TheBarossaCouncil

MINUTES OF THE MEETING OF AN AUDIT AND RISK COMMITTEE

held on Monday 11 May 2026 commencing at 4:00 pm
in the Council Chambers, 43-51 Tanunda Road, Nuriootpa.

M I N U T E S

Mr Brass opened the meeting at 4:00pm

1. ATTENDANCE RECORD

1.1 Members Present

Peter Brass (via teams), Ian Swan (via teams), Wendy Haydon, Christine Hahn and David Paprzycki

Apologies

Nil

Not Present

Nil

Leave of Absence

Nil

2. CONFIRMATION OF PREVIOUS MINUTES

2.1 Minutes of previous meetings – for confirmation:

MOVED Ms Hahn

That the Minutes of the Audit and Risk Committee held on Monday 9 February 2026 at 4:00pm, as circulated, be confirmed as true and correct records of the proceedings of those meetings.

SECONDED Mr Swan **CARRIED AC 2022-26/71**

2.2 Matters arising from previous minutes

Nil

3. MATTERS FOR INFORMATION

3.1 Audit Assessment Summary Report - Safety, Reliability, Maintenance and Technical Management Plan (SRMTMP)
3.2 Risk Management Report - Quarter 3 - 2025-26
3.3 Quarterly Enterprise Resource Planning Project Progress Report - April 2026
3.4 2025-26 Audit Plan from External Auditors

MOVED Ms Hahn

The Committee note the audit plan provided by Galpins and provide feedback on the following points:

- Calendar year date updates.
- Inclusion on Nuriootpa Centennial Park Authority Workplan/Schedule.
- Audit and Risk Committee legislative updates be incorporated into the document, including correct name of committee
- Suggest Enterprise Resource Planning review in Galpins audit and bring revised version back for ratification at a future Audit and Risk Committee meeting.

SECONDED Mr Swan **CARRIED AC 2022-26/72**

3.5 Policy Governance Framework
3.6 Governance Update
3.7 Committee Action Register
3.8 Committee Work Plan

Mr Swan left the meeting at 4:47pm.
Mr Swan returned to the meeting at 4:49 pm.

4. DEBATE REPORT

4.1 UPDATE ON END OF FINANCIAL YEAR IMPROVEMENT PROCESS FOR ASSET MANAGEMENT
26/36409

MOVED Mr Paprzycki

That Audit and Risk Committee receive and note the update and progress made and timetables set for the 2025-2026 financial year production of the financial statements.

SECONDED Ms Hahn **CARRIED AC 2022-26/73**

PURPOSE

To update the Committee on progress of improvement leading into the production of the 2025-2026 financial year accounting statements.

REPORT

Background
As reported to the Committee on 9 February 2026 a process to address challenges and improvements to asset management account were tabled.

Discussion
Progress on the action plan is well advanced with a range of processes target completed or progressing well.

The relevant notes/action tracking of the meetings hosted by myself are at Attachment 1 for review.

Summary and Conclusion
The progress is advancing well and preparations for the 2025-2026 financial year accounting statements is tracking to, and in some respects ahead of plan.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 February 2026 Notes
Attachment 2 March 2026 Notes
Attachment 3 April 2026 Notes

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

BS6 Finance - Provision of financial and budgetary accounting services, treasury and investment services, management reporting, reconciliation and taxation services, asset accounting, internal control, accounts payable and receivable services

Legislative Requirements
Division 3 Financial Statements Section 127 of the Local Government Act 1999

RISK MANAGEMENT CONSIDERATIONS

These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take or retain risk in pursuit of its objectives.

1. **SERVICE DELIVERY**
   Refers to the delivery of services to the community, which includes the systems and physical assets that enable provision of these services, including structures (such as roads, buildings and facilities) as well as IT infrastructure, plant, vehicles & other equipment.

   Delivery of the statements within the prescribed legislative timeframe is a requirement of the performance service standards of Council.

2. **SUSTAINABILITY & ENVIRONMENT**
   Relates to measures to preserve, protect and minimise impact on the natural environment, including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.

   Nil

3. **FINANCIAL**
   Refers to planning and control of Council's budget to align with the sustainable achievement of the desired outcomes articulated in its Community Plan.

   Delivery of the statements within the prescribed legislative timeframe is a requirement of the performance service standards of Council.

4. **PEOPLE**
   Relates to recruitment, retention, wellbeing and safety of employees and volunteers and engagement and management of contractors as well as the wellbeing and safety of the community.

   Nil

5. **REPUTATION**
   Relates to policy, decisions, actions and circumstances that may cause Council to lose credibility with the community, ratepayers, key stakeholders, other levels of government and its own employees and contractors.

   Delivery of the statements within the prescribed legislative timeframe is a requirement of the performance service standards of Council.

COMMUNITY ENGAGEMENT

No required or recommended.

4.2 OPERATIONAL RISK REGISTER
25/74923

MOVED Mr Swan

That the Audit and Risk Committee notes The Barossa Council Operational Risk Register Executive Summary Report, as provided at Attachment 1, for information and that regular updates are provided on the progress of operational risk register improvements.

SECONDED Ms Haydon **CARRIED AC 2022-26/74**

PURPOSE

To present an executive summary of The Barossa Council Operational Risk Register as at April 2026 to the Audit Committee for information and assurance purposes.

REPORT

Introduction
In accordance with the Audit and Risk Committee's workplan schedule and annual update on Council's Operational Risk register has been prepared for the committee for information and assurance.

Discussion
The Barossa Council Operational Risk Register Executive Summary Report, as provided at Attachment 1, provides an overview of Council's risk profile, operational risks, inherent and residual risk ratings and treatment monitoring. The Summary Report also provides an update on planned activity for the ongoing assessment and review of operational risks.

Summary and Conclusion
The Barossa Council Operational Risk Register Executive Summary Report provides assurance of Council's ongoing appropriate identification, assessment and treatment of operational risks.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 The Barossa Council Operational Risk Register Executive Summary - April 2026

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

BS5 Enterprise Risk and Safety - The management of Council's Enterprise Risk profile including strategic and operational risk assessment, control and monitoring; internal control and audit; business continuity and disaster recovery planning; organisational emergency management; insurance portfolio management; and Work Health Safety system coordination

Legislative Requirements
Local Government Act 1999

RISK MANAGEMENT CONSIDERATIONS

These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take or retain risk in pursuit of its objectives.

1. **SERVICE DELIVERY**
   Refers to the delivery of services to the community, which includes the systems and physical assets that enable provision of these services, including structures (such as roads, buildings and facilities) as well as IT infrastructure, plant, vehicles & other equipment.

   Refer to Attachment 1.

2. **SUSTAINABILITY & ENVIRONMENT**
   Relates to measures to preserve, protect and minimise impact on the natural environment, including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.

   Refer to Attachment 1.

3. **FINANCIAL**
   Refers to planning and control of Council's budget to align with the sustainable achievement of the desired outcomes articulated in its Community Plan.

   Refer to Attachment 1.

4. **PEOPLE**
   Relates to recruitment, retention, wellbeing and safety of employees and volunteers and engagement and management of contractors as well as the wellbeing and safety of the community.

   Refer to Attachment 1.

5. **REPUTATION**
   Relates to policy, decisions, actions and circumstances that may cause Council to lose credibility with the community, ratepayers, key stakeholders, other levels of government and its own employees and contractors.

   Refer to Attachment 1.

COMMUNITY ENGAGEMENT

Not required.

4.3 DRAFT WORK HEALTH SAFETY STRATEGY - 2026-2028

26/25033

MOVED Mr Paprzycki

That the Audit and Risk Committee, having reviewed the Draft Work Health and Safety Strategy 2026-2028 presented at Attachment 1, endorse the document for presentation to Council for consideration and approval, with the following change:

- Amend *assurance* to *advice* within the Audit and Risk Committee responsibilities.

SECONDED Mr Swan **CARRIED AC 2022-26/75**

PURPOSE

A Draft Work Health and Safety Strategy 2026-2028 has been prepared and is presented for Audit and Risk Committee review and endorsement.

REPORT

Background

The Work Health and Safety Act 2012 (SA), supported by the Work Health and Safety Regulations 2012, is based on the national model WHS laws and applies to all workplaces in South Australia, including local government. The ReturnToWorkSA WHS Performance Standards for Self-Insurers (PSSI), set the benchmark requirements for effective WHS and injury management systems and continuous improvement, including a requirement to set performance targets and demonstrate commitment to continuous improvement.

Introduction

The Draft WHS Strategy 2026-2028 provided for review and endorsement at *Attachment 1* has been developed to provide additional performance targets and granular strategic intent beyond Council's Community and Corporate Plans to satisfy ReturnToWorkSA WHS Performance Standards for Self-Insurers and drive an ongoing focus on continuous improvement in safety practices to ensure the health and safety of our workers.

Discussion

The Draft WHS Strategy builds on Council's core principles by setting clear priorities for strengthening leadership, improving systems, fostering wellbeing, and managing high-risk environments. It defines the high-level objectives, targets, and indicators that will guide Council's approach to Work Health and Safety over the next three years, outlining both the direction and the outcomes we aim to achieve. The operational detail required to deliver these objectives, including specific actions, responsibilities, and quarterly milestones is captured separately in the annual WHS Improvement Plan.

The Strategy has been developed based on insights from;

- Findings from the WHS High-Risk Depot Review.
- Review of both strategic and operational risk registers.
- Analysis of incident and hazard reporting trends.
- Consultation with Health and Safety Representatives, the WHS Committee, managers, and workers.
- Guidance from SafeWork Australia and SafeWork SA and the Local Government Risk Scheme (LGRS), with emphasis on psychosocial hazards.
- Alignment with the annual LGRS WHS Improvement Plan.

In accordance with Council's WHS governance requirements for development and review of core documents within the WHS framework, following broader consultation during the drafting process, the Draft WHS Strategy 2026-2028 was reviewed by the WHS Committee at its meeting of 17 February 2026 and officially endorsed by the Executive Leadership Team at its meeting of 23 April 2026.

Audit and Risk Committee review, feedback and endorsement of the final draft is now being sought prior to presentation to Council for formal adoption.

<u>*Summary and Conclusion*</u>
Following extensive internal consultation and input, the Draft WHS Strategy 2026-2028 is provided for review and endorsement at *Attachment 1*.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 DRAFT WHS Strategy 2026-2028

<u>*Supporting references*</u>
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

<u>Community Plan</u>

Our Council

We strive to be a leader in regional Local Government and are committed to delivering effective, efficient, and valued services to the community.

<u>Strategic Outcome</u>

- We have a safe, healthy, and resilient workforce.

<u>Corporate Plan</u>

BS5 Enterprise Risk and Safety - The management of Council's Enterprise Risk profile including strategic and operational risk assessment, control and monitoring; internal control and audit; business continuity and disaster recovery planning; organisational emergency management; insurance portfolio management; and Work Health Safety system coordination

Legislative Requirements

- Work Health and Safety Act 2012
- Work Health and Safety Regulations 2012
- Return To Work SA Work Health and Safety Standards for self-insured employers

RISK MANAGEMENT CONSIDERATIONS

These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take or retain risk in pursuit of its objectives.

1. **SERVICE DELIVERY**

   Refers to the delivery of services to the community, which includes the systems and physical assets that enable provision of these services, including structures (such as roads, buildings and facilities) as well as IT infrastructure, plant, vehicles & other equipment.

   Nil

2. **SUSTAINABILITY & ENVIRONMENT**

   Relates to measures to preserve, protect and minimise impact on the natural environment, including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.

   Nil

3. **FINANCIAL**

   Refers to planning and control of Council's budget to align with the sustainable achievement of the desired outcomes articulated in its Community Plan.

   The cost of implementing strategies and targets within the WHS Strategy 2026-2028 will be absorbed within existing operating budgets.

4. **PEOPLE**

   Relates to recruitment, retention, wellbeing and safety of employees and volunteers and engagement and management of contractors as well as the wellbeing and safety of the community.

   The WHS Strategy 2026-2028 set performance targets and objectives to improve the wellbeing and safety of all workers, including employees, volunteers and contractors.

5. **REPUTATION**

   Relates to policy, decisions, actions and circumstances that may cause Council to lose credibility with the community, ratepayers, key stakeholders, other levels of government and its own employees and contractors.

   Nil

COMMUNITY ENGAGEMENT

Community engagement is not required.

4.4 STRATEGIC RISK REGISTER PRESENTATION - DIRECTORATE OF INFRASTRUCTURE AND ENVIRONMENTAL SERVICES

26/37406

MOVED Ms Hahn

That Audit and Risk Committee receive and note the presentation and the current status of the strategic risks outlined and the identified future improvements and review mechanisms.

SECONDED Mr Paprzycki **CARRIED AC 2022-26/76**

PURPOSE

To present to the Audit and Risk Committee assessment and current status of strategic risk managed and owned by the Directorate of Infrastructure and Environmental Services.

REPORT

Background
As report at the last Audit and Risk Committee report his items was rolled forward one meeting.

Introduction
The management of risk in the organisation is governed by the Enterprise Risk Management Framework and strategic risks have and continue to be reviewed and managed.

As part of the workplan for the Committee each Executive Leadership Team member will on a rolling basis present to the Committee on the strategic risks within the responsibility of their Directorate.

The second is the Director for Infrastructure and Environmental Services.

Discussion
The relevant presentation is tabled at Attachment 1 and will be discussed at the meeting.

Summary and Conclusion
The presentation has been prepared and concludes that the risks remain controlled and acceptable, further it identifies work planned or being undertaken that will continue to address the strategic risks and strengthen our management processes.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 IES Presentation

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

BS5 Enterprise Risk and Safety - The management of Council's Enterprise Risk profile including strategic and operational risk assessment, control and monitoring; internal control and audit; business continuity and disaster recovery planning; organisational emergency management; insurance portfolio management; and Work Health Safety system coordination

Legislative Requirements
Sections 125, 126, 132A and 134 of the Local Government Act 1999

RISK MANAGEMENT CONSIDERATIONS

These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take or retain risk in pursuit of its objectives.

1. **SERVICE DELIVERY**
Refers to the delivery of services to the community, which includes the systems and physical assets that enable provision of these services, including structures (such as roads, buildings and facilities) as well as IT infrastructure, plant, vehicles & other equipment.

Sound practice is to review strategic risks regularly, and this aids the management of service delivery and continue to keep our service levels, processes and programs under review.

2. **SUSTAINABILITY & ENVIRONMENT**
Relates to measures to preserve, protect and minimise impact on the natural environment, including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.

Nil

3. **FINANCIAL**
Refers to planning and control of Council's budget to align with the sustainable achievement of the desired outcomes articulated in its Community Plan.

Sound practice is to review strategic risks regularly, and this aids the management of service delivery and continue to keep our service levels, processes and programs under review and achieve financially sustainable practices.

4. PEOPLE

Relates to recruitment, retention, wellbeing and safety of employees and volunteers and engagement and management of contractors as well as the wellbeing and safety of the community.

Nil

5. REPUTATION

Relates to policy, decisions, actions and circumstances that may cause Council to lose credibility with the community, ratepayers, key stakeholders, other levels of government and its own employees and contractors.

Sound practice is to review strategic risks regularly, and this aids the management of our reputation.

COMMUNITY ENGAGEMENT

No consultation required or recommended.

4.5 STRATEGIC RISK REGISTER PRESENTATION - OFFICE OF THE MAYOR AND CHIEF EXECUTIVE OFFICER
26/37246

MOVED Ms Haydon

That Audit and Risk Committee receive and note the presentation and the current status of the strategic risks outlined and the identified future improvements and review mechanisms.

SECONDED Mr Swan **CARRIED AC 2022-26/77**

PURPOSE

To present to the Audit and Risk Committee assessment and current status of strategic risk managed and owned by the Directorate of the Office of the Mayor and Chief Executive Officer.

REPORT

Background
As report at the last Audit and Risk Committee report his items was rolled forward one meeting.

Introduction
The management of risk in the organisation is governed by the Enterprise Risk Management Framework and strategic risks have and continue to be reviewed and managed.

As part of the workplan for the Committee each Executive Leadership Team member will on a rolling basis present to the Committee on the strategic risks within the responsibility of their Directorate.

The first is the Officer of the Mayor and Chief Executive Officer.

Discussion
The relevant presentation is tabled at Attachment 1 and will be discussed at the meeting.

Summary and Conclusion
The presentation has been prepared and concludes that the risks remain controlled and acceptable, further it identifies work planned or being undertaken that will continue to address the strategic risks and strengthen our management processes.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 OMCEO Strategic Risk Presentation

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

BS5 Enterprise Risk and Safety - The management of Council's Enterprise Risk profile including strategic and operational risk assessment, control and monitoring; internal control and audit; business continuity and disaster recovery planning; organisational emergency management; insurance portfolio management; and Work Health Safety system coordination

Legislative Requirements
Sections 125, 126, 132A and 134 of the Local Government Act 1999

RISK MANAGEMENT CONSIDERATIONS

These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take or retain risk in pursuit of its objectives.

1. SERVICE DELIVERY

Refers to the delivery of services to the community, which includes the systems and physical assets that enable provision of these services, including structures (such as roads, buildings and facilities) as well as IT infrastructure, plant, vehicles & other equipment.

Sound practice is to review strategic risks regularly, and this aids the management of service delivery and continue to keep our service levels, processes and programs under review.

2. **SUSTAINABILITY & ENVIRONMENT**
Relates to measures to preserve, protect and minimise impact on the natural environment, including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.

Nil

3. **FINANCIAL**
Refers to planning and control of Council's budget to align with the sustainable achievement of the desired outcomes articulated in its Community Plan.

Sound practice is to review strategic risks regularly, and this aids the management of service delivery and continue to keep our service levels, processes and programs under review and achieve financially sustainable practices.

4. **PEOPLE**
Relates to recruitment, retention, wellbeing and safety of employees and volunteers and engagement and management of contractors as well as the wellbeing and safety of the community.

Nil

5. **REPUTATION**
Relates to policy, decisions, actions and circumstances that may cause Council to lose credibility with the community, ratepayers, key stakeholders, other levels of government and its own employees and contractors.

Sound practice is to review strategic risks regularly, and this aids the management of our reputation.

COMMUNITY ENGAGEMENT

No consultation required or recommended.

4.6 REVIEW OF PROCUREMENT THRESHOLDS
26/36970

MOVED Mr Paprzycki

That Audit and Risk Committee support the rationale for the assessment of procurement thresholds pursuant to clause 3.2 of the Procurement Planning, Sourcing and Selection Process and endorse them for adoption of Council.

SECONDED Ms Haydon **CARRIED AC 2022-26/78**

PURPOSE

The 2024-2025 financial management audit outcome outlined that a review of procurement thresholds would be undertaken, the purpose of this report is to oversee officers review before it is presented to Council for consideration.

REPORT

Background

Councils Auditor made comment on four procurement matters in the 2024-2025 management findings. IN response to those findings the specific procurement matters were reviewed and verified as sound purchases but erroneously approved that matter has been resolved. Further the response to the matter included the following:

"The ELT has since reviewed this matter and it is proposed that approval limits for Directors be changed, given this has not occurred for some time and current limits are becoming unnecessarily restrictive and misaligned with the risk-profiles associated with contracts of this value. Any changes to approval limits would require Council approval."

Discussion

The review has been undertaken given regard to the following matters:

1. The fact these limits, other than the insertion of table 2 in March 2021 which is a very specific clause limited to capital purchases, have not been amended since the original adoption in 2018.
2. Reasonable balance between transparent and efficient delivery of Councils approved budget
3. Management of risk.
4. The maturity of our procurement systems and support provided internally since they were last set..
5. Budget size and maturity of our budget management processes since they were last set.
6. Indexation and inflation impacts over this period amount to the following estimates:
    a. Recurrent expenditure – source ABS CPI Adelaide from March 2018 to February 2026 – 32.7%
    b. Capital expenditure – source Adelaide University South Australian Local Government Capital Price Index from March 2018 to December 2025 – 25.8%

It has been determined based on the following analysis to change the levels to reflect the above factors.

Table 1 – Except Where Table 2 Applies

Value of Purchase ($)	**Method of Procurement**	**Approver**	**Rationale**
Up to $20,000	No change	No change – limited to expenditure approval limit.	No change – not applicable
$20,001 - $250,000	Increase threshold value from $100,000 to $250,000 but method of procurement is unchanged.	No change – limited to expenditure approval limit.	The vast majority of projects that require market approach sit above the $100,000 prior threshold and proceeding on such items for lower value purchases is a significant commitment of resources for Council and companies. With general growth in budget and inflationary impacts the higher threshold provides a balance against the general decision-making matters outlined above.
$250,001 - $1,000,000	Increase threshold value from $100,000 to $250,000 to $250,001 to $1,000,000 but method of procurement is unchanged.	No change – remains with Director, Deputy CEO or CEO.	Projects at this level remain tendered on open or select tenders and for the same reasons outlined above the higher threshold balances the decision-making factors above. There are few projects annually in this and provides a sound risk approach. Further Council delegates the powers to the executive officers to spend to the approved budget limit.
$1,000,000 - $2,000,000	Increase threshold value from $1,000,000 to $250,000 but method of procurement is unchanged.	No change – remains with CEO.	General increase given the size of Council budgets. Larger projects have been tested at a higher level by Council prior to budget approval. The lifting reflects the balance between efficient decision making and risk, noting Council has already agreed for The Big Project or other capital projects to this methodology under table 2, therefore there will be very few operating procurements that would meet this threshold in any case the two most likely are waste and enterprise systems, which are both larger than this threshold

			and would therefore come to Council anyhow.
$2,000,001 and above	Increase threshold value from $1,000,001 to $2,000,000 and above but method of procurement is unchanged.	No change – remains with Council.	Is considered the threshold of risk and cost that warrants Council decision making directly. None of the above changes for all classes remove the intent that any matter can come to Council through the procurement should Council instruct on specific projects or determined by CEO that it is of nature that should be a decision of Council.

Table 2 – Procurement Thresholds under The Big Project or Other Capital Projects Approved in the Budget Applies

Value of Purchase ($)	**Method of Procurement**	**Approver**	**Rationale**
$1,000,001 - $2,000,000	No change	New level to allow Directors and the Deputy CEO to approve capital projects in this range.	As with other changes this is aligned to the decision-making items and balancing risk and efficiency, noting these level employees have delegation to spend the approved budget.
$2,000,001 - $4,000,000	No change	No change	This is effectively no change as the CEO already has $4M approval limit under table 2.
$4,000,001 and above	No change	Council	No change – not applicable.

These thresholds sit within the Councils Procurement Policy (provided at the link following) document and support Procurement Planning, Sourcing and Selection Process (which is provided at Attachment 2). Specifically, the review is seeking to update clause 3.2, tables 1 and 2 of the process. This framework is currently under extensive review and reform under the Enterprise Resources Program project and in 2027 newly updated policy and process in their entirety will be provided to the Committee and Council for review.

Summary and Conclusion

Having undertaken the review the information, how it was assessed, and rationale has been presented for assessment.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 Procurement Threshold Review

Attachment 2 Procurement Planning, Sourcing and Selection Process

<u>*Supporting references*</u>
[Procurement-Policy-Approved-21-November-2023.pdf]

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

<u>Corporate Plan</u>

BS11 Procurement - Management of the acquisition of goods and services in accordance with legislative requirements and Council's procurement principles to deliver value for money outcomes for the community

<u>Legislative Requirements</u>
Section 49 of the Local Government Act

RISK MANAGEMENT CONSIDERATIONS

These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take or retain risk in pursuit of its objectives.

1. SERVICE DELIVERY
Refers to the delivery of services to the community, which includes the systems and physical assets that enable provision of these services, including structures (such as roads, buildings and facilities) as well as IT infrastructure, plant, vehicles & other equipment.

Achieving efficient service outcomes within the approved budget through balanced procurement and internal decision making.

2. SUSTAINABILITY & ENVIRONMENT
Relates to measures to preserve, protect and minimise impact on the natural environment, including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.

Nil

3. FINANCIAL
Refers to planning and control of Council's budget to align with the sustainable achievement of the desired outcomes articulated in its Community Plan.

The system is geared to achieving the best value for money outcomes aligned to budget settings.

4. PEOPLE
Relates to recruitment, retention, wellbeing and safety of employees and volunteers and engagement and management of contractors as well as the wellbeing and safety of the community.

Nil

5. **REPUTATION**

Relates to policy, decisions, actions and circumstances that may cause Council to lose credibility with the community, ratepayers, key stakeholders, other levels of government and its own employees and contractors.

Ensuring there are clear accountabilities, thresholds and understood decision making levels that support efficient, transparent and accountable procurement outcomes for council and its community.

COMMUNITY ENGAGEMENT

Not required or recommended.

4.7 CORPORATE PURCHASE CARDS STATEMENT REVIEW
26/37303

MOVED Ms Hahn

That the Audit and Risk Committee, having reviewed the transactions, note the information.

SECONDED Mr Swan **CARRIED AC 2022-26/79**

PURPOSE

To review and note the corporate purchase card transactions that have been incurred by the Mayor and Chief Executive Officer (CEO) during the period 5 December 2025 to 28 April 2026.

REPORT

The Barossa Council's external auditors recommended that the corporate purchase card transactions of the Mayor and CEO be provided to the Audit and Risk Committee for review and noting.

Attachment 1 details the transactions that were incurred and acquitted during the period 5 December 2025 to 28 April 2026.

Similar to other Council expenditure, corporate purchase card purchases are made in accordance with Council's Procurement Policy and within approved budgets. Transactions of the Mayor are reviewed and approved by the CEO, while transactions of the CEO are approved by the Deputy CEO and Director, Corporate Servies, Strategy and Innovation.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 Corporate Purchase Card Transactions 5 December 2025 to 28 April 2026

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

BS6 Finance - Provision of financial and budgetary accounting services, treasury and investment services, management reporting, reconciliation and taxation services, asset accounting, internal control, accounts payable and receivable services

Corporate Plan

BS6 Finance - Provision of financial and budgetary accounting services, treasury and investment services, management reporting, reconciliation and taxation services, asset accounting, internal control, accounts payable and receivable services

Legislative Requirements

Nil

RISK MANAGEMENT CONSIDERATIONS

These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take or retain risk in pursuit of its objectives.

1. **SERVICE DELIVERY**
   Refers to the delivery of services to the community, which includes the systems and physical assets that enable provision of these services, including structures (such as roads, buildings and facilities) as well as IT infrastructure, plant, vehicles & other equipment.

   Ongoing monitoring and review of corporate purchase card transactions ensures processes are adhered to, enabling the continued effective use of a corporate purchase card within business operations.

2. **SUSTAINABILITY & ENVIRONMENT**
   Relates to measures to preserve, protect and minimise impact on the natural environment, including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.

   Nil

3. **FINANCIAL**
   Refers to planning and control of Council's budget to align with the sustainable achievement of the desired outcomes articulated in its Community Plan.

   To demonstrate how the provision of a corporate purchase card enables the activities and actions undertaken, in accordance with the adopted budget.

4. **PEOPLE**
Relates to recruitment, retention, wellbeing and safety of employees and volunteers and engagement and management of contractors as well as the wellbeing and safety of the community.

Nil

5. **REPUTATION**
Relates to policy, decisions, actions and circumstances that may cause Council to lose credibility with the community, ratepayers, key stakeholders, other levels of government and its own employees and contractors.

To be transparent in disclosing the corporate purchase card transactions of the Mayor and Chief Executive Officer.

COMMUNITY ENGAGEMENT

Expenditure incurred on corporate purchase cards is in accordance with adopted budgets, which were subject to public consultation prior to being approved and adopted by Council.

4.8 2025-26 LOCAL GOVERNMENT ADVICE FROM THE ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA
26/37385

Mr Paprzycki left the meeting at 5:51 pm.

MOVED Ms Haydon

That the Audit and Risk Committee notes the Barossa Council Local Government Advice provided by the Essential Services Commission of South Australia, as provided at Attachment 1.

SECONDED Mr Swan **CARRIED AC 2022-26/80**

Mr Paprzycki returned to the meeting at 5:52 pm.

PURPOSE

To note the 2025-26 Barossa Council Local Government Advice, as provided by the Essential Services Commission of South Australia, which shows that the Barossa Council's financial performance is sustainable (over past 10 years, current and projected).

REPORT

Background

The Local Government Advice Scheme (the advice scheme) came into operation on 30 April 2022 with amendments to the Local Government Act 1999. The State Government introduced the advice scheme to give ratepayers confidence that their *council rate levels are reasonable, with a review of all 68 councils in South Australia performed by the Essential Services Commission of South Australia (ESCOSA) across a 4-year period. The review of the Barossa Council was performed in 2025-26 as part of tranche 4 of ESCOSA's review.*

Discussion

ESCOSA's review of the Barossa Council commenced in early 2025 with discussions held between council officers and ESCOSA officers, along with the provision of various financial documents to ESCOSA including the long-term financial plan, the infrastructure asset management plan and prior year audited financial reports.

We have now received the final report from ESCOSA and this is provided at Attachment 1. This was also published on ESCOSA's website on 19 February 2026.

We are pleased to advise the Committee that the final report from ESCOSA finds the Barossa Council's current and projected financial performance is sustainable due to its strong governance processes and favourable sustainability ratios.

The report identifies a number of sound practices we currently perform in our strategic planning and asset management, and also a number of areas where we can further strengthen our financial sustainability into the future. These are areas we had already identified, and work has already commenced to begin strengthening these areas.

Refer below for ESCOSA's recommendations and our responses to these recommendations.

Recommendation 1 – Consider the pace of repayment of debt for 'The Big Project' to balance financial costs and intergenerational equity

We agree that this is a sound recommendation. Prior to the ESCOSA report being released we had already engaged with the Local Government Finance Authority (LGFA) and sought their advice and modelling of various options. At present we believe that the strategy to lock in longer-term borrowings is not prudent due to threats of short-term inflationary impacts pushing interest rates up. In addition to this, there are borrowing needs to support Concordia and future investments. At present we have the capacity to pay existing borrowings off in 10 years, which will reduce operating interest costs.

Recommendation 2 – Update the condition data for all asset classes and ensure that asset useful lives are reviewed annually

All material asset classes are independently valued and condition assessed on a rolling 4 yearly basis.

Useful lives are also informally reviewed annually for reasonableness although we recognise there are opportunities for improvement in how this is performed and documented.

Recommendation 3 – Clarify underlying assumptions and include summary information on asset condition within the Infrastructure and Asset Management Plan to improve transparency

We have the required data and it reflects what is in the long-term financial plan (LTFP). This information will be updated into the asset management plans with the upcoming review and update post the Council elections in November 2026.

Recommendation 4 – Update all strategic plans to reflect the impact of the Concordia Development at the earliest opportunity

The detailed financial modelling for Concordia was first provided to Council at its meeting 16 December 2025 meeting. The 2026-27 budget and LTFP now fully integrate the Concordia impacts into the plans and draft versions will be provided to Council at its May 2026 meeting.

Other strategic plans have already been updated to reflect Concordia and the upcoming review of Council's community and corporate plans, which will occur after the Council elections in November 2026, will also be updated to reflect Concordia.

Council already has strong strategic policy positions adopted as part of our planning for Concordia.

Summary and Conclusion

We have now received the final report from ESCOSA, as shown at Attachment 1, and this finds the Barossa Council's current and projected financial performance is sustainable due to its strong governance processes and favourable sustainability ratios.

ESCOSA identified a number of areas where we can further strengthen our financial sustainability into the future and work has already commenced to begin strengthening these areas.

As required by section 122(1)(h) of the *Local Government Act 1999*, the final ESCOSA report is now required to be published in our annual plan, or any draft of the plan, and therefore a copy of the report will be included with our 2026-27 Annual Business Plan and Budget.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 Barossa Council Local Government Advice 2025-26 from the Essential Services Commission of South Australia (ESCOSA) - Final

Supporting references

Nil.

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

BS7 Governance - Provision of governance advice and support in the discharge of legislative responsibilities for policy development, delegations and authorisations, internal review of Council decisions, delegations and authorisations, Native Title claims

BS6 Finance - Provision of financial and budgetary accounting services, treasury and investment services, management reporting, reconciliation and taxation services, asset accounting, internal control, accounts payable and receivable services

Legislative Requirements

Section 122 of the Local Government Act 1999

RISK MANAGEMENT CONSIDERATIONS

These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take or retain risk in pursuit of its objectives.

1. **SERVICE DELIVERY**
Refers to the delivery of services to the community, which includes the systems and physical assets that enable provision of these services, including structures (such as roads, buildings and facilities) as well as IT infrastructure, plant, vehicles & other equipment.

Nil

2. **SUSTAINABILITY & ENVIRONMENT**
Relates to measures to preserve, protect and minimise impact on the natural environment, including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.

Nil.

3. **FINANCIAL**
Refers to planning and control of Council's budget to align with the sustainable achievement of the desired outcomes articulated in its Community Plan.

The ESCOSA report finds that the Barossa Council's current and projected financial performance is sustainable due to its strong governance processes and favourable sustainability ratios, and this reflects our hard work and commitment to ensuring we follow sound financial management across the organisation.

4. **PEOPLE**
Relates to recruitment, retention, wellbeing and safety of employees and volunteers and engagement and management of contractors as well as the wellbeing and safety of the community.

Nil

5. **REPUTATION**
Relates to policy, decisions, actions and circumstances that may cause Council to lose credibility with the community, ratepayers, key stakeholders, other levels of government and its own employees and contractors.

The results of the ESCOSA review give Barossa Council ratepayers confidence that their council rate levels are reasonable and provides credibility to the Barossa Council's reputation within the community.

COMMUNITY ENGAGEMENT

As required by section 122(1)(h) of the *Local Government Act 1999*, the final ESCOSA report is now required to be published in our annual plan, or any draft of the plan, and therefore a copy of the report will be included with our 2026-27 Annual Business Plan and Budget, the draft of which will go out for public consultation in mid-May 2026.

4.9 <u>2025-26 QUARTER 2 BUDGET UPDATE - AS AT 31 DECEMBER 2026</u>
26/37386

MOVED Ms Haydon

That the Audit and Risk Committee notes the Q2 budget update for 2025-26 (as at 31 December 2025) at <u>Attachment 1.</u>

SECONDED Mr Paprzycki **CARRIED AC 2022-26/81**

PURPOSE

The quarter 2 (Q2) budget update for 2025-26 (as at 31 December 2025), which was approved by Council at its 17 February 2026 meeting, is attached for noting.

REPORT

<u>Background</u>

On a quarterly basis the budgets of Council are reviewed in accordance with the *Local Government Act 1999* and associated regulations.

Budget managers undertake a review of all budget lines and make adjustments where budgets are trending over or under budget and where changes are required for capital programs or new or changed funding conditions. The quarterly budget review process also captures prior decisions of Council involving funding changes so these are reflected in the updated budget forecasts for the year.

All budget adjustments are approved by the relevant member of the Executive team, and then reviewed by the Chief Executive Officer and Manager Financial Services prior to being included in the report at <u>Attachment 1</u> as a proposed budget adjustment for Council approval.

<u>Discussion</u>

A detailed list of all Q2 budget adjustments, and updated financial reports to reflect those adjustments, is included at <u>Attachment 1</u>. This was approved by Council at its 17 February 2026 meeting.

Approved Q2 operating budget adjustments resulted in Council's consolidated operating deficit reducing by $97,000 to $1.530 million, down from $1.627 million. This was due to a $1.035 million increase in revenue, largely resulting from an accounting standard disclosure change, offset by a $938,000 increase in expenses. Refer to page 2 of Attachment 1 for the significant adjustments to the budget contributing to this and pages 6-13 for a detailed summary of all operating budget adjustments.

Approved Q2 capital budget adjustments resulted in a decrease of $743,000 in budgeted capital expenditure, along with a $1.441 million decrease in budgeted capital revenue, resulting in a net capital adjustment downwards of $697,000. Refer to pages 2-3 of Attachment 1 for the significant capital adjustments to the budget contributing to this and pages 14-15 for a detailed summary of all capital budget adjustments.

Summary and Conclusion

The Q2 budget update for 2025-26 as at 31 December 2025 has been completed and was approved by Council at its 17 February 2026 meeting. It is provided here for noting by the Audit and Risk Committee.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1 2025-26 Quarter 2 Q2 Budget Update to Council

Supporting references

Nil.

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

BS6 Finance - Provision of financial and budgetary accounting services, treasury and investment services, management reporting, reconciliation and taxation services, asset accounting, internal control, accounts payable and receivable services

Legislative Requirements

Section 122 and 123 of the *Local Government Act 1999*
Regulation 9 of the *Local Government (Financial Management) Regulations 2011*

RISK MANAGEMENT CONSIDERATIONS

These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take or retain risk in pursuit of its objectives.

1. **SERVICE DELIVERY**
Refers to the delivery of services to the community, which includes the systems and physical assets that enable provision of these services, including structures (such as roads, buildings and facilities) as well as IT infrastructure, plant, vehicles & other equipment.

Detailed quarterly reviews of the annual budget ensure that the budget and expenditure/revenue are aligned to meet approved levels of service.

2. SUSTAINABILITY & ENVIRONMENT

Relates to measures to preserve, protect and minimise impact on the natural environment, including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.

Nil.

3. FINANCIAL

Refers to planning and control of Council's budget to align with the sustainable achievement of the desired outcomes articulated in its Community Plan.

Detailed quarterly reviews of the annual budget ensure that the budget and expenditure/revenue are aligned to meet approved levels of service.

4. PEOPLE

Relates to recruitment, retention, wellbeing and safety of employees and volunteers and engagement and management of contractors as well as the wellbeing and safety of the community.

Nil.

5. REPUTATION

Relates to policy, decisions, actions and circumstances that may cause Council to lose credibility with the community, ratepayers, key stakeholders, other levels of government and its own employees and contractors.

Nil.

COMMUNITY ENGAGEMENT

Community consultation was undertaken as part of the original 2025-26 budget adoption process in June 2025.

4.10 DRAFT 2026-27 ANNUAL BUSINESS PLAN AND BUDGET INCORPORATING THE LONG TERM FINANCIAL PLAN REVIEW 2026-2027 TO 2036-2037 FOR REVIEW
26/36479

MOVED Mr Paprzycki

That the Audit and Risk Committee:

(1) Having reviewed the information and settings provide the following comments for Council consideration:

- All key performance indicator targets are forecast to be achieved;
- Budget is consistent with the Long Term Financial Plan and differences have been explained;
- Inflationary pressures due to Middle East conflict have been considered and can be managed internally;
- Acknowledges the considerations of general uncertainty of the current global climate.

(2) Support the general settings of the Corporate Plan 2026-27 update and the 2026-27 Annual Business Plan and Budget incorporating the Long-Term Financial Plan 2026-2027 to 2035-2036 for the undertaking of statutory consultation on the Annual Business Plan and Budget incorporating the Long-Term Financial Plan.

SECONDED Ms Hahn **CARRIED AC 2022-26/82**

PURPOSE

To present for review the current updated draft Corporate Plan, 2026-27 Annual Business Plan and Budget incorporating the Long-Term Financial Plan and supporting documentation for the 2026-2027 to 2036-2037 financial years.

REPORT

The 2026-27 Annual Business Plan and Budget (ABP&B) incorporates the Long-Term Financial Plan (LTFP) 2026-2027 to 2036-2037 in the one document.

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.

Budget Managers, Finance, the Executive and Council have reviewed and considered all operating, capital, valuation, rating assessment and long-term financial parameters and determined its draft settings at the time of writing this report. Further valuation and rate modelling along with refinement of the numbers as normal will occur in the lead up to the adoption of the document in June 2026.

Council at its meeting of 17 December 2025 set the following policy settings for the development of the 2026-27 ABP&B.

New Initiatives

No new initiatives will be assessed in the 2026-27 year, unless they are considered critical or legislatively required, save funds, or are offset by service or capital reductions elsewhere in the budget and long-term financial plan, due to commitments already being considered which primarily are:

a. costs to support Mount Torrens Football Club proposed use of Mount Pleasant oval, estimated at this time to be well into the $100,000s of dollars;
b. a newly funded budget line for the long-term installation of new footpaths throughout the district estimated in the updated long-term financial plan over the 10 years of the 2026-27 to 2035-36 plan to total $3.016m;
c. provision of a forward estimate of $2.895m for Kalimna Road reconstruction commencing in 2030-31;
d. additional costs to complete the Barossa Creative Industries Centre of at least $1m;
e. Sandy Creek building renewal in 2027-28 of $1.75m offset by grants and allocations from existing building allocations with design in 2026-27;
f. Moss Road Bridge solution up to $1.6m;
g. masterplan review for Mount Pleasant Talunga Park estimated to cost $40,000.

No new initiatives came forward within the criteria therefore none were assessed.

Indexation and Assumptions

Each annual review process provides an opportunity to introduce new assumptions or enhance the information base as required using the indexation rates and assumptions.

The main assumptions and indexation being considered during this early stage of budget preparation is the income and expenditure indexation. As included in the draft timetable, following receipt of updated valuation data, Council will review the proposed options for rate increases to ensure they are reasonable and ensure indexation for operational expenditure is appropriate.

Council staff will provide information for the cost of delivering services and any suggested changes to service levels ensuring income or charges for the services are appropriate. The final expenditure amounts will differ from the LTFP estimates for the 2025-26 year (update December 2025) due to external influences such as service contracts and agreements or where costs are determined by external markets such as fuel prices, electricity and gas pricing contracts and State Government levies.

The approved quarter 1 (Q1) Budget from 2025-26 will be used as the base for the 2026-27 draft budget and each budget manager will then review to actual costs and trends to meet the existing service provision. If the actual costs are reduced from the base budget, it is a requirement that unless there are extenuating circumstances for the underspends, that next year's budget is also reduced. Due to budget performance year-to date and ensuring we continue to work to achieve efficiencies, all non-contract-based expenditure budgets will be indexed by less than the prevailing indexation rate. Expenditure linked to contractual and legal arrangements (like salaries and wages) will be indexed as required by those agreements.

The trimmed mean Reserve Bank of Australia CPI (RBA - consumer price index as the best measure of underlying inflation) is used as a base for the LTFP. The Local Government Price Index (LGPI) also provides guidance. The RBA measure forecast for December 2026, which was used in the updated long term financial plan for 2026-27, is 2.7% with it decreasing to 2.6% in the following year, which is used for the outyears of the plan (years 2-10). The LGPI increase for the 12 months to September 2025 was 2.5% (noting the quarterly Adelaide CPI for September 2025 period was 2.4%). Whilst there is a monthly measure of CPI available it is not the full assessment of cost changes and is more volatile than the quarterly results and thus is not used for budgeting estimates. For your information the monthly October 2025 rate was 3.7%. It is recommended, noting the target for efficiency and savings provisions in the long-term financial plan of 1%, and to ensure prudent budget management and to remain within the parameters of the current adopted LTFP, that in the absence of a contractual arrangement, general operating indexation will be limited to 1.7%.

Operating Income

Rating levels are set to ensure service level provision is maintained in a financially sustainable manner.

General rate revenue increases to existing ratepayers for the 2025-26 year were 3.43%; additional revenue for the growth in assessment numbers from last year was 2.43%. The rural sector had a rate freeze for the second year running. For future operating results, as detailed in Council's adopted LTFP, general rate revenue was forecast to increase by 4.3% in 2026-27 plus growth in assessment numbers of 1%. During the preparation of the 2026-27 draft budget, management will review the revenue and expenditure requirements and report this to Council. Council will then assess and approve the general rate revenue increases required to ensure Council's financial sustainability in the annual review of the LTFP.

For 2025-26, there was a 3.2% service charge increase for waste collection and disposal across the three waste services as a result of significant increases in disposal and collection costs and this is forecast to increase by 2.25% in 2026-27. Community Wastewater Management Systems (CWMS) service charge indexation rates in the adopted LTFP were budgeted to increase in 2025-26 at 2.1% and is forecast to increase by 3.25% in 2026-27.

Service charge revenue is established to recover the cost to provide the services ensuring ongoing service delivery in a sustainable manner.

The Regional Landscape Levy, collected on behalf of the State Government, will be determined and advised by the Northern and Yorke Landscape Board. In 2025-26 the levy decreased by 2.7% due to the movement in valuations across all the contributing Councils resulting in the re-distribution of the levy and thus how much is charged to ratepayers. The actual estimate for 2026-27, due to the levy being directly linked to valuation outcomes across Councils, cannot be accurately predicted however is linked to the September CPI result, which was 2.4%.

Other income indexation has a base increase of 2.7%.

Operating Expenditure

Operating expenditure indexation will be assessed individually for internal and external factors. All indexation quoted is from the adopted LTFP for 2026-27 and will be reviewed.

- Employee costs for 2026/27 set in the LTFP increased by 4.5% including service growth needs. The draft budget will use the enterprise bargaining agreement rate, which is 4.5%. Unlike prior years, there is no change to the superannuation rates with the new superannuation guarantee rate of 12% being reached in the 2025-26 year.
- Contractor, materials and other expenses will be reviewed to meet service requirements. The increase for these costs in 2026-27 is set at 1.7% as described earlier in this report. Indexation will be adjusted to meet existing service requirements:
  - selected costs are increased by indexation where agreements, contracts, licensing, arranged service charges, etc. provide for that option.
  - For costs outside of our control, these will be considered where the relevant service provider(s) initiates the increases i.e. fuel and postage.
  - where costs will increase but the quantum is unknown, a default increase in line with LGPI will be used. Some areas of expenditure may actually be the same or less than expected; and for changes to service provision, ie. increased number of services provided (eg. number of waste collection(s)) or usage (eg. water usage at parks and gardens).

Further, based on our external auditor's very recent advice, prior assumptions to apply the development costs as a capital item in the current and next two years cannot occur. This will result in the following further changes to be made and modelled at a high level to allow the distribution of this agenda, but will be available in full to explain at the meeting. The notes are reflected in Attachment 7 which is the May workshop notes, that workshop not having occurred at the time of issuing this agenda. The summary changes are:

- The estimated impact on the statements over the current and next two years that are material are:
  - Increase to operating costs of $2,165,559 (as a once off).
  - Decrease to capital costs of $2,165,559.
- Decrease to amortisation costs of the LTFP due to the costs not being capitalised is $931,644.
- Net operating impact of $1,233,915 over the current and next two financial years.

The estimated indicator changes are:

Operating Surplus / (Deficit)	2025-26	2026-27	2027-28	LTFP Outcome to 2036-37	Does It Meet LTFP Target
Current Underlying	(155)	245	(79)	11,483	Yes
Revised Estimate Underlying	(449)	(771)	(845)	12,206	Yes

Net Financial Liabilities	2025-26	2026-27	2027-28	LTFP Outcome to 2036-37	Does It Meet LTFP Target
Current	76.3%	88.8%	85.4%	45.8%	Yes
Revised Estimate Underlying	76.1%	89.0%	85.3%	44.4%	Yes

Asset Renewal Funding Ratio	2025-26	2026-27	2027-28	LTFP Outcome to 2036-37	Does It Meet LTFP Target
Current	93.3%	143.3%	121.4%	113.6%	Yes
Revised Estimate	97.6%	157.9%	134.2%	118.6%	Yes

Whilst it is recognised the current state of play is different, at this time an assessment of the risk of the current world matters has been undertaken, the subject of a separate report in this agenda and determined should the worst-case scenario occurs, the cost increase will be absorbed, or a budget deficit will be run and clawed back over time.

Timetable

The timetable was set, and the relevant component of these milestones is on target for going out for public consultation in May and early June, and adoption in late June.

Other Pressures

An analysis was undertaken for long term spending needs in December and presented to Council including requests from the community up to December 2025. This was presented to Council and determined as outlined in Attachment 1. Those indicated as necessary have been factored in as outlined into the current and long-term plan settings.

Document Suite

The following documents have been provided at the Appendix which forms the foundation of the budget and plan settings:

1. Attachment 2 – Annual Business Plan and Budget for 2026-27 incorporating the Long-Term Financial Plan 2026-2027 to 2036-2037.
2. Attachment 3 – February Workshop – First Draft Capital Program and Salaries and Wages
3. Attachment 4 – April Workshop – Final Capital Program, Operating Expenditure and Long-Term Financial Plan
4. Attachment 5 – the 2026-2027 review of the Corporate Plan 2025 to 2029.

At the time of writing, the May workshop to review valuation and rating provisions has not been held however sufficient data has been analysed to provide the initial settings to the committee for review. The workshop documents will be provided post the agenda being issued for the committee, but prior to the committee meeting.

Summary Analysis of the Numbers

The annual budget settings show all indictors being within the target settings.

The long-term financial plan, importantly, now incorporates the best and known estimates for the Concordia development. As this is a significant matter the following summarises the impact from 2026-2027 to 2036-2037:

- Operating revenue forecast $51.258m
- Operating expenditure forecast (excluding interest but including depreciation) $42.049m
- Interest expense (hypothecated on Concordia being totally self-funded) $6.004m

- Estimated gifted/transferred assets $91.520M
- Capital expenditure on social infrastructure funded through the agreed Social Infrastructure Deed and Council contributions new assets $39.185m
- Capital expenditure on renewal and replacement of assets - Council funded $2.699m
- Capital expenditure on new assets including land – Council funded $18.578m.
- Operating surplus $3.205m
- Net Borrowings at 2036-2037 (again is hypothecated on Concordia being self-funded position) $29.022m.

All estimates have been indexed and cash flowed, and borrowings aligned to the commitments made. It is currently estimated the first revenues associated with Concordia will flow in the 2027-28 financial year with the first significant Council capital intervention programmed for 2031-32 and depends on property development take up. That timeframe equates to approximately 1,160 allotments.

When the Concordia model is integrated to the full Council model, all long term financial indicators are within targets as outlined in the following table.

Consolidated Results: Key Performance Indicators and Financial Parameters		2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
		Q2 Review $'000 or %	Budget $'000 or %	LTFP $'000 or %	LTFP $'000 or %	LTFP $'000 or %	LTFP $'000 or %
Key Performance Indicators (KPI's) - Summary	Adopted target						
KPI 1 - Operating Surplus cumulative forward 10 year period	Surplus year 10	(1,527)	(1,282)	(1,361)	(2,255)	(2,172)	(1,661)
KPI 2 - Operating Surplus Ratio - Rolling 3 year - retrospective average	(2%) to 10%	(1.5%)	(0.5%)	(0.9%)	(0.4%)	(0.5%)	(0.2%)
KPI 2 - Operating Surplus Ratio - Rolling 5 year - retrospective average	(2%) to 10%	3.1%	(0.4%)	(0.8%)	(0.6%)	(0.8%)	(0.1%)
KPI 2 - Operating Surplus Ratio - Annual	(4%) to 10%	(2.9%)	0.4%	(0.1%)	(1.4%)	0.1%	0.7%
KPI 3 - Net Financial Liabilities ratio	0-100%	76.3%	88.8%	85.4%	89.4%	81.9%	70.6%
KPI 4 - Asset Renewal Funding Ratio - Annual - Using Asset Management Plan Forecast	80% to 110%	93.3%	143.3%	121.4%	113.5%	134.0%	136.0%

Consolidated Results: Key Performance Indicators and Financial Parameters		2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
		LTFP $'000 or %	LTFP $'000 or %	LTFP $'000 or %	LTFP $'000 or %	LTFP $'000 or %	LTFP $'000 or %
Key Performance Indicators (KPI's) - Summary	Adopted target						
KPI 1 - Operating Surplus cumulative forward 10 year period	Surplus year 10	(677)	313	1,895	3,605	6,393	9,956
KPI 2 - Operating Surplus Ratio - Rolling 3 year - retrospective average	(2%) to 10%	0.7%	1.1%	1.6%	1.8%	2.4%	3.0%
KPI 2 - Operating Surplus Ratio - Rolling 5 year - retrospective average	(2%) to 10%	0.1%	0.4%	1.1%	1.5%	2.0%	2.5%
KPI 2 - Operating Surplus Ratio - Annual	(4%) to 10%	1.4%	1.3%	2.0%	2.1%	3.2%	3.9%
KPI 3 - Net Financial Liabilities ratio	0-100%	78.6%	74.9%	72.2%	64.9%	56.4%	45.8%
KPI 4 - Asset Renewal Funding Ratio - Annual - Using Asset Management Plan Forecast	80% to 110%	130.9%	100.6%	104.1%	93.0%	89.8%	103.6%

Corporate Plan Review

The Corporate Plan is the rolling four-year document that drives our service levels and strategic work to support the Community Plan and informing the operational level settings. The summary strategic actions target for 2026-27 are in the following table.

Key Strategic Action	Corporate Plan Service Area
Undertake review of Animal Management Plan.	CS1 - Animals
Commence Infrastructure and Asset Management Plan review for completion in 2027-28 financial year.	CS3 - Assets
Complete CWMS and any final asset classes integration into asset system and long-term data management into business-as-usual IT architecture.	CS3 - Assets
Undertake a review of Caravan Park service levels, policy settings and service delivery model – carried over from 2025-2026 financial year.	CS4 – Caravan Parks

Implement approved Transition Plan for NCPA into Council operations deferred until 2026-27 financial year.	CS4 – Caravan Parks
Progress six priority recommendations endorsed from the Affordable Housing Recommendations Report, positioning Council as an advocate and partner in delivering long-term improvements to regional housing supply and diversity.	CS10 - Economic Development
Commence complete review of community land management plans and systems and processes including identifying land and properly surplus to future needs.	CS12 – Facility and Community Land
Development of Disaster Management Plan for Library and Gallery collections.	CS14 – Heritage
Complete Character Area review and present agreed findings and policy and code suggestions to the Minister for Planning.	CS15 – Land Use and Development
Complete identified employment lands investigations and policy and zoning changes to support future needs of the Barossa.	CS15 – Land Use and Development
Continue to develop ongoing relationships with Ngadjuri, Peramangk and Kaurna Nations and potential pathways for reconciliation and recognition and work towards RAP.	CS19 – Social Inclusion
Investigate and engage with industry in collaboration with Barossa Australia to determine long term strategic approach, streamline of service provision and set pathway to broad based tourism in the Barossa.	CS21 - Tourism
Facilitate Phase 1-3 of a four-phase corporate brand refresh with a focus on evolving existing brand elements to achieve contemporary standards whilst retaining the essence of the existing logo.	BS3 – Communications and Marketing
Conduct November 2026 Local Government Elections and undertake induction and preliminary strategic planning with the new council.	BS4 – Council and Committees
2026Commence legislative reviews of Community Plan and supporting Corporate Plan.	BS13 – Strategic / Legislative Planning and Reporting
Undertake review of The Big Project, its governance and positioning and future target work with new Council.	BS13 – Strategic / Legislative Planning and Reporting
Undertaken next phase of workforce planning and development new Executive Leadership Team 3 year roadmap.	BS13 – Strategic / Legislative Planning and Reporting

The plan does not materially change from year-to-year other than:

- Completed or no longer relevant strategic actions are removed and new targets for the upcoming current year are included, these are tracked under each service area.
- Updates to any approved service level changes by Council or by legislative change which have only been minimal in the past financial being changes to kerbside hard waste program and review of Dog and Cat Management increasing to 5 years as per legislative changes.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment 1	Financial Foreward Needs and Requests
Attachment 2	Annual Business Plan and Budget 2026-2027 incorporating the Long Term Financial Plan 2026-2027 to 2036-2037
Attachment 3	February Workshop Papers
Attachment 4	April Workshop Papers
Attachment 5	Corporate Plan Review
Attachment 6	Risk Assessment of Middle East Conflict Issues
Attachment 7	May Workshop Papers

Supporting references

Annual Business Plan and Budget Policy:
THE BAROSSA COUNCIL

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Legislative Requirements
Section 123 of the Local Government Act 1999

RISK MANAGEMENT CONSIDERATIONS

These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take or retain risk in pursuit of its objectives.

1. **SERVICE DELIVERY**
   Refers to the delivery of services to the community, which includes the systems and physical assets that enable provision of these services, including structures (such as roads, buildings and facilities) as well as IT infrastructure, plant, vehicles & other equipment.

   The ABP&B is the core annual document and policy settings underpinning the delivery of the approved service levels.

2. **SUSTAINABILITY & ENVIRONMENT**
   Relates to measures to preserve, protect and minimise impact on the natural environment, including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.

   The ABP&B is the core annual document and policy settings underpinning the delivery of the approved service levels including supporting sustainability and environmental outcomes.

3. **FINANCIAL**
   Refers to planning and control of Council's budget to align with the sustainable achievement of the desired outcomes articulated in its Community Plan.

Detailed assessment including financial sustainability indicators and statements are included in the ABP&B and address the long term risk and sustainability of Council's financial policy settings.

Work has also been undertaken in mid-March and presented to Council at its April 2026 workshop on possible impacts of the Middle East conflict especially escalation on costs and products. It has been determined that should there be a long-term issue, that being over a year, the impact is in the order of $418,000 for the 2026-27 financial year. Currently however the strategy is to modify service provision where possible, absorb and adjust over the whole of the long-term financial plan. This strategy my require some additional short-term borrowings.

This impact does not include waste. The rise and fall provisions in the waste contract has seen the first month of the conflict increase the service cost by $11,000. If this is replicated the waste impact would bring the full year impact to $550,000 for 2026-27. Again, the strategy would be to absorb, adjust and recover over the long-term financial plan period and thus lessening the immediate impact on programs and community. The analysis undertaken is provided at Attachment 6.

4. PEOPLE

Relates to recruitment, retention, wellbeing and safety of employees and volunteers and engagement and management of contractors as well as the wellbeing and safety of the community.

The ABP&B is the core annual document and policy settings underpinning the delivery of the approved service levels and necessary resourcing requirements.

5. REPUTATION

Relates to policy, decisions, actions and circumstances that may cause Council to lose credibility with the community, ratepayers, key stakeholders, other levels of government and its own employees and contractors.

The ABP&B is the core annual document and policy settings underpinning the delivery of the approved service levels and supporting the reputation of Council.

COMMUNITY ENGAGEMENT

Engagement will be undertaken as required by the *Local Government Act 1999* as follows:

- Notice in The Leader and Bunyip of the availability of the ABPB for review on 20 May 2026.
- An opportunity for parties to attend a meeting of Council from 5pm-6pm on 10 June 2026 to make any presentations and pose questions.
- An opportunity for parties to make submission in writing to Council closing on 11 June 2026.

- Provision of the ABP&B and ability to respond on Council's website through electronic means.
- Media release by the Mayor.

4.11 CHIEF EXECUTIVE OFFICER VERBAL BRIEFING ON TOPICAL MATTERS
26/36414

MOVED Mr Swan

That Audit and Risk Committee receive and note the briefing.

SECONDED Ms Hahn **CARRIED AC 2022-26/83**

PURPOSE

To provide a verbal briefing as a standing item on topical or emerging matters.

REPORT

Discussion on emerging matters within Council:

a. Concordia update – infrastructure scheme adopted, status of social infrastructure deed, land deed.
b. Barossa Creative Industry Centre update.
c. Boundary reform update – Town of Gawler, Truro Residents Group

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Nil

Supporting references
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan

BS5 Enterprise Risk and Safety - The management of Council's Enterprise Risk profile including strategic and operational risk assessment, control and monitoring; internal control and audit; business continuity and disaster recovery planning; organisational emergency management; insurance portfolio management; and Work Health Safety system coordination

Legislative Requirements
Nil

RISK MANAGEMENT CONSIDERATIONS

These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take or retain risk in pursuit of its objectives.

1. **SERVICE DELIVERY**
   Refers to the delivery of services to the community, which includes the systems and physical assets that enable provision of these services, including structures (such as roads, buildings and facilities) as well as IT infrastructure, plant, vehicles & other equipment.

   Nil

2. **SUSTAINABILITY & ENVIRONMENT**
   Relates to measures to preserve, protect and minimise impact on the natural environment, including sacred and indigenous lands, flora, fauna, heritage, water, waste, hazardous materials and pollution.

   Nil

3. **FINANCIAL**
   Refers to planning and control of Council's budget to align with the sustainable achievement of the desired outcomes articulated in its Community Plan.

   Nil

4. **PEOPLE**
   Relates to recruitment, retention, wellbeing and safety of employees and volunteers and engagement and management of contractors as well as the wellbeing and safety of the community.

   Nil

5. **REPUTATION**
   Relates to policy, decisions, actions and circumstances that may cause Council to lose credibility with the community, ratepayers, key stakeholders, other levels of government and its own employees and contractors.

   Nil

COMMUNITY ENGAGEMENT

Nil

5. CONFIDENTIAL AGENDA

Nil

6. URGENT OTHER BUSINESS

Nil

7. NEXT MEETING

Monday 10 August 2026 at 4:00 pm

8. CLOSURE

Mr Brass declared the meeting closed at 6:21pm.

Confirmed at Audit and Risk Committee Meeting on 10 August 2026

Date:…………………………… Chairperson……………………………