draft 2023-24 Annual Financial Statements (Audit Clearance Version to Audit and Risk Committee and Council) - Barossa Council

Attachment 2 2023-24 Draft Audit Completion Report from Galpins - Barossa Council

Attachment 3 2023-2024 Management Representation Letter to Galpins - Barossa Council - 21 November 2024

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan
BS6 Finance - Transparency and accountability regarding Council activity and expenditure. Provision of organisational performance report (outcomes), activity report (outputs), a range of statutory reporting (e.g. public health, tax, superannuation), financial reporting

Legislative Requirements

Section 126(4) of the Local Government Act 1999
Local Government (Financial Management) Regulations 2011

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Financial

All known financial and resourcing requirements as at 30 June 2024 have been included in the annual financial reports.

Risk Management

Risk management issues are considered by management throughout the financial year and communicated to Council as required.

COMMUNITY ENGAGEMENT

No separate consultation is required under Council's Public Consultation Policy. The Financial Statements are public documents, accessible to the community via Council's website after Council adoption.

2.1.2 2023-24 ANNUAL FINANCIAL STATEMENTS - NURIOOTPA CENTENNIAL PARK AUTHORITY
24/109991

MOVED Cr Barrett

That Council, having reviewed the Nuriootpa Centennial Park Authority annual financial statements for the 2023-24 financial year and noting the Audit and Risk Committee endorsement:

(1) Adopts the Nuriootpa Centennial Park Authority annual financial statements for the 2023-24 financial year as presented at Attachment 1.

(2) Receives and notes the draft audit report for the Nuriootpa Centennial Park Authority from Council's external auditor Mr Tim Muhlhausler of Galpins Accountants, Auditors and Business Consultants for the year ended 30 June 2024 as presented at Attachment 2.

(3) Receives and notes the management representation letter, which was provided to Mr Tim Muhlhausler of Galpins Accountants, Auditors and Business Consultants for the year ended 30 June 2024 as presented at Attachment 3.

(4) Notes the analysis contained within this report comparing the Nuriootpa Centennial Park Authority's audited 2023-24 annual financial statements to the audited 2022-23 annual financial statements.

SECONDED Cr Angas **CARRIED 2022-26/587**

PURPOSE

To review and adopt the Nuriootpa Centennial Park Authority annual financial statements for the 2023-24 financial year.

REPORT

Background
The 2023-24 Nuriootpa Centennial Park Authority annual financial statements and accompanying notes have been prepared in accordance with Section 127 of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Regulation 13 of the *Local Government (Financial Management) Regulations 2011* requires that the financial statements of a council subsidiary be prepared in accordance with the requirements set out in the model financial statements.

Introduction
The Nuriootpa Centennial Park Authority annual financial statements for the 2023-24 financial year are presented at Attachment 1. These have been audited by the Council's external auditor Galpins Accountants, Auditors and Business Consultants, who have returned a draft unmodified opinion on the financial statements. The draft audit opinion is presented at Attachment 2.

A copy of the management representation letter for the year ended 30 June 2024, which has been provided to Galpins Accountants, Auditors and Business Consultants, has also been presented for your information and noting at Attachment 3.

The Barossa Council Audit and Risk Committee has reviewed and endorsed for adoption the Nuriootpa Centennial Park Authority annual financial statements for the 2023-24 financial year at its 25 November 2024 meeting.

The Nuriootpa Centennial Park Authority Audit and Risk Committee has not yet met to endorse the financial statements.

Key results of the Nuriootpa Centennial Park Authority 2023-24 Annual Financial Statements include:

- 2023-24 operating deficit of $38,330 compared to $16,420 surplus for 2022-23.
- 2023-24 net deficit after capital adjustments of $60,108 (2022-23 $2,624,351 surplus).
- Net assets decreased to $13.087 million as at 30 June 2024 from $14.461 million as at 30 June 2023.
- Cash and cash equivalents at 30 June 2024 totalled $318,674 (2023 $404,706).
- Total borrowings (including lease liabilities) have decreased by $232,706 from $856,994 to $624,288 at 30 June 2024.

Discussion
Total income increased by $175,495 or 6.65% for 2023-24. This is predominately due to increased site activity resulting in a $134,847 increase in cabin fees and an $18,764 increase in site fees.

Total expenditure increased by $230,245 or 9.61% for 2023-24. This is due to the following:

- A $170,863 increase in employee costs associated with general salary increases
- A $42,407 increase in depreciation costs associated with $2.918 million in new and upgraded assets acquired during 2022-23 and $64,081 in new and upgraded assets acquired during 2023-24.

Physical resources received free of charge decreased significantly in 2023-24 from $2.612 million in 2022-23 to $2,122 in 2023-24. In 2022-23 the Nuriootpa Centennial Park Authority received significant 'gifted' assets from the Barossa Council as a result of capital works completed under The Big Project.

Land assets categorised as level 3 in the fair value hierarchy under *AASB 13 Fair Value Measurement* were revalued as at 1 July 2023 using values provided by the Valuer-General. This resulted in a $1.318 million decrease in the value of the Nuriootpa Centennial Park Authority's community land.

Net assets decreased to $13.087 million as at 30 June 2024 from $14.461 million as at 30 June 2023, a decrease of $1.374 million. This is due to:

- A $1.702 million decrease in infrastructure, property, plant and equipment assets largely due to the $1.318 million revaluation decrement to community land and $552,214 in depreciation expenses, offset by $188,376 in additions throughout the year.
- A $185,716 increase in capital works in progress largely relating to the Barossa soccer precinct.
- A decrease to total liabilities of $229,257 from $14.461 million to $13.087 million. This is due to a $232,706 decrease in borrowings (including lease liabilities) from $856,994 to $624,288 at 30 June 2024 largely resulting from $226,820 in loan repayments being made throughout the year.

Summary and Conclusion
The Nuriootpa Centennial Park Authority annual financial statements for the 2023-24 financial year are presented for adoption.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1	Draft 2023-24 Annual Financial Statements (Audit Clearance Version to Audit and Risk Committee and Council) - Nuriootpa Centennial Park Authority (NCPA)
Attachment 2	2023-24 Galpins Draft Audit Report on Financial Statements - Nuriootpa Centennial Park Authority (NCPA)
Attachment 3	2023-2024 Management Representation Letter to Galpins - NCPA - 21 November 2024

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan
BS6 Finance - Transparency and accountability regarding Council activity and expenditure. Provision of organisational performance report (outcomes), activity report (outputs), a range of statutory reporting (e.g. public health, tax, superannuation), financial reporting.

Legislative Requirements
Section 126(4) of the Local Government Act 1999
Local Government (Financial Management) Regulations 2011

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Financial

All known financial and resourcing requirements as at 30 June 2024 have been included in the annual financial reports.

Risk Management

Risk management issues are considered by management throughout the financial year and communicated to Council as required.

COMMUNITY ENGAGEMENT

No separate consultation is required under Council's Public Consultation Policy. The Financial Statements are public documents, accessible to the community via Council's website after Council adoption.

2.1.3 2023-24 REPORT ON FINANCIAL RESULTS
24/110091

MOVED Cr de Vries

That Council adopts the 2023-24 Report on Financial Results for the year ended 30 June 2024 as presented at Attachment 1.

SECONDED Cr Greatwich **CARRIED 2022-26/588**

PURPOSE

To review and adopt the 2023-24 Report on Financial Results for the year ended 30 June 2024.

REPORT

Background

The 2023-24 Barossa Council consolidated annual financial statements and accompanying notes have been prepared in accordance with Section 127 of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Regulation 10 of the *Local Government (Financial Management) Regulations 2011* requires a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statement compared with the estimated financial results set out in the budget.

Discussion
With the 2023-24 Barossa Council consolidated annual financial statements having been audited by Council's external auditor Galpins Accountants, Auditors and Business Consultants, the 2023-24 Report on Financial Results has been prepared and is presented at Attachment 1.

This report compares the 2023-24 audited financial results to both the 2023-24 adopted original budget and the 2022-23 audited financial results and includes the following tables:

Table 1 – Statement of Comprehensive Income
Table 2 – Statement of Financial Position
Table 3 – Financial Indicators
Table 4 – Asset Revaluation, has been included to briefly explain the asset revaluation movements.

Summary and Conclusion
The 2023-24 Report on Financial Results for the year ended 30 June 2024 is presented for adoption.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 Report on Financial Results for the year ended 30 June 2024

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

BS6 Finance - Transparency and accountability regarding Council activity and expenditure. Provision of organisational performance report (outcomes), activity report (outputs), a range of statutory reporting (e.g. public health, tax, superannuation), financial reporting

Legislative Requirements

Local Government Act 1999
Local Government (Financial Management) Regulations 2011

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Financial

All known financial and resourcing requirements as at 30 June 2024 have been included in the annual financial reports.

Risk Management

Risk management issues are considered by management throughout the financial year and communicated to Council as required.

COMMUNITY ENGAGEMENT

No separate consultation is required under Council's Public Consultation Policy. The annual financial statements are public documents accessible to the community via Council's website after Council adoption.

3. NEXT MEETING

Tuesday 17 December 2024 at 5.30pm

4. CLOSURE

Mayor Lange declared the meeting closed at 5.36 pm.

Confirmed at Council Meeting on 17 December 2024

Date:………………………………. Mayor:………………………………….