NOTICE OF MEETING

Members are advised that THE BAROSSA COUNCIL AUDIT COMMITTEE meeting will be held on Tuesday 22 May 2018 in the Committee Room, The Barossa Council, 43-51 Tanunda Road, Nuriootpa, commencing at 9.30am.

Martin McCarthy
CHIEF EXECUTIVE OFFICER
THE BAROSSA COUNCIL

AGENDA

1. Welcome

2. Present:

   In Attendance: David Papa and Matthew Brunato from Bentley's SA Pty Ltd

3. Apologies: Cr Scotty Milne

4. Conflict of Interest Declarations

5. Confirmation of Minutes of Previous Meeting:
   Ordinary meeting held 28 February 2018

6. Business Arising from Previous Minutes

7. Consensus Agenda
   7.1 Items for Exclusion from the Consensus Agenda

7.2 Reports for Information
   7.2.1 Audit Committee Workplan
   7.2.2 Bentley's - External Audit Plan 2017/18
   7.2.3 Quarterly Budget Update – as at 31 March 2018
   7.2.4 Budget and Business Plan and Review Policy
   7.2.5 Prudential Management Policy

7.3 Correspondence
   7.3.1 Bentley's - Draft External Interim Audit Management Report – April 2018 – and Council's Response
8. Adoption of Consensus Agenda
   8.1 Receipt of Consensus Agenda

9. Debate Agenda
   9.1 Reports
      9.1.1 Internal Financial Controls Compliance Report 68
      9.1.2 Draft Annual Budget & Business Plan 2018/19 incorporating the Long Term Financial Plan 2018/19 to 2027/28 – for Consultation 73
      9.1.3 Quarter 3 2017/18 Performance & Activity Report 127
      9.1.4 Risk Management Programs and Projects 179
      9.1.5 Change Management Program 207

   9.2 Policies for Review
      Refer Consensus items 7.2.4 and 7.2.5

10. Other

11. Next Meeting
    October 2018 (Date to be confirmed)

12. Close

NOTE: Should any Member be unable to attend, please contact the Presiding Member, Peter Brass, with comments on the Agenda items, for discussion at the meeting.
1. **WELCOME**
The Chair, Mr Peter Brass, welcomed everyone to the meeting at 10.05am and introduced new Independent Member, Mr Ian Swan.

2. **PRESENT**
Mr Peter Brass, Mr Ian Swan, Cr John Angas, Cr Scotty Milne.

*Invited Staff Members*
Ms Rebecca Tappert, Acting Director Corporate and Community Services
Mr Mark Lague, Manager Financial Services
Ms Nicole Rudd, Internal Control Compliance Officer
Mr Martin McCarthy, Chief Executive Officer
Ms Annette Randall, Executive Assistant (Minute Secretary)

3. **APOLOGIES**
Ms Tanya Johnston (currently overseas)
Mr Vincent Marsland, Manager Organisational Development and Risk

4. **CONFLICT OF INTEREST DECLARATIONS**
Nil

5. **CONFIRMATION OF MINUTES FROM PREVIOUS MEETING**

|Moved| CARRIED 2017-18/24|
---|---|
Cr Milne that the Minutes of the Audit Committee Meeting held 13 December 2017 be confirmed as a true and correct record of the proceedings of that meeting.|
Cr Angas |

6. **BUSINESS ARISING FROM PREVIOUS MINUTES**
Nil

7. **CONSENSUS AGENDA**

8. **ADOPTION OF CONSENSUS AGENDA**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>ITEMS FOR EXCLUSION FROM THE CONSENSUS AGENDA</td>
</tr>
<tr>
<td>8.2</td>
<td>RECEIPT OF CONSENSUS AGENDA</td>
</tr>
</tbody>
</table>
9. 1 DEBATE AGENDA

9.1.1 INTERNAL FINANCIAL CONTROL REPORT
B7455
Ms Rudd provided a verbal report regarding the status of work on Financial Risks and the new Control Manager (Control Track) system. A meeting with the new external Auditors on 1 March 2018 will provide further direction regarding this work. A comprehensive report will be available for the next Audit Committee meeting. Also noted that Strategic Risks will be trialled in Control Manager in the near future.

MOVED Cr Milne that the verbal report from the Coordinator Internal Financial Control on the status of Internal Financial Control work, be received and noted.
Seconded Mr Swan
CARRIED 2017-18/26

PURPOSE
To provide an update on the status of Internal Financial Control work.

REPORT
There are no substantial updates to be reported since the December 2017 meeting; however, a verbal report will be provided at the meeting.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Community Plan
How We Work – Good Governance

Corporate Plan
How We Work – Good Governance
6.2 Ensure that Council’s policies and process frameworks are based on principles of sound governance and meet legislative requirements.
6.4 Ensure that decisions regarding expenditure of Council’s budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.

Legislative Requirements
Local Government Act 1999 – Section 125, 126, 129 (1) (b)
Local Government (Financial Management) Regulations 2011, 14(e)

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS
The regular monitoring and review of Council’s financial internal controls and risk assessments will significantly facilitate the on-going safeguarding of Council assets. The control and review of risks is a core officer function and responsibility.

COMMUNITY CONSULTATION
Not required under legislation or Council’s Public Consultation Policy.
9.1.2
TREASURY MANAGEMENT REVIEW
B2237
Mr Lague spoke to the report, advising that an additional debenture loan for $80,000 was approved at the 20 February 2018 Council Meeting.

MOVED Mr Swan that the report on Council’s 2017 Treasury Management activities be received and noted.
Seconded Cr Milne CARRIED 2017-18/27

PURPOSE
Pursuant to Section 140 of the Local Government Act 1999, and in accordance with Council’s Treasury Management Policy, Council must undertake an annual performance review of its Treasury Management activities.

REPORT
The key principles within Council’s Treasury Management Policy are as follows:

Council will:

- Maintain target ranges for its Net Financial Liabilities ratio;
- Generally only borrow funds when it needs cash and not specifically for particular projects;
- Not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties;
- Apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

Comments regarding the 2017 performance with regard to the above principles are outlined below:

Net Financial Liabilities Ratio
Council’s policy regarding its net financial liabilities is that they shall not exceed 100% of total operating revenue (adopted February 2010).

As at 30 June 2017, Council’s net financial liabilities represented 16% of total operating revenue, and it is projected to increase to 38% as at 30 June 2018. Accordingly, Council is currently operating within its policy threshold.

Loan Borrowings
Council’s policy relative to loan borrowings states that the use of internal reserves be considered prior to consideration of external loan borrowings. The total variable borrowings remain at $1,260,000 for Nuriootpa Centennial Park Authority. A new fixed debenture loan was borrowed in 2017 for an amount of $180,000 (Debenture 112). This is for a community group loan for the Tanunda Bowling Club Inc and will be repaid to Council in half yearly repayments.

The use of internal cash reserves has continued to be used in funding Council’s capital works programs and has subsequently minimised the net interest cost to Council.

A summary of the fixed interest rate borrowings are shown below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Loan Amount</th>
<th>Interest Rate</th>
<th>Final Payment Date</th>
<th>Principal Outstanding as at 31 December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>96</td>
<td>2,000,000</td>
<td>6.02%</td>
<td>15/05/18</td>
<td>99,185</td>
</tr>
<tr>
<td>97</td>
<td>700,000</td>
<td>5.65%</td>
<td>16/06/18</td>
<td>33,951</td>
</tr>
</tbody>
</table>
A summary of the variable interest rate borrowings are shown below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Total Facility Loan Amount</th>
<th>Current Interest Rate</th>
<th>Facility End Date</th>
<th>Principal Outstanding as at 31 December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA110</td>
<td>1,000,000</td>
<td>3.75%</td>
<td>15/06/20</td>
<td>1,000,000</td>
</tr>
<tr>
<td>CA111</td>
<td>260,000</td>
<td>3.75%</td>
<td>15/03/21</td>
<td>260,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,260,000</td>
</tr>
</tbody>
</table>

Investments

Council currently holds investments with National Australia Bank (NAB) and the Local Government Finance Authority (LGFA). Council’s total investments as at 31 December 2017 were:

<table>
<thead>
<tr>
<th></th>
<th>Variable Interest Rate $'000</th>
<th>≤ 1 year Fixed $'000</th>
<th>&gt; 1 year ≤ 5 years $'000</th>
<th>&gt; 5 years $'000</th>
<th>TOTAL $'000</th>
<th>Interest Rate Range 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGFA</td>
<td>3,250</td>
<td>5,181</td>
<td>0</td>
<td>0</td>
<td>8,431</td>
<td>1.50% to 2.00%</td>
</tr>
<tr>
<td>NAB Investment A/c</td>
<td>4,848</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4,848</td>
<td>2.00%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8,098</td>
<td>5,181</td>
<td>0</td>
<td>0</td>
<td>13,279</td>
<td></td>
</tr>
</tbody>
</table>

The level of funds invested during the year is presented in the graph below. The graph excludes Council’s separate operating bank account which was maintained at minimum working capital levels in accordance with the Policy.
6.2 Ensure that Council’s policy and process frameworks are based on principles of sound governance and meet legislative requirements.

6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

Legislative Requirements
Local Government Act 1999, Section 140

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Financial
A review of investments and borrowings is required as per the Treasury Management Policy and Local Government Act.

COMMUNITY CONSULTATION

No separate consultation is required under Council’s Public Consultation Policy.

9.1.3
2018/19 AUDIT COMMITTEE BUDGET
B7181
Mr Lague and Mr McCarthy spoke to the report, summarising the various organisational reviews that have been undertaken in the previous 12 months. A report will be presented to the next Audit Committee meeting.

Members agreed that a Consultants’ budget was not required in 2018/19. However, should a relevant review opportunity arise, a budget adjustment request can be submitted to Council.

Sitting Fees for the Independent Members will be determined by Council in its Budget deliberations.

MOVED
Cr Milne that:
(1) the Audit Committee does not require a budget for Consultants in 2018/19;
(2) a Training budget of $1,000 be endorsed for consideration by Council.

Seconded Mr Swan

CARRIED 2017-18/28

PURPOSE
To consider a draft 2018/19 budget for the Committee’s operations.

REPORT
The budget for 2018/19 is being prepared by completing the base budget for activities that are externally and internally required by the Audit Committee.

In the Audit Committee budget, two items that require review are Consultant and Training/Seminar expenditure.
In the past, consultants have been used to undertake reviews and compliance checks for taxation and accounting, along with purchase and implementation of the internal control tracking tool. The training budget has previously been used by independent members to attend LGA programs.

A proposed 2018/19 budget to support the operations of the Audit Committee is outlined in the following table:

Audit Committee Financial Statement as at 16 February 2018:

<table>
<thead>
<tr>
<th></th>
<th>February YTD Actuals</th>
<th>Original Budget 2017/18 + Q1 Adj</th>
<th>Draft 2018/19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>496 - Audit Committee</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries (preparation of reports/agendas, attendance at meetings - CEO, Director C&amp;CS, Manager Financial Services, Minute Secretary)</td>
<td>8,738</td>
<td>14,625</td>
<td>60%</td>
</tr>
<tr>
<td>Consultants (provision for sundry project work undertaken as part of Committee work plan or specifically requested by Council)</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Training / Seminar expenses</td>
<td>0</td>
<td>1,000</td>
<td>0%</td>
</tr>
<tr>
<td>Sitting Fees (Independent Members)</td>
<td>3,085</td>
<td>5,615</td>
<td>55%</td>
</tr>
<tr>
<td>Advertising</td>
<td>669</td>
<td>500</td>
<td>134%</td>
</tr>
<tr>
<td>Insurance &amp; Other</td>
<td>660</td>
<td>814</td>
<td>81%</td>
</tr>
<tr>
<td><strong>Total 496 - Audit Committee</strong></td>
<td>13,153</td>
<td>22,554</td>
<td>58%</td>
</tr>
</tbody>
</table>

* Provides for 2.5% increase for salary costs as per current Enterprise Agreement. Depending on cost centre allocations, this amount may change when the budget is finalised.

~ Training and advertising expenses has been increased to provide for two independent member(s) appointment. Budget adjustment processed in 2017/18 Quarter 2 for advertising costs increase, transferred from training.

# Provides for Sitting Fees as follows: Chairperson $565 and Independent Members x 2 - $365 (an increase of 2.3% CPI Adelaide Dec 2017 on 2017-18 budget of $555 and $355 respectively) to attend 4 meetings each and the annual report attendance at Council meeting for the Chairperson; to be considered and adopted by Council - only provided for Audit Committee members’ information.

**ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

**Policy**
Budget & Business Plan and Review Policy

**COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS**

**Corporate Plan**
How We Work – Good Governance

6.4 Ensure that decisions regarding expenditure of Council’s budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.

6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

**Legislative Requirements**
Local Government (Financial Management) Regulations 2011 - Reg 9(1)(b)
LGA Information paper no. 25 – Monitoring Council Budget Performance

**FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**
Financial
Funding to support the operations of the Audit Committee is required to ensure resources are adequate to undertake this vital role within Council and is included in the annual budget.

COMMUNITY CONSULTATION
Will be included as part of the draft 2018/19 Budget/Business Plan consultation and adoption process.

9.1.4
MID-YEAR BUDGET REVIEW 2017/18 (AS AT 31 DECEMBER 2017)
Mr Lague spoke to the report and provided a brief overview of the Budget Review document.

MOVED Mr Swan that the Mid-year Budget Review for 2017/18 (as at 31 December 2017) be received and noted.
Seconded Cr Milne CARRIED 2017-18/29

PURPOSE
The Mid-year Budget Review for 2017/18 (as at 31 December 2017) and the budget variations contained therein were adopted by Council at its February 2018 Council Meeting.

REPORT
The report provides information as to the financial position of Council, containing budget update reports which include Executive Summary, Uniform Presentation of Finances, Key Performance Indicators, Summary of Operating Budget Variance Adjustments and Summary of Capital Budget Variance Adjustments.

The variances between the original budget and this budget update are listed on the operating and capital budget adjustment pages. The report also includes details of new initiatives and capital expenditure adjustments.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
Attachment 1: Mid-year Budget Review as at December 2017

Policy
Budget & Business Plan and Review Policy

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan
How We Work – Good Governance

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6.9 Provide access to Council’s plans, policies and processes and communicate with the community in plain English.
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Legislative Requirements
Local Government Act 1999 Sect 123 (13)
Local Government (Financial Management) Regulations 2011 Regulation 9 (1)(a)
FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Financial
To enable Council to make effective and strategic financial decisions, a quarterly budget review report is provided. This report contains budget adjustments for decisions Council has made since the last review and other adjustments to meet financial changes in capital and/or operational areas. The document contains comments and implications for the Long Term Financial Plan as a result of this review.

COMMUNITY CONSULTATION
Community Consultation was part of the original budget adoption process in June 2016, as per legislation.

9.1.5
REVIEW DRAFT BUDGET 2018/19 AND ANNUAL REVIEW LONG TERM FINANCIAL PLAN INDEXATION AND ASSUMPTIONS
Mr Lague spoke to the report and led discussion with the Members.

MOVED Cr Angas that the Audit Committee notes the indexation and assumptions for the Annual Budget & Business Plan 2018/19 and Long Term Financial Plan 2018/19 to 2027/28.
Seconded Mr Swan CARRIED 2017-18/30

PURPOSE
As per the 2018/19 Annual Budget/Business Plan timetable endorsed by Council in January 2018, the Audit Committee needs to receive and can provide comment on the indexation and assumptions for the Annual Budget & Business Plan (AB&BP) 2018/19 and Long Term Financial Plan (LTFP) 2018/19 to 2027/28.

REPORT
Overview
The review of indexing and assumptions for the Annual Budget & Business Plan 2018/19 and Long Term Financial Plan (LTFP) 2018/19 to 2027/28 has been considered by Council at the information briefing Workshop on 20 February 2018. This process enables Council to take a long term view and ‘set the big picture’ before starting the annual budget process. A copy of the Council Workshop presentation is attached.

Key Assumptions and Enhancements
Each annual review process provides an opportunity to introduce new assumptions or enhance the information base as required, using the existing indexation 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 presentation paper, Council reviews the proposed rate increase and the indexation application to operational expenditure.

The LGPI (Local Government Price Index) is used as a base for the plan(s) and considering local needs and requirements to meet service levels, including external influences such as service contracts where fuel prices and employment costs may vary the service cost. The Local Government Price Index (LGPI) increase for 12 months to 30 June 2017 was 2%, 30 September 2017 was 2.5% (noting the Adelaide CPI for the 31 December period was 2.3%).

As the cost indexation has been reducing from previous adopted Long Term Financial Plans, Council will reconsider the cost of delivering services and any changes to the level of service to ensure income or charges for the services are appropriate. The following indexation is sourced from the adopted LTFP.

Income
Rate increases to fund and ensure service level provision is maintained in line with revised sustainability requirements.
Both the residential and non-residential rate revenue (excluding growth) were budgeted to increase at 2.5% in 2018/19, and the years following 2.5% per annum.

The adopted Waste Service Rate Revenue indexation rate in the LTFP from last year was budgeted to increase at:

- 2018/19 to 2020/21: 5.25%
- 2021/22: 5.2%
- 2022/23: 3.5%
- 2023/24 onwards: 2.25%

The adopted Community Wastewater Management Systems Service Rate Revenue (excluding growth) indexation rates in the LTFP from last year was budgeted to increase at 2.75% for 2018/19 and then 2.5% and 2.75% alternate years for the life of the plan. An ongoing review of the service charge is underway for requirements from ESCOSA, including the cost of Capital and Risk, along with internal review of executive, administration and governance operating costs.

Other income indexation has a base increase of 2.0%.

Expenditure
Operating expenditure indexation will be assessed individually for internal and external factors as follows:

- employee costs at the enterprise bargaining agreements at 2.5%
- contractors and materials will be reviewed to meet service requirements using a Zero Based Budget basis due for the 18/19 year (the current adopted plan is at 2.5%);
- selected operating costs have been isolated as increases to these are unique eg. power TBA, water 2.5%, insurance 4.0%, waste collection (new contract) all plus changes to service provision, ie. increased number of services provided or usage – all indexation quoted is from the adopted LTFP.

Long term plans for Capital expenditure will be reassessed, ensuring funding is allocated for renewal and replacement assets along with an allowance for new discretionary projects.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
Attachment 1: Long Term Financial Plan – Indexation and Assumptions

Policy
Budget & Business Plan and Review Policy

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan
- How We Work – Good Governance

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Legislative Requirements
- Local Government Act 1999 Section 123
- Local Government (Financial Management) Regulations 2011
FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Financial
Long term financial planning is an ongoing regular process. As new information is included in the planning process, the plans are reviewed and updated.

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

COMMUNITY CONSULTATION
Included as part of the draft 2018/19 Budget/Business Plan consultation and adoption process.

9.1.6
QUARTER 2 – 2017/18 PERFORMANCE AND ACTIVITY REPORT

Mr McCarthy spoke to the report and answered questions from the Chair.

MOVED Cr Milne that the Quarter 2 – 2017/18 Performance and Activity Report be received and noted and the Chief Executive Officer continue to provide these quarterly reports to the Audit Committee.

Seconded Cr Angas

CARRIED 2017-18/31

PURPOSE
To table with the Audit Committee the performance and activity reporting.

REPORT
Background
Since November 2016, the Audit Committee has been presented with Quarterly Performance Reports on measures adopted within the Corporate Plan. These reports are the first outputs of the Holistic Reporting Framework, with work continuing on the ongoing development of both performance and activity based reporting.

Introduction
The Barossa Council Quarter 2 – 2017/18 Performance & Activity Report provides performance results against Corporate Plan measures as at 31 December 2017. The report also includes a suite of activity measures, providing a snapshot of activity undertaken over the quarter in the delivery of key internal and external Council services under each Community Plan Theme.

Discussion
During the second quarter, operational use of Council’s holistic enterprise level strategic planning and reporting software (Magiq) has continued. The solution has allowed better access to a broader range of data and improved the efficiency and effectiveness of data analysis in preparing the first quarterly report for 2017/18.

With the ongoing implementation of Magiq Software, officers are continuing to refine counting rules and formulas for the extraction and analysis of data, which may result in the revision of previously reported results where the data has been refined or cleansed. Where this is the case, the report will include a disclaimer regarding the nature of any changes implemented and its impact on the data.

Additionally, where justification exists, performance targets may be amended to reflect a more realistic figure. As above, where this is the case, the report will include an explanation of the nature of and justification for any changes implemented and its impact on the data.

Overall, it is anticipated that comparison data reported will become more longitudinal as the reporting system grows and allow the representation of trends over time. It is anticipated that this will facilitate an increase in evidence based strategic policy decision making by Council and the executive team.
ATTACHMENTS OR OTHER SUPPORTING REFERENCES


COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Community Plan

How We Work - Good Governance

Corporate Plan

A6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

Legislative Requirements

Nil

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Current resources are sufficient to provide ongoing quarterly reporting.

COMMUNITY CONSULTATION

Community consultation is not required under the Act or Council’s Public Consultation Policy.

9.1.7

UPDATE - RISK MANAGEMENT PROGRAMS AND PROJECTS

B7531

Mr McCarthy spoke to the report and advised that information regarding the Change Management Program, incorporating actions from the Risk Services Review, will be presented to the next Audit Committee meeting.

Mr Brass commented on the good format of the Quarterly Risk Management Report.

MOVED Cr Angas that the report on the progress of Risk Management programs and projects be received and noted.

Seconded Cr Milne

CARRIED 2017-18/32

PURPOSE

To present a quarterly report on the progress of Risk Management programs and projects

REPORT

Risk Management:

Risk Services has continued working with Corporate and Community Services directorate, in particular, Visitor Information Centre, to develop their Corporate Risk Assessment for operational risks. This information will ultimately feed into Council’s Organisational Risk Register and will assist Council in determining its biggest risks.

Risk Services Review

The Draft Risk Services Review Report was presented to the December Audit Committee meeting, where the following was resolved:

“MOVED Ms Johnston that:

(1) the draft Risk Services Review report be received and noted;
(2) officers provide feedback to the consultant on areas of the report, including:
   - correct identification of contributors to the report
   - “intent” of the legislation (pg 132)
   - Maturity Assessment (commencing pg 133)
   - areas reflecting incorrect information/status of The Barossa Council
(3) officers present the final Risk Services Review report to a future Audit Committee meeting.

Seconded Cr Milne

CARRIED 2017-18/21”
The Risk Services Review Report has been finalised and a copy is provided in Attachment 1.

**Risk Management Quarterly Report**

A Risk Management Quarterly Report (Attachment 2) was provided to the Corporate Management Team (CMT) on 24 January 2018 for quarter 1/10/2017 to 31/12/2017. This report has been significantly modified to now include information on the progress against Council’s Risk Review Action Plan, Corporate Risk Assessments, Insurance Claims along with information on how Council is progressing against the current WHS Plan (2015-2017) Programs and Projects, data on incidents, corrective and preventative actions, hazardous task register, training and induction, document development/review, workplace inspections, internal/external audits, compliance and legislative changes.

**Emergency Management and Business Continuity Plan**

Emergency Management Plans were finalised in November 2017 for Council workplaces. Subsequent Emergency Evacuation Drills were held at Williamstown Depot, Barossa Bushgardens and Visitor Information Centre/Tanunda Library during this quarter.

The Local Government Risk Services representative who was assisting Council with Business Continuity has been seconded to the LGA Mutual Liability Scheme and therefore another LGRS representative has been appointed. Council has now been sent a draft Service Levels document to complete that will assist with determining Council’s critical functions.

**KPI Action Plan**

The 2017 Key Performance Indicator (KPI) Action Plan was finalised in December 2017 with 10 out of 11 actions completed by the due date. This has been a significant body of work and the main focus for the Risk Services team noting only 1 out of 11 actions was completed as at August 2017. The purpose of the KPI Action Plan is to close out gaps that have been identified during KPI Audits either undertaken by ReturnToWork SA or the LGA Workers Compensation Scheme.

**Risk Reminder Register**

A new Risk Review Reminder register has been developed in Pathway to assist Risk Services with reminders of items due for review/testing.

**Event Management**

Risk Services continues to review risk assessments within incoming event management applications to ensure risks have been identified by event organisers and adequate controls have been put in place to mitigate those identified risks. The LGRS Risk Management Conference is being held on Friday, 9 March 2018 with Customer Service Officers scheduled to attend due to the main topic being event management.

**Mutual Liability Claims - 1/10/2017 to 31/12/2017**

Current Claims:
13 active/open Mutual Liability Scheme claims; and
13 potential Mutual Liability Scheme claims.

Finalised Claims:
1 Mutual Liability Scheme claim was finalised during this quarter with a denial issued to the claimant.

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**ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

Attachment 1: Final Risk Services Review Report
Attachment 2: Risk Management Quarterly Report - 17/77306*

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**COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS**

**Corporate Plan**

How We Work – Good Governance

6.2 Ensure that Council’s policy and process frameworks are based on principles of sound governance and meet legislative requirements.
6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

Legislative Requirements
Local Government Act 1999
Work Health Safety Act 2012

**FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**
Addressed within the Report.

**COMMUNITY CONSULTATION**
Not required under legislation or Council’s Public Consultation Policy

10. **OTHER BUSINESS**

External Audit Plan for 2017-18
Mr Brass requested officers to source an External Audit Plan for 2017-18 from Bentleys and that it be emailed to Members.

*ACTION: Manager Financial Services to provide Members with an External Audit Plan for 2017-18 from Bentleys.*

11. **NEXT MEETING**
May 2018 - Date to be advised, subject to timing of receipt of the Interim Audit Management letter.

12. **CLOSURE OF MEETING**
There being no further business, Mr Brass closed the meeting at 11.10am.

Confirmed:

**Chairman:** ...........................................  **Date:** ...........................................

NOT CONFIRMED
7.2 REPORTS FOR INFORMATION

7.2.1 AUDIT COMMITTEE WORK PLAN 2017/18
The Audit Committee Work Plan (attached) has been updated.

7.2.2 BENTLEYS EXTERNAL AUDIT PLAN 2017/18
At the 28 February 2018 Audit Committee meeting, Mr Brass requested that officers source an external audit plan from Bentleys. A copy is attached.

7.2.3 ADOPTED QUARTERLY BUDGET UPDATE AS AT 31 MARCH 2018
The Quarterly Budget Update as at 31 March 2018, adopted by Council on 15 May 2018, is available on Council’s website - link

7.2.4 UPDATED BUDGET AND BUSINESS PLAN AND REVIEW POLICY
The updated Budget and Business Plan and Review Policy was approved by Council at its 15 May 2018 meeting. A copy showing tracked changes is attached, with the final version available on the website shortly.

7.2.5 RECEIVE UPDATED PRUDENTIAL MANAGEMENT POLICY
The updated Prudential Management Policy was approved by Council at its 15 May 2018 meeting. A copy showing tracked changes is attached, with the final version available on the website shortly.

RECOMMENDATION:
That Reports for Information items 7.2.1 to 7.2.5 be received.
<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Officer</th>
<th>Estimated Timing</th>
<th>Frequency</th>
<th>Current Status</th>
<th>Date Completed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Reporting</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Review and establish Audit Committee budget</td>
<td>Manager Financial Services</td>
<td>Feb Meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>28/02/2018</td>
<td></td>
</tr>
<tr>
<td>Receive proposed indexation and assumptions for formulation of the Annual Budget &amp; Business Plan (AB&amp;B) and Long Term Financial Plan (LTFP) document</td>
<td>Manager Financial Services</td>
<td>Feb Meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>28/02/2018</td>
<td></td>
</tr>
<tr>
<td>Review draft AB&amp;B document which includes the LTFP</td>
<td>Manager Financial Services</td>
<td>June meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td>Refer Agenda 22/5/18</td>
</tr>
<tr>
<td>Receive Budget Public Consultation submissions and AB&amp;B document including the LTFP</td>
<td>Manager Financial Services</td>
<td>June meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review Treasury Management performance</td>
<td>Senior Accountant</td>
<td>Feb Meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>28/02/2018</td>
<td></td>
</tr>
<tr>
<td>Review Budget Update – Quarterly as at 31 March</td>
<td>Manager Financial Services</td>
<td>June meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td>Refer Agenda 22/5/18</td>
</tr>
<tr>
<td>Review Budget Update – Quarterly as at 30 September</td>
<td>Manager Financial Services</td>
<td>Dec meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>13/12/2017</td>
<td></td>
</tr>
<tr>
<td>Review Mid – year Budget Review – Quarterly as at 31 December</td>
<td>Manager Financial Services</td>
<td>Feb Meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>28/02/2018</td>
<td></td>
</tr>
<tr>
<td>Receive draft Financial Statements for last financial year - Council and Nuriootpa Centennial Park Authority including Auditor attendance</td>
<td>Manager Financial Services</td>
<td>Oct meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>5/10/2017</td>
<td></td>
</tr>
<tr>
<td>Draft Report on Financial Results, including carry forwards</td>
<td>Manager Financial Services</td>
<td>Oct meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>5/10/2017</td>
<td></td>
</tr>
<tr>
<td>Receive adopted Financial Statements and Report on Financial Results for last year - Council and Nuriootpa Centennial Park Authority</td>
<td>Manager Financial Services</td>
<td>Dec meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>13/12/2017</td>
<td></td>
</tr>
<tr>
<td>Review of Finance / Accounting Policies</td>
<td>Manager Financial Services</td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
<td>Budget and Business Plan and Review Policy - 22/5/18, Prudential Management Policy - 22/5/18</td>
</tr>
<tr>
<td>Activity</td>
<td>Responsible Officer</td>
<td>Estimated Timing</td>
<td>Frequency</td>
<td>Current Status</td>
<td>Date Completed</td>
<td>Comments</td>
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</tr>
<tr>
<td><strong>Internal Controls and Risk Management Systems</strong></td>
<td></td>
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</tr>
<tr>
<td>Review and recommend the approval of statements to be included in the annual report on internal control (Audit Committee TOR requirement)</td>
<td>Coordinator Internal Controls</td>
<td>Oct Meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>5/10/2017</td>
<td>Refer Internal Financial Control report item in this Agenda</td>
</tr>
<tr>
<td>Receive Internal Financial Controls Compliance report from Internal Control Co-ordinator</td>
<td>Coordinator Internal Controls</td>
<td>Each normal meeting</td>
<td>Quarterly</td>
<td></td>
<td>- 05/10/2017</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk Manager</td>
<td>Oct Meeting</td>
<td>Annually</td>
<td></td>
<td>- 13/12/2017</td>
<td>Refer Agenda item 22/5/18</td>
</tr>
<tr>
<td>Review and recommend the approval of statements to be included in the annual report on risk management.</td>
<td>Risk Manager</td>
<td>Each normal meeting</td>
<td>Quarterly</td>
<td></td>
<td>- 28/2/2018</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk Manager</td>
<td>Each normal meeting</td>
<td>Quarterly</td>
<td></td>
<td>- 22/5/2018</td>
<td></td>
</tr>
<tr>
<td>Receive Risk Management report from Risk Manager</td>
<td>Risk Manager</td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive directorate risk reports showing relevant risks and how they are being managed</td>
<td>CMT Members / Risk Manager</td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
<td>Target is one directorate reports on a quarterly basis - will commence once the final corporate risk registers completed.</td>
</tr>
<tr>
<td>Report on Local Government Mutual Liability Risk Management Review</td>
<td>Risk Manager</td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review decisions on interpretations of accounting standards taking into account the views of management and the external auditors.</td>
<td>Manager Financial Services</td>
<td>As required</td>
<td></td>
<td></td>
<td>- 05/10/2017</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk Manager</td>
<td>As required</td>
<td></td>
<td></td>
<td>- 13/12/2017</td>
<td>Refer Risk Management report 22/5/18</td>
</tr>
<tr>
<td></td>
<td>Risk Manager</td>
<td>As required</td>
<td></td>
<td></td>
<td>- 28/2/2018</td>
<td></td>
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<tr>
<td></td>
<td>Risk Manager</td>
<td>As required</td>
<td></td>
<td></td>
<td>- 22/5/2018</td>
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<tr>
<td><strong>External Audit</strong></td>
<td></td>
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<tr>
<td>Review any representation letter(s) requested by the external auditors</td>
<td>Manager Financial Services</td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discuss with management and/or external auditors any matters arising from the interim audits</td>
<td>Manager Financial Services</td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discuss with management and/or external auditors any matters arising from the year end audit</td>
<td>Audit Committee</td>
<td>Oct Meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oversee the selection process for new auditors or reappointment of existing auditors</td>
<td>Audit Committee</td>
<td>prior to 30/6/17</td>
<td>By 30/6/17 and as required</td>
<td>Completed</td>
<td>4/05/2017</td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Responsible Officer</td>
<td>Estimated Timing</td>
<td>Frequency</td>
<td>Current Status</td>
<td>Date Completed</td>
<td>Comments</td>
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<tr>
<td><strong>Reporting Responsibilities</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Establish meeting schedule and work plan</td>
<td>Manager Financial Services</td>
<td>June Meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propose and provide information relevant to the review of</td>
<td>CEO</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Council's Strategic Management Plans</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Risk Management/ Governance/Strategic policies review as required</td>
<td>Various Officers</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delegations Review/Update</td>
<td>Governance Advisor</td>
<td>Approved at Council Meetings</td>
<td>Annually and as required</td>
<td></td>
<td>- 15/8/2017, - 19/9/2017, - 20/2/2018, -</td>
<td></td>
</tr>
<tr>
<td>Annual report on Audit Committee activities to Council</td>
<td>Audit Committee Chairperson</td>
<td>Oct meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>5/10/2017</td>
<td></td>
</tr>
<tr>
<td>Chairperson to present Audit Committee Annual Report to Council</td>
<td>Audit Committee Chairperson</td>
<td>Nov/Dec Council meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>17/10/2017</td>
<td></td>
</tr>
<tr>
<td>Review Council Annual Report</td>
<td>CEO</td>
<td>Oct</td>
<td>Annually</td>
<td>No review this year due to timing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complete Audit Committee annual self-assessment</td>
<td>Audit Committee</td>
<td>Dec meeting</td>
<td>Annually</td>
<td>Completed</td>
<td>13/10/2017</td>
<td></td>
</tr>
<tr>
<td>Business Continuity Plan update</td>
<td>Risk Manager</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td>Refer item in October 2017 Agenda. Council has entered into a BCP Maintenance 2 Year Program with Local Govt Risk Services.</td>
</tr>
<tr>
<td>The annual LGAWCS KPI Audit Report</td>
<td>Risk Manager</td>
<td></td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appointment of Independent Members (2 year terms)</td>
<td>Group Manager Corp Svcs</td>
<td>1 member by Jan'18</td>
<td>As required</td>
<td>Completed</td>
<td>Council appointment at 23/1/18 meeting</td>
<td></td>
</tr>
<tr>
<td><strong>Meeting Actions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(12/6/13 and 8/6/16 meetings) Policy and Process for treatment of Attractive Assets and review of current controls to ensure they are adequate</td>
<td>MFS</td>
<td></td>
<td>Work in progress</td>
<td></td>
<td>Stocktakes held; ICT and Depot Registers started; work progressing but considered low priority.</td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Responsible Officer</td>
<td>Estimated Timing</td>
<td>Frequency</td>
<td>Current Status</td>
<td>Date Completed</td>
<td>Comments</td>
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</tr>
<tr>
<td>[5/10/17 meeting] Strategic Corporate Risks - CEO continue to provide reports and updated risk assessments to the Audit Committee as works are undertaken.</td>
<td>CEO</td>
<td></td>
<td>Quarterly</td>
<td></td>
<td>05/10/2017</td>
<td>Refer Risk Management reports</td>
</tr>
<tr>
<td>[5/10/17 meeting] Service Review and Continuous Improvement - CEO continue to provide reports and findings to the Audit Committee as works are undertaken.</td>
<td>CEO</td>
<td></td>
<td></td>
<td></td>
<td>05/10/2017, 13/12/2017, 22/5/2018</td>
<td>Refer Agenda 22/5/18</td>
</tr>
<tr>
<td>(5/10/17 meeting) CEO continue to provide quarterly Performance and Activity Reports to the Committee</td>
<td>CEO</td>
<td></td>
<td></td>
<td>Completed</td>
<td>5/10/2017, 13/12/2017, 20/2/2018</td>
<td>Refer Agenda 22/5/18</td>
</tr>
<tr>
<td>(13/12/17 meeting) Officers to provide feedback to the consultant on areas of the draft Risk Services Review report, including correct identification of contributor to the report; intent of the legislation [pg 132], Maturity Assessment, areas reflecting incorrect information/status of The Barossa Council</td>
<td>Risk Manager</td>
<td></td>
<td></td>
<td>Completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(13/12/17 meeting) Motion 2016-17/19 of the 28/2/17 meeting be amended as per Motion 2017-18/18</td>
<td>EA - CCS</td>
<td></td>
<td></td>
<td>Completed</td>
<td>20/02/2018</td>
<td></td>
</tr>
</tbody>
</table>
The Barossa Council

Annual Audit Plan
30 June 2018
## Contents

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<td>Audit objective</td>
<td>4</td>
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<td>Audit approach</td>
<td>5</td>
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<tr>
<td>Quality control</td>
<td>5</td>
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<tr>
<td>Key audit risks</td>
<td>6</td>
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<tr>
<td>Timing of work</td>
<td>7</td>
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<tr>
<td>Appendix 1 – Engagement team</td>
<td>8</td>
</tr>
<tr>
<td>Appendix 2 – Summary of upcoming relevant accounting standards</td>
<td>9</td>
</tr>
</tbody>
</table>
We have set out the key considerations in relation to our audit of the Barossa Council for the year ended 30 June 2018.

The scope of our work is as follows:


• Audit of the internal control environment with the view of forming and publishing an opinion. This will include managements monitoring, assessment and implementation of controls

We have set out our audit approach, the risks of material misstatement, the audit engagement team and timetable for the audit.
Audit objective

The overall objective of the audit is to express an opinion on the following two items per Section 129 of the Local Government Act 1999 which states:

(1) The auditor of a council must undertake an audit of:

a. the council’s financial statements within a reasonable time after the statements are referred to the auditor for the audit (and, in any event, unless there is a good reason for a longer period, within 2 months after the referral), and

a. the controls exercised by the council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring liabilities.
Audit approach

Bentleys nationally adopts a risk-based audit approach, which focuses attention on obtaining sufficient audit evidence to reduce the risk of material error in the financial report to an appropriately low level.

Quality control

We use audit software that is compliant with the Clarity Auditing Standards that have the force of the law, and we use assisted audit techniques where possible to enable an efficient and focussed audit.
Key audit risks

We have identified the risks of financial statement material misstatement as part of our risk assessment procedures during the planning phase. The risks are as follows:

<table>
<thead>
<tr>
<th>Area</th>
<th>Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Revaluations</td>
<td>The revaluation and useful lives assessment and timing process for buildings and infrastructure assets.</td>
</tr>
<tr>
<td>Capital WIP</td>
<td>Accounting treatment of items in the Capital WIP account including the Generational Investment projects.</td>
</tr>
<tr>
<td>Grant Revenue</td>
<td>Completeness, accuracy and compliance with grant agreements.</td>
</tr>
<tr>
<td>Future Events</td>
<td>The effects of future events on the Council, including new accounting standards such as leases, and the effect and potential accounting treatment in preparation.</td>
</tr>
</tbody>
</table>
Timing of work

March 2018
Initial Contact with Council confirming dates.

April 2018
Review and testing of the Internal Control Framework (approx. 70-75%). Control and substantive testing on income statement items.

May 2018
Issue Interim Management Letter.

October 2018
Sign off Financial Statements and Audit Report

September 2018
Submit final Management Letter and meet and discuss completion of audit with the Audit Committee.

September 2018
Complete review and testing of Internal Control Framework. Undertake year audit procedures and substantive tests of detail.
Appendix 1 - Engagement team

Engagement leaders:

David Papa
Engagement Partner

David Francis
Quality Control

Matthew Brunato
Manager

Support Staff:

Matthew Cocca
Audit Senior

Julian Uzumcu
Auditor
## Appendix 2 - Summary of upcoming relevant accounting standards

<table>
<thead>
<tr>
<th>Pronouncement</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 2016-2 Disclosure Initiative – Amendment to AASB 107</td>
<td>Annual reporting periods beginning on or after 1 January 2018</td>
</tr>
<tr>
<td>AASB 1058 Income of NFP Entities</td>
<td>Annual reporting periods beginning on or after 1 January 2019</td>
</tr>
<tr>
<td>AASB 16 Leases</td>
<td>Annual reporting period beginning on or after 1 January 2019</td>
</tr>
</tbody>
</table>
THE BAROSSA COUNCIL
BUDGET & BUSINESS PLAN AND REVIEW
POLICY

1. Purpose

1.1 This policy provides a framework in relation to the preparation, consideration and/or adoption of:
   a) Annual Budget and Business Plan (AB&BP) including community engagement;
   b) Annual review of the Long Term Financial Plan (LTFP) including community engagement;
   c) Quarterly Budget Update and Review;
   d) Report of Financial Results; and
   e) Council Reports for Additional Expenditure.

The community has their say & have input! To help develop and provide feedback on the AB&BP & LTFP prior to its adoption during the consultation period.

2. Scope

2.1 The accounting policies of Council must comply with Australian Accounting Standards which include Australian equivalents of International Financial Reporting Standards (AIFRS) and ‘Australian specific Standards.

2.2 Long Term financial budgeting involves developing a detailed framework for Council’s proposed services, programs, New Initiatives and outcomes for the relevant financial year and forecasting this over a ten year plan with appropriate controls and financial indicators to check financial sustainability. It involves decision-making on how, who and when throughout the various stages of the process.

2.3 Council’s policies are guided by principles of financial sustainability, ecological sustainability, good governance, advocacy, regulations and service provision and the Community Plan.

2.4 More guidance is provided in Council/Corporate/Procedural Policies and Processes, Council’s Strategic Plan and other relevant documents.

3. Definitions

Budget & Business Plan and Review Policy approved by Council on 10th day of September, 2014

This electronic copy is the approved version and is stored in Council’s Record Management System (TRIM). Printed copies are considered uncontrolled. Before using a printed copy please verify that it is the current version.

© The Barossa Council 2014
In this policy, unless the contrary intention appears, these words have the following meanings:

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Sustainability</strong></td>
<td>A Council’s long term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.</td>
</tr>
<tr>
<td><strong>Base Budget</strong></td>
<td>Are “required” activities that are externally and internally required under the direct control of the Corporate Management Team, a summary of the income and expenditure is provided to Council. All budget figures will be realistic, based on the best available information.</td>
</tr>
<tr>
<td><strong>Capital Expenditure</strong></td>
<td>Is expenditure spent improving assets. Budgets are to be prepared and classified through either by building New or Upgrading Assets as new/upgrade or Replacing or Renewing Assets. Expenditure on replacement/renewal assets is important to ensure the Financial Sustainability of Council. Therefore priority will be given to expenditure on existing assets rather than adding to Council’s asset inventory.</td>
</tr>
<tr>
<td><strong>New Initiative (NI)</strong></td>
<td>Is any proposed new, removal, increase or decrease (not currently being done) of a Council service/program or an asset at Council. This would include projects outside of the budget cycle.</td>
</tr>
<tr>
<td><strong>New Initiative Process</strong></td>
<td>All new projects and capital works programs will be evaluated in terms of meeting Council’s strategic directions including the Prudential Management Policy requirements and the levels of assessment undertaken.</td>
</tr>
<tr>
<td><strong>Bid Analysis Tool (BAT)</strong></td>
<td>Is a tool used to score each New Initiative subjectively using a risk matrix which includes cost and benefits, risk, environmental, political factors and other relevant information.</td>
</tr>
</tbody>
</table>
| **Due Diligence** | Is an expression used to describe the conduct of a systematic review of a transaction - prior to entering the transaction. The following principles form the core of Due Diligence principles are:  
  - efficient and cost effective use of public funds;  
  - accountability, integrity and due process;  
  - compliance;  
  - benefits or needs; and  
  - financial and organisational risk managements. |
| **New or Upgrading Assets** | Please refer to the Asset Accounting Policy for further guidance; relates to establishing a new asset that does not exist or upgrading an existing asset to achieve new or improved levels of service. |
| **Replacing or Renewing Assets** | Please refer to the Asset Accounting Policy for further guidance; relates to replacing or replacing an existing asset that does not provide an improved or increased levels of service, in essence it is putting existing asset back to... |
Strategic Management Plans

Pursuant to Section 122 of the Local Government Act 1999, the Council must develop and adopt plans to effectively manage its Local Government Area, to be collectively known as the Strategic Management Plans (SMPS). Council’s SMPS includes Infrastructure Asset Management Plans, Long Term Financial Plan and the Barossa Community Plan 2016-2036, and the Corporate Plan 2016/17 to 2019/20, etc.

4. Policy Statement

4.1 Annual Budget and Business Plan

4.1.1 The Annual Budget and Business Plan (AB&BP) is intended as a clear public statement of Council’s proposed expenditure and revenues to provide services and programs. New Initiatives and outcomes for the relevant financial year, and the factors shaping it, as required by the Local Government Act.

4.1.2 The AB&BP is set aims to maintain services to the community and continue progress towards the longer term objectives set out in the Strategic Management plans (SMP), in particular the Community Plan. Specific objectives for the year are proposed consistent with the Council’s long-term financial plans to ensure the long-term sustainability of the Council’s financial performance and position.

4.1.3 The AB&BP is adopted after being developed through a rigorous process taking account of Clause 4.1.4, Due Diligence requirements and utilisation of the BAT and includes consultation and review with Council Officers and Elected Members and the community, and follows the Business Planning Framework, using tools such as Business Case or the Whole of Life Assessment and Bid Analysis Tool.

4.1.4 The preparation of the AB&BP includes numerous processes to produce the document as follows:

- Establish a budget timetable
- Prepare zero base budgets
- Periodic service level reviews
- New initiative assessment and approval
- Review application of indexation
- Consider capital expenditure requirements to maintain service levels
- Upgrades to meet community needs and new asset requirements
- Compliance with relevant legislation
- Alignment and measurement to Council’s SMPs, Council subsidiaries, revenue, expenditure and financing analysis, valuation information, rating options and implications and reporting service outcomes, functional spend along with financial and non-financial indicators.

a) A timetable, which meets legislative compliance;
b) A Base Budget ensuring the resource allocations provide for existing and ongoing service requirements;
c) New Initiatives process shall be used to evaluate (where appropriate) for all projects, operating or capital expenditure which results in new, removal, increased or decreased levels of service, projects and capital works programs evaluated in terms of meeting Council’s strategic directions including the
necessary Due Diligence requirements and the Prudential Management Policy requirements and the levels of assessment;

d) periodic reviews of service levels and costs will be undertaken to ensure relevance to customer needs;

e) application of relevant indexation or savings and efficiency dividends (if they are applied);

f) proposals for asset renewal and replacement identified in an adopted Infrastructure & Asset Management Plan are considered guidance on necessary sustainable non-discretionary Capital Expenditure to maintain Council’s asset bases; All other asset proposals are considered New Initiatives discretionary assets;

g) include an original budget budgeted set of as statutory financial reports required under the Local Government Act 1999 and associated Financial Management regulations;

h) a statement of clear and concise illustration of the activities that Council proposes to undertake to meet its long term objectives, including indicators on how we will measure our performance (both financial and non-financial);

i) alignment with Council’s key forward planning documents (i.e. Strategic Plan, and Long Term Financial Plan, Infrastructure & Asset Management Plan), towards achieving Council’s policy targets of financial sustainability towards achieving Council’s financial indicator targets;

j) a report and consolidation of Council subsidiaries;

k) how Council funds its activities including revenue and borrowing;

l) information and analysis for implication for our rating, valuation, rebates and rate relief;

m) business unit reporting to view areas of activity and may provide summary functional reporting as required.

4.1.5 The Council adopts the Annual Budget & Business Plan following an extensive assessment and review process involving Council workshops, public consultation and Council meetings.

4.2 Long Term Financial Plan

4.2.1 Under Section 122 of the Local Government Act 1999, Council shall prepare, consult and adopt a Long Term Financial Plan (LTFP) for a period of 10 years and update the plan annually as part of their suite of Strategic Management Plans.

4.2.2 The LTFP is designed as a ‘high-level’ summarised document estimating towards the future financial operations and planning of Council’s financial operations – particularly in relation to key components such as rate movements, service levels to our community, operating and Capital Expenditure major infrastructure asset replacement/renewal, loan indebtedness and internal cash reserves based on current policy settings of Council.

4.2.3 Council undertakes an annual review of the LTFP, reviewing a number of key assumptions previously discussed and endorsed by Council.

4.2.4 The Infrastructure & Asset Management Plans form guide the future replacement, renewal and maintenance of our significant fixed asset base, expenditure relevant to the financial years is included in the LTFP.
4.2.5 The preparation of the LTFP includes numerous processes to produce the document as follows:

- financial information and modelling for operating, capital expenditure, assumptions and indexation applied, sub-plans for major areas including Waste, Recycling, NCPA, CWMS and then other Council service areas, analysis and reporting on financial indicators, Council sustainability and legislative reporting

a) a common core of financial information, including the Operating Results, Capital Expenditure and indexation;
b) the effect to Key Performance Indicators and the Council adopted targets;
c) a report and analysis on the Financial Sustainability Performance;
d) general assumptions for the financial long term modelling; and
e) include a set of the statutory financial reports required under the Local Government Act 1999 and associated Financial Management regulations.

4.2.6 The Council adopts the Long Term Financial Plan following an extensive assessment and review process involving Council workshops, public consultation and Council meetings.

4.3 Quarterly Budget Update and Review

4.3.1 Consistent with statutory regulations, Budget Updates are presented to Council for the first and third quarter and a Mid-year Budget Review as at the end of December. Council will review and update its budget on a quarterly basis after adoption, being undertaken for the quarters ending September, December and March in each financial year.

4.3.2 The quarterly budget reviews two Budget Updates and Mid-year Budget Review provide the opportunity for adjustments to be made to the existing budget based on actual financial performance during the year consistent with actual performance and current trends ensuring that budget estimates are maintained and reviewed to meet key performance indicators.

4.3.3 The first update will take account of the financial outcomes for the previous year as disclosed in the Annual Financial Statements.

4.3.4 The December budget review provides a more detailed assessment of Councils projected financial position and reviews the long term effect of major budget changes since the original budget adoption and includes statutory financial reports required with explanations for all recommended budget variations.

4.3.5 The original budget is adopted following an extensive preparation and consultation process including the raising of rates at the appropriate levels for Financial Sustainability to be achieved. Therefore, budget updates and review should be approached with caution and with thorough checks on Financial Sustainability and an awareness that changes to the approved budget are a result of responding in a timely manner to opportunities, emergencies and/or other events unforeseen at the time of setting the budget.

4.3.6 To ensure efficient and effective delivery of services, the Chief Executive Officer is authorised to transfer budgeted expenditure where the transfer is that expected to have had a zero or beneficial net cash impact on the overall Council budget and no significant change across functions and/or service levels during the course of the
financial year outcomes and/or departments and. Council must be notified of any changes at the next quarterly budget review consideration.

4.3.7 Increases to expenditure budgets that do not meet clause 4.3.6 require Council approval. Approval can be sought via the quarterly budget review, or, if the matter is urgent a report shall be drafted for the consideration of Council as part of its ordinary Council meeting (or special meeting if necessary) and if approved the adjustments shall be included in the next quarterly budget review. Variance to allocations for Capital Expenditure or an existing project deferral requires approval of Council, see section 4.5 for further information.

4.3.8 Reclassification of projects between operating and Capital Expenditure budgets to better reflect requirements in relation to accounting principles is permitted, the reclassification will occur when reasonably practical and Council notified at the following quarterly budget update or review.

4.3.8 Carried forward items into the next financial year require Council approval and should be included in the September budget review.

4.3.9 In times of a natural disaster or emergency at a local, regional or state level may require the incurring of urgent unbudgeted expenditure, after consulting with the Mayor, or, in their absence, the Deputy Mayor, or, in their absence three Council members, the Chief Executive Officer is authorised to approve the incurring of expenditure up to $500,000 and shall immediately seek the next ordinary meeting (or special meeting if necessary) of Council approval for any such expenditure and ensure the adjustments shall be included in the next quarterly review.

Where circumstances so warrant (e.g. for reasons of urgent necessity) the CEO may in consultation with the Principal Member authorise variations in activity that are within the scope of approved limits for budget items providing that variations made do not:
1. in aggregate exceed threshold value limits for that function/activity outlined in the Budget;
2. materially impact on the quality, quantity, frequency, range or level of service previously provided for or implicitly intended in the original allocation; and
3. impact on any explicit proposals Council has included in its Annual Business Plan or has otherwise publicly committed to and accommodated in its budget. Whenever such changes are made, the following Budget Update must include information from the CEO explaining the rationale for the decision.

4.4 Report on Financial Results to Original Budget

4.4.1 The Report on Financial Results is an accountability document for Council to receive audited information on aggregate financial results relative to the estimated financial results set out in the original budget for the previous financial year.

4.4.2 The report is a high level summary of both operating and capital investment activities of the Council and includes Uniform Presentation of Finances, the four principal financial statements, along with the effect to Key Performance Indicators, and the adopted targets. It also provides a comparison and written explanation of material variances between:
 a) the actual results and the original budget for the reporting year; and
 b) the financial results for the current year as compared to the previous year.
4.4.3 The Report on Financial Results also provides the opportunity to report any final adjustments made to the existing budget based on actual financial performance during the year, along with requests for Carried forward items into the next financial year that require Council approval.

4.5 Council Reports for Additional Expenditure

4.5.1 During the year new requests and/or amended services should be approached with caution undertaking thorough checks on Financial Sustainability and an awareness that changes to the approved AB&BP are a result of responding in a timely manner to opportunities, emergencies and/or other events unforeseen at the time of setting the budget.

4.5.2 Where a commitment of Council funds above the original budget is included within a Council report, to assist in the consideration of these requests requires an assessment of the mater new project using the processes outlined in section 4.1 of this policy. All process and tools in the Prudential Management Policy. The Council report ‘Financial Considerations’ section must include an assessment of Councils Financial Sustainability to fund this project including the relevant financial information outcomes from the Prudential Management Policy, the BAT score as compared to the most recent Budget discretionary score and the effect on the LTP and financial Key Performance Indicators (KPI’s). Further information depending on the matter may include assessment against the LTP and financial Key Performance Indicators.

4.5.3 Recommendations presented to Council that have the effect of increasing expenditure (if adopted) must indicate:
   • where the funds are to be transferred from;
   • whether additional funding has/is being sourced; or
   • an allocation from next year’s discretionary spend is required; or
   • is allocating unallocated funds.

4.5.4 Where an item that has a financial implication is raised in the ‘Other Business’ section of a Council meeting, as a matter of principle Council will seek a report is to be presented to a future meeting so that an assessment of the proposal can be made in accordance with this policy; possible funding can be identified before the recommendation is adopted.

5. Supporting Process

- TBC PRO 4409 Budget & Business Plan and Review Process
- Council report – Financial, Resource and Risk Management Considerations

6. Related Policies

- Prudential Management Policy
- Strategic Rating Policy
- Funding Policy
- Asset Accounting Policy
7. **Legislation and References**

- Part 2 – Local Government Act 1999
- Local Government Act (Financial Management) Regulations 2011
- Relevant Accounting Standards

8. **Review**

8.1 This Policy will be reviewed by [the Council / Document Control Officer] in consultation with the relevant stakeholders, within four (4) years or more frequently if legislation or Council’s need changes.

9. **Further Information**

9.1 This Policy is available on Council’s website at [www.barossa.sa.gov.au](http://www.barossa.sa.gov.au). It can also be viewed electronically at Council’s principal office at 43-51 Tanunda Road, Nuriootpa and all Council branches, during ordinary business hours. A copy of this Policy can be obtained at those venues upon payment of a fixed fee.

9.2 Complaints regarding this Policy or its application can be made to the Customer Service team on 8563 8444 or barossa@barossa.sa.gov.au at first instance, who will refer you to the most appropriate officer according to Council’s Complaints Handling Policy (see clause 9.1 above for availability).

Signed: …………………………………………….. Dated: ……………………………………………..

[Mayor Bob Sloane or Chief Executive Officer under delegation]

10. **Policy Version History**

<table>
<thead>
<tr>
<th>Version No:</th>
<th>Approval Date:</th>
<th>Description of Change:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>17/02/2009</td>
<td>Review</td>
</tr>
<tr>
<td>2.0</td>
<td>10/9/2014</td>
<td>Review</td>
</tr>
<tr>
<td>3.0</td>
<td>10/12/2017</td>
<td>Policy reviewed and aligned to the Prudential Management Policy</td>
</tr>
</tbody>
</table>
THE BAROSSA COUNCIL
PRUDENTIAL MANAGEMENT POLICY

1. Purpose

1.1 This document sets out the policy of The Barossa Council for prudential management of its Projects. This policy applies to Projects, as defined.

1.2 This policy has three Objectives:

1.2.1 to ensure that a Council Project is undertaken only after an appropriate level of Due Diligence is applied to a proposed Project;

1.2.2 to support contemporary project management processes; and

1.2.3 to ensure that relevant each Council Projects are:
   a) planned for prior to approval and implementation;
   b) that identified risks are managed or accepted during implementation; and
   c) monitored during implementation and evaluated after completion, to achieve identified public benefits or needs; and to minimise financial and Operational risks.

2. Scope

2.1 This Policy is made pursuant to section 48(aa1) of the Local Government Act, 1999 (“the Act”) which provides:

A Council must develop and maintain prudential management policies, practices and procedures for the assessment of projects to ensure that the Council:

a) acts with due care diligence and foresight;

b) identifies and manages risks associated with a project;

c) makes informed decisions; and


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2.2 This Policy ensures applies to Council Projects as defined, no matter how large or small, to ensure compliance with this Policy comply with appropriate, and that decision-making in respect of any Project is made with reliable, accurate and timely information by way of a Due Diligence report.

2.3 This Policy supports section 48(1) of the Act, stipulating that Council must obtain and consider a report (DDR4 - a Prudential Management Report) before the Council engages in any on a Project (either commercial or otherwise and including through any subsidiary, joint venture, trust, partnership or other similar body) where:

(a) the expected operating expenditure of the Council (with the project included) over the ensuing five years is likely to exceed 20 percent of the Council’s average annual operating expenses over the previous five financial years or

(b) the expected capital cost of the project over the ensuing five years is likely to exceed $4,000,000 indexed from September 2009; (as at September 2009 – see the Prudential Management – Project Capital Cost $4m Index Calculation workbook - 18/1081 for current years threshold) $4,000,000 Indexed as at September 2017; or

(c) the Council considers that it is necessary or appropriate.

However this level of assessment is not required for the following categories of work (unless Council choose to do so):

2.4 The scope of this Policy under clause 2.3 (a) and (b) is limited to Projects that are not in relation to: road construction or maintenance; or drainage works.

3. Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Manager</td>
<td>An officer who has been delegated authority to expend Council’s approved budget and is responsible for particular budget (or budgets).</td>
</tr>
<tr>
<td>Decision Maker</td>
<td>The Decision Maker shall be Council, Chief Executive Officer or the relevant Director or Budget Manager based on the financial delegated authority ions provided to officers and as stipulated in this Policy.</td>
</tr>
</tbody>
</table>
| Due Diligence      | Due Diligence is an expression used to describe the conduct of a systematic review of a transaction prior to entering the transaction. At its core Due Diligence principles are:  
• efficient and cost effective use of public funds;  
• accountability, integrity and due process;  
• compliance; |
**Due Diligence Report (DDR)**

Is one of four Project assessment levels i.e.
- **DDR1 - Basic DDR**
- **DDR2 - Project Feasibility Study**
- **DDR3 - Business Case**
- **DDR4 - Prudential Management Report**

The level of assessment is determined by the decision matrix at clause 4.6.3.

**DDR1 - Basic**

Is the first (basic) level of Due Diligence which utilises an established worksheet template. This worksheet template explores a Project proposal, costs and benefits and risk exposures includes:

- a) analysis of the need or demand in line with the Community and Corporate Plans;
- b) identification and quantification of the expected financial and other benefits;
- c) identification and quantification of the Business Case and likely Whole-of-Life financial and other costs, including staffing and project management costs;
- d) assessment of the associated Financial and Organisational risks (including the Financial and Organisational risks of not proceeding or delaying the Project) and consideration of ways they can be managed and/or mitigated;
- e) assessment of a score must be prepared using the Bid Analysis Tool (BAT);
- f) an evaluation that weighs up all of the factors above.

**DDR2 - Project Feasibility Study**

Is the second level of Due Diligence Report assessment which utilising an established Whole-of-Life worksheet template, project proposal and strategic context analysis and risk exposures as detailed in DDR1 above.

**DDR3 - Business Case**

Is the third level of Due Diligence Report assessment which utilising a contemporary business case methodologies guide template which may including those the criteria encompassed in a Project Feasibility Study DDR2 and together with a greater analysis of Financial and Organisational Risk utilising tools such as sensitivity, market and or other relevant analysis and is usually undertaken by Council staff.

**DDR4 - Prudential Management Report**

The fourth, and highest level of Due Diligence which Report assessment utilising methodologies encompassed in a Project Feasibility Study DDR3 and also a greater analysis of Financial and Organisational risks utilising tools such as sensitivity, market and or other relevant analysis and is undertaken independently of Council. There is no set template for a Prudential Management Report as each project is unique as will be the DDR4 for that project.

**Financial Risk (FR)**

Exposure of Council to financial loss or under or over budgeting.

**Organisational Risk (OR)**

Includes, but is not limited to, work health and safety, public and product liability, reputational and political impacts and is separate but may be linked to financial risk.

**Project**

A project (for the purposes of this Policy) may be defined as:
“a new initiative or undertaking or activity that would involve the expenditure of money, deployment of resources, incurring or assuming a liability, or accepting an asset”.

To assist in determining the scope of the definition above the following notes are provided for assistance but are not to be read as part of the definition.

The definition should not be interpreted to mean that all Council activities are Projects. Regular, ongoing deliveries of Council services are not new activities so therefore are not included within this definition. A Project is a temporary endeavour with a defined beginning and end. The temporary nature of Projects stands in contrast to business as usual (or operations) which are repetitive, ongoing functional activities to produce products or services.

Simply purchasing an item of plant or equipment, (e.g. a single vehicle) or a parcel of land may constitute a Project if the purchase is not part of a wider Project or part of ongoing operations. Any purchase must comply with Council’s Procurement Policy. However, a Project will typically involve more than merely purchasing. It will always involve Council staff time, often in undertaking activities in association with other organisations. On the other hand, a project need not entail any expenditure. It may include, for example, receiving land or other assets for free (but not including the process of land division or development by a third party), or granting permission for a private activity on Council land.

All projects should be considered in the context of not only this policy, but also Council’s Risk Management Plan.

Whole-of-Life (Cost / Costing)  An assessment of all costs associated with any Project from inception, implementation, maintenance and decommissioning of assets and or services arising from a Project and includes all cash, depreciation and financing considerations.

4. Policy Statement

4.1 Any proposed Project must first be assessed as to the level of Due Diligence that is required.

When approval is being sought or considered for a Project, information must be provided to the Decision Maker to indicate approximately, at first instance:

a) the specific benefits or needs to be addressed;

b) the extent to which it may be substantially similar to other past Projects;

c) a preliminary scoping of the proposed Project, the extent of investment and risks associated with the proposed Project and the level of DDR assessment required as determined by the decision matrix at Clause 4.6.3.3; and

4) what, if anything, is known about the levels of Financial Risk that may be involved.


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4.2 The Chief Executive Officer, relevant Director or Budget Manager has delegated authority to exercise some of the Council’s powers to approve Projects depending on budgetary allocations and other relevant Council policies. Therefore, for a particular Project, the Decision Maker may be Council, the Chief Executive Officer, relevant Director or Budget Manager.

4.3 When approval is being sought or considered for a Project, information must be provided to the Decision Maker to indicate approximately, at first instance: the specific benefits or needs to be addressed; the extent to which it may be substantially similar to other past Projects; a preliminary scoping of the proposed Project, the extent of investment and risks associated with the proposed Project and the level of DDR assessment required as determined by the decision matrix at Clause 4.6.3; and what, if anything, is known about the levels of Financial Risk that may be involved.

4.4 Two Threshold Questions

4.4.1 The Decision Maker accordingly should make an evaluation, including assessment of the following information to determine the extent of Due Diligence that must be embarked upon before any subsequent decision is made whether or not to proceed with the proposed Project:

a) Financial Risks (whether funding of the Whole-of-Life costs of the proposed Project will (or might) require additional allocations beyond those already accommodated in Council’s long-term financial plan or any other additional financial risks); and

b) Organisational Risks (whether the proposed Project will (or might) expose Council to additional Organisational Risks).

as to the extent of Due Diligence that must be embarked upon before any subsequent decision is made whether or not to proceed with the proposed Project.

4.4.2 As a first step, the Decision Maker must ascertain:

• whether funding of the Whole-of-Life costs of the proposed Project will (or might) require additional allocations beyond those already accommodated in Council’s long-term financial plan; and

• whether the proposed Project will (or might) expose Council to additional financial or Organisational Risk.

4.4.3 Seeking the answers to these two questions is a threshold ‘Due Diligence’ test. For any Project the Decision Maker must undertake a Due Diligence test to assess that Whole-of-Life costs, and Financial and or Organisational risks. If anticipated Financial and Organisational Risks are already accounted for, then no further action is necessary. However, in many cases, the Decision Maker will not be sure of these answers, and will require a second step.

4.5 Due Diligence Report


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4.5.1 Pursuant to clause 4.6 and subject to the assessment under clause 4.4.3 a Due Diligence Report for a Project must be undertaken.

4.5.2 Section 48(1) of the Act requires that a full Prudential Management Report be prepared for Council in certain circumstances as defined in the Scope. A Prudential Management Report under section 48 will be regarded as the highest level, most thorough type of DDR for the purposes of this Policy.

4.5.3 A full Prudential Management Report may also be commissioned under section 48, for any other Project which the Council considers necessary or appropriate.

4.6 Due Diligence Before a Decision on Whether to Proceed

4.6.1 Depending upon the extent of Due Diligence required by this Policy and the Decision Maker, a DDR will be prepared. This DDR will include, at a minimum, in relation to the proposed Project:

- an analysis of the need or demand;
- identification and quantification of the expected financial and other benefits;
- identification and quantification of the Business Case and likely Whole-of-Life financial and other costs, including staffing and project management costs;
- assessment of the associated Financial and Organisational risks (including the Financial and Organisational risks of not proceeding or delaying the Project) and consideration of ways they can be managed and/or mitigated;
- assessment of a score must be prepared using the Bid Analysis Tool (BAT);
- an evaluation that weighs up all of the factors above.

4.3 Level of Due Diligence

4.3.1 The level of assessment of a project will be commensurate with the Financial and Organisational Risk and are outlined in the following Decision Matrix at clause 4.6.3 unless detailed in the exemptions at 4.4 below.

4.3.2 The development of a DDR and as informed by the Decision Maker may require the establishment of a working party of Council officers (and depending on the Project, Elected Members), the engagement of an external consultant, a combination of both or other governance processes as deemed necessary. Consideration will be given to whether those preparing a DDR requires specialist skills such as engineering, finance, treasury management, town planning etc.

4.3.3 In requesting and preparing a DDR, the Decision Maker and Council officers must consider where the proposed Project should be placed within the following table and undertake the relevant DDR assessment.

<table>
<thead>
<tr>
<th>Due Diligence Assessment Matrix</th>
<th>Risk Consequence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insignificant i.e. FR is less than $100,000 OR are known and fully managed</td>
<td>Minor i.e. FR is between $100,001 - $250,000 OR are known &amp; significant</td>
</tr>
<tr>
<td>Moderate i.e. FR is between $250,001 - $500,000 new OR are introduced &amp; moderate new</td>
<td></td>
</tr>
<tr>
<td>Major i.e. FR between $500,001 - $1,000,000 new OR are introduced &amp; significant new treatments are required</td>
<td></td>
</tr>
<tr>
<td>Serious i.e. FR greater than $1M new high or extreme OR are introduced</td>
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</tr>
</tbody>
</table>


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## Due Diligence Assessment Matrix

<table>
<thead>
<tr>
<th>Likelihood of Risk</th>
<th>± Significant New Treatments are Required</th>
<th>Minor</th>
<th>Moderate</th>
<th>Major</th>
<th>Serious</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost certain</td>
<td>DDR1 (Decision Maker to consider using a DDR2)</td>
<td>DDR1</td>
<td>DDR2 (Decision Maker to consider using a DDR3)</td>
<td>DDR3 (Decision Maker to consider using a DDR4)</td>
<td></td>
</tr>
<tr>
<td>Likely</td>
<td>DDR1</td>
<td>DDR1 (Decision Maker to consider using a DDR2)</td>
<td>DDR2</td>
<td>DDR2 (Decision Maker to consider using a DDR3)</td>
<td>DDR3 (Decision Maker to consider using a DDR4)</td>
</tr>
<tr>
<td>Possible</td>
<td>DDR1</td>
<td>DDR1</td>
<td>DDR2</td>
<td>DDR2</td>
<td>DDR2 (Decision Maker to consider using a DDR3)</td>
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<tr>
<td>Unlikely</td>
<td>DDR1</td>
<td>DDR1</td>
<td>DDR2</td>
<td>DDR2</td>
<td>DDR2 (Decision Maker to consider using a DDR3)</td>
</tr>
<tr>
<td>Rare</td>
<td>DDR3</td>
<td>DDR3</td>
<td>DDR2</td>
<td>DDR2</td>
<td>DDR2 (Decision Maker to consider using a DDR3)</td>
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### Risk Consequence

<table>
<thead>
<tr>
<th>Likelihood of Risk</th>
<th>± Significant New Treatments are Required</th>
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<th>Moderate</th>
<th>Major</th>
<th>Serious</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost certain</td>
<td>Basic DDR (Decision Maker to Consider Project Feasibility Study)</td>
<td>Project Feasibility Study</td>
<td>Project Feasibility Study</td>
<td>Business Case</td>
<td>Business Case – Decision Maker to Consider Prudential Management Report</td>
</tr>
<tr>
<td>Likely</td>
<td>Basic DDR (Decision Maker to Consider Project Feasibility Study)</td>
<td>Project Feasibility Study</td>
<td>Business Case</td>
<td>Business Case – Decision Maker to Consider Prudential Management Report</td>
<td></td>
</tr>
</tbody>
</table>

### Likelihood of Risk

- **Almost certain**
- **Likely**
- **Possible**
- **Unlikely**
- **Rare**

### Risk Consequence

- **Insignificant**: i.e., FR less than $50,000, OR are known and fully managed
- **Minor**: i.e., FR between $50,001 and $100,000 OR are known and significant component managed
- **Moderate**: i.e., FR between $100,001 and $250,000 OR are introduced and moderate new treatments are required
- **Major**: i.e., FR between $250,001 and $1,000,000 OR are introduced and significant new treatments are required
- **Serious**: i.e., FR greater than $1M OR are introduced and significant new treatments are required
### Exemptions

Council or the Chief Executive Officer may request or approve a higher or lower level of DDR assessment, except where DDR4 is required legislatively. Changes (which are limited to the extent that the requirements of section 48(1) of the Act will always apply) to the level of assessment outside the table above must be documented appropriately.

#### Level 1 Assessment
- Basic DDR

#### Level 2 Assessment
- Project Feasibility Study

#### Level 3 Assessment
- Business Case

#### Level 4 Assessment
- Prudential Management Report

4.6.5 Council or the Chief Executive Officer may approve a lower DDR assessment level in extenuating circumstances, which must be documented appropriately. The operation of clause 4.6 is limited to the extent that the requirements of section 48(1) of the Act will always apply.

### Due Diligence during a Project Monitoring

4.7 After a decision has been made to commence a Project, it will be managed according to the principles of Due Diligence and the applicable project management methodology of Council.

4.7.2 The Council will take action to manage the Project so that:
- a) the Project remains focussed upon the expected public benefits or needs that have been identified in the DDR; and
- b) Financial and Organisational Risks identified in the DDR are managed appropriately; and
- c) any other parameters as identified in the DDR or Project specific Prudential Report are addressed.

### Due Diligence after a Project Evaluation

4.8 Any Project which has been assessed under clause 4.7 as a Major or Serious risk (or it was determined the minimum assessment level shall be a Business Case) shall must be evaluated.

4.8.2 For all other projects, the Chief Executive Officer or the relevant Director will determine if an evaluation must be undertaken.
4.8.2 After a Project has been completed, it should be evaluated, according to the principles of Due Diligence, to determine the extent to which the Project will be evaluated to see if:

a) has achieved the public benefits or needs identified in the DDR that it was intended to achieve or satisfy; and

b) has avoided or mitigated the financial risks identified in the DDR; and

c) has been carried out in accordance with any other project management methodology from time to time adopted by Council; and

d) complies with any other parameters as identified in the DDR or Project specific Prudential Management Report.

4.8.2 The need to undertake an evaluation of a Project will be determined by the Chief Executive Officer or relevant Director, but in any case any Project which has been assessed under clause 4.6.3 as Major or Serious risk or it was determined the minimum assessment level shall be a Business Case must be evaluated.

5. Supporting Documentation

- Budgeting - Process - Budget & Business Plan and Review 14/36055*
- Budgeting - Flowchart - New Initiatives 14/36063
- Budgeting - Guidelines - New Initiative 14/36054
- Budgeting - Flowchart - DDR1 - Due Diligence Report - Basic First Level - 15/214
- Budgeting - Template - DDR1 - Due Diligence Report - Basic First Level - 14/36060
- Budgeting - Flowchart - DDR2 - Due Diligence Report - Project Feasibility Study 14/36076
- Budgeting - Template - DDR2 - Due Diligence Report - Project Feasibility Study 14/36075
- Business Case DDR3 - Business Case Template 14/
- Risk Management Plan
- Delegations Register
- Prudential Management - Project Capital cost $4,000,000 Index Calculation 18/1081

6. Related Policies

- Annual Budget & Business Plan and Review Policy
- Risk Management Policy
- Records Management Policy
- Purchasing Procurement Policy
- Code of Conduct for Council Employees
- Code of Conduct for Elected Members
- Fraud and Corruption Prevention Policy
- Whistleblowers Protection Policy

7. References


This electronic copy is the approved version and is stored in Council's Record Management System (TRIM). Printed copies are considered uncontrolled. Before using a printed copy please verify that it is the current version.
8. Review

8.1 This Policy will be reviewed by [the Council / Document Control Officer] in consultation with the relevant stakeholders, within four (4) years or more frequently if legislation or Council's need changes.

9. Further Information

9.1 This Policy is available on Council’s website at www.barossa.sa.gov.au. It can also be viewed electronically at Council’s principal office at 43-51 Tanunda Road, Nuriootpa and all Council branches, during ordinary business hours. A copy of this Policy can be obtained at those venues upon payment of a fixed fee.

9.2 Complaints regarding this Policy or its application can be made to the Customer Service team on 8563 8444 or barossa@barossa.sa.gov.au at first instance, who will refer you to the most appropriate officer according to Council’s Complaints Handling Policy (see clause 9.1 above for availability).

Signed: …………………………………………………….. Dated: ……………………………………………………..

[Mayor Bob Sloane or
Chief Executive Officer under delegation]

10. Policy Version History

<table>
<thead>
<tr>
<th>Version No.</th>
<th>Approval Date</th>
<th>Description of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>15 July 2014</td>
<td>New Policy</td>
</tr>
<tr>
<td>2.0</td>
<td>January 2018</td>
<td>Policy reviewed and aligned to the Annual Budget &amp; Business Plan and Review Policy.</td>
</tr>
</tbody>
</table>
7.3 CORRESPONDENCE

7.3.1 DRAFT REPORT ON AUDIT FINDINGS
From Bentleys, a Draft Report on Audit Findings, following their interim testing in April. A copy is attached together with Council’s response.

RECOMMENDATION:
That Correspondence Report 7.3.1 be received.
BAROSSA COUNCIL

Report on Audit Findings
30 JUNE 2018
<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>3</td>
</tr>
<tr>
<td>Audit Approach</td>
<td>4</td>
</tr>
<tr>
<td>Key Audit Risks</td>
<td>5</td>
</tr>
<tr>
<td>Key Findings</td>
<td>6</td>
</tr>
<tr>
<td>Internal Controls Update</td>
<td>12</td>
</tr>
<tr>
<td>Appendix 1 – Summary of upcoming relevant accounting standards</td>
<td>13</td>
</tr>
<tr>
<td>Appendix 2 – <strong>AASB 15</strong> Revenue from Contracts with Customers</td>
<td>14</td>
</tr>
<tr>
<td>Appendix 3 – <strong>AASB 1058</strong> Income for Not-for-Profit Entities</td>
<td>15</td>
</tr>
<tr>
<td>Appendix 4 – <strong>AASB 16</strong> Leases</td>
<td>16</td>
</tr>
<tr>
<td>Appendix 5 – Notifiable Data Breach Scheme</td>
<td>17</td>
</tr>
</tbody>
</table>
We have commenced our audit of the Barossa Council for the year ended 30 June 2018 and report to management and those charged with governance the following matters for information purposes and for consideration of implementation or corrective action.

At the conclusion of our interim testing, using the information obtained we determined if there were any material matters or concerns that would impact the decision making ability of the users of the financial report.

The following matters are reported to management:

<table>
<thead>
<tr>
<th>Critical</th>
<th>Significant</th>
<th>Not material</th>
<th>Areas for improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>4</td>
<td>-</td>
</tr>
</tbody>
</table>

We would like to take this opportunity to thank management and staff for the assistance provided to us during the course of our audit.
Audit objective & approach

Understand risk
- Initial risk assessment
- Ongoing risk assessment

Control environment
- Understand control environment
- Test for reliability

The numbers
- Undergo substantive test of detail (numbers and disclosures) based on control environment and risks identified

Audit opinion: Controls and financial statements
We have identified the risks of financial statement material misstatement as part of our risk assessment procedures during the planning phase and the audit approach.

<table>
<thead>
<tr>
<th>Area</th>
<th>Risk</th>
<th>Audit Approach</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Revaluations</td>
<td>The revaluation and useful lives assessment and timing process for buildings and infrastructure assets.</td>
<td>We will be reviewing the Fixed Assets Registers at our year end visit.</td>
<td>Outstanding</td>
</tr>
<tr>
<td>Capital WIP</td>
<td>Accounting treatment of items in the Capital WIP account including the proposed roads programs.</td>
<td>We will be reviewing the treatment of the Capital WIP account at year end. Our testing of Tenders and Contracts which contribute to Capital WIP at our interim visit did not find any issues with the control process.</td>
<td>Outstanding</td>
</tr>
<tr>
<td>Grant Revenue</td>
<td>Completeness, accuracy and compliance with grant agreements.</td>
<td>We performed sample testing of Grant Revenue at our interim visit and did not find any errors in the completeness and accuracy of the balance. The sample selected did not have reciprocal benefits.</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Points considered</td>
<td>Rating</td>
<td>Reason</td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
</tbody>
</table>
| **System and technology** |        | **•** System integration  
**•** System knowledge  
**•** System access                                                                                                                |
|                           |        | Review of the general ledger systems appears to be working well. We were unable to verify user access rights. See issue below for further details. |
| **People**                |        | **•** Attitude  
**•** Culture  
**•** Embrace of change/challenge                                                                                                    |
|                           | ✔️     | The Finance Team appear to work cooperatively and we didn’t experience any difficulties with our requests.                           |
| **Processes and controls**|        | **•** Policies and procedures in place  
**•** Controls tested and reviewed sufficiently                                                                                       |
|                           | 🚨     | As a whole, the internal control framework appears well established. We have identified some areas for improvement further in this report. |
| **Financial**             |        | **•** Compliance with accounting standards                                                                                                                                                        |
|                           | ✔️     | Based on our interim testing transactions are performed in line with accounting standards and Council’s Policies and Procedures.          |
### Internal Control Issues

<table>
<thead>
<tr>
<th>Issue</th>
<th>General Ledger User Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Observation</td>
<td>We obtained a user access report to determine user access limits in the financial reporting system. However, the report produced was complex and difficult to understand. Discussions with management indicated that reviews had taken place, however there was no evidence to verify this control was occurring.</td>
</tr>
<tr>
<td>Risk</td>
<td>There is a risk that staff members have inappropriate access and incompatible duties within the general ledger and masterfiles.</td>
</tr>
<tr>
<td>Significance</td>
<td>While not a material weakness in itself, it is important that the Council is regularly reviewing staff access to the general ledger to ensure access rights are compatible with employee roles and responsibilities.</td>
</tr>
<tr>
<td>Recommendation</td>
<td>We recommend management work with the IT provider to obtain a report and interpret the definitions to ensure access is appropriate for staff members' role. We also recommend evidence be retained that review of user access limits is occurring on a regular basis.</td>
</tr>
<tr>
<td>Management Response</td>
<td></td>
</tr>
</tbody>
</table>

---
## Internal Control Issues

<table>
<thead>
<tr>
<th>Issue</th>
<th>System generated master file changes report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Observation</td>
<td>We note that there is currently no Masterfile Changes Reports being produced and review by an independent person for either TechOne or Pathway.</td>
</tr>
<tr>
<td>Risk</td>
<td>Although there are compensating controls in place, there is a risk that all changes being reviewed may not get picked up using the current method of reviewing masterfile changes.</td>
</tr>
<tr>
<td>Recommendation</td>
<td>We recommend management work with the IT provider to obtain a report that shows all Masterfile changes and this report is then reviewed by an officer of Council that is independent of the payroll and purchases process.</td>
</tr>
<tr>
<td>Management Response</td>
<td></td>
</tr>
</tbody>
</table>

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### Internal Control Issues

<table>
<thead>
<tr>
<th>Issue</th>
<th>Rates Access and Reviews</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Observation</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>There was no evidence of independent reviews for the following during the rates modelling stage:</td>
</tr>
<tr>
<td></td>
<td>- Non-rateable properties to ensure they are still valid</td>
</tr>
<tr>
<td></td>
<td>- The properties with the interest rate switched off</td>
</tr>
<tr>
<td></td>
<td>- A sample of rates payers notices as a result of the model</td>
</tr>
<tr>
<td></td>
<td>- Rates payable by rates staff</td>
</tr>
<tr>
<td></td>
<td>We also noted that staff responsible for processing rates notices can process payments of their own rates without independent review.</td>
</tr>
<tr>
<td><strong>Risk</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>While this is not a material weakness, there is an increased risk of the following:</td>
</tr>
<tr>
<td></td>
<td>- Non-rateable properties not being switched over to rateable if sold or circumstances have changed</td>
</tr>
<tr>
<td></td>
<td>- Properties with the interest rate switched off not being switched back on when sold or if circumstances have changed</td>
</tr>
<tr>
<td></td>
<td>- Rates staff could alter their own rates balance or relatives rates receivable</td>
</tr>
</tbody>
</table>
### Internal Control Issues

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>We recommend the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• A sample of rates be independently reviewed to ensure the system is operating correctly</td>
</tr>
<tr>
<td></td>
<td>• The listing of non-rateable properties be independently reviewed regularly to ensure it is still current</td>
</tr>
<tr>
<td></td>
<td>• The listing of properties with interest switched off be independently reviewed to ensure it is still correct</td>
</tr>
<tr>
<td></td>
<td>• A system control be introduced whereby rates staff cannot access their own rates data or that of family members or an independent review regularly performed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Management Response</th>
<th></th>
</tr>
</thead>
</table>
# Internal Control Issues

<table>
<thead>
<tr>
<th>Issue</th>
<th>Disaster Recover Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Observation</strong></td>
<td>There is currently no formal disaster recovery plan.</td>
</tr>
<tr>
<td><strong>Requirement</strong></td>
<td>The Internal Control Framework for the Council requires the Disaster Recovery Plan to be formally adopted by Council.</td>
</tr>
<tr>
<td><strong>Recommendation</strong></td>
<td>We recommend the Council finalise and adopt the Disaster Recovery Plan and Business Continuity Plan as soon as the updates have been performed.</td>
</tr>
<tr>
<td><strong>Management Response</strong></td>
<td></td>
</tr>
</tbody>
</table>
The focus of our interim testing is assessing the internal controls of the organisation to determine if the information in the general ledger, that is being reported to management and used for the formation of the financial report, is likely to be accurate and reliable in all material respects. Below is a summary of the % progress the Core internal controls tested to date.
Appendix 1 - Summary of upcoming relevant accounting standards

<table>
<thead>
<tr>
<th>Pronouncement</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 15 Revenue from contracts with customers</td>
<td>Annual reporting periods beginning on or after 1 January 2018</td>
</tr>
<tr>
<td></td>
<td>NFP entities – Annual reporting periods beginning on or after 1 January 2019</td>
</tr>
<tr>
<td>AASB 1058 Income of NFP Entities</td>
<td>Annual reporting periods beginning on or after 1 January 2019</td>
</tr>
<tr>
<td>AASB 16 Leases</td>
<td>Annual reporting period beginning on or after 1 January 2019</td>
</tr>
</tbody>
</table>

Details on AASB 15, 1058 and 16 are on the following Appendices. We encourage you to understand the changes imposed by these standards and to assess the likely impact on future financial reporting.
Appendix 2 – AASB 15 *Revenue from Contracts with Customers*

**Purpose of the Standard:**

- Replaces AASB 118 *Revenue, AASB 118 Construction Contracts* and some revenue related interpretations
- Aims to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
- Allows an entity to recognise revenue when (or as) a performance obligation is satisfied, i.e., when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Effectively, the standard recognises revenue on a ‘milestone’ basis.

**Practical Application of the Standard:**

Specifically, the Standard introduces a 5 step approach to revenue recognition:

- **Step 1:** Identifying contract(s) with customers
- **Step 2:** Identify the performance obligations in the contract
- **Step 3:** Determine the transaction price
- **Step 4:** Allocate the transaction price to the performance obligations in the contract
- **Step 5:** Recognise revenue when (or as) the entity satisfies a performance obligation
Appendix 3 – AASB 1058 *Income for Not-for-Profit Entities*

Background:

Previously AASB 1004 *Contributions* was interpreted by the sector as grants could be carried on the balance sheets as ‘tied funding’. The Accounting Standards Board released a clarification interpretation in December 2016 explaining the Standard.

Within the interpretation, the key phrase of ‘reciprocal’ vs ‘non-reciprocal’ has now been clarified as whether both parties receive a reciprocal benefit from the grant funding provided. Specifically, it clarified that grant funding for local government entities had to be recognized as income within the year received.

We understand that the treatment required by the accounting standard doesn’t necessarily align with the practical application of the monies. It would appear that AASB 1058 addresses this matter.

**Treatment of AASB 1058 *Income for Not-for-Profit Entities***:

- Effective as of 1 January 2019, but can early adopt if early adopting AASB 15 *Revenue from Contracts with Customers*
- Replaces AASB 1004 *Contributions* and some NFP revenue related interpretations
- The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset received by an entity
- Effectively, this allows NFP entities to account for grants as ‘tied funding’.

We have reviewed the grants reported in prior year and have found no material misstatement. We will need to review the amount of grant funding received during the year to identify if this will be an issue.
Appendix 4 – AASB 16 Leases

Purpose of the Standard:

- Introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- Replaces AASB 117 Leases and some lease-related interpretations
- Provides new guidance on the application of the definition of lease and on sale and lease back accounting
- Requires new and different disclosures about leases

Application of the Standard:

- Effective as of 1 January 2019, but can early adopt if early adopting AASB 15 Revenue from Contracts with Customers
- Requires all leases to be accounted for ‘on-balance sheet’ by lessees, other than short-term and low value assets
- A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.
- A lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows
Appendix 5 – Privacy Act Amendment

An amendment to the Privacy Act was made, called the ‘mandatory data breach notification scheme’. This was enforced as law on February 22, 2018. We have provided management with an information sheet detailing the changes and requirements.

Who does the NDB Scheme apply to?

- Australian Government agencies
- All business and not-for-profit organisations with an annual turnover of $3 million or more
- Some small business operators, including:
  - All private sector health service providers
  - Those that trade in personal information
  - TFN recipients (if annual turnover is below $3 million, the NDB scheme will apply only in relation to TFN information)
  - Those that hold personal information in relation to certain activities, for example; providing services to the Commonwealth under a contract

An eligible data breach occurs when three criteria are met:

1. There is unauthorised access to, or unauthorised disclosure of personal information, or a loss of personal information, that an entity holds
2. This is likely to result in serious harm to one or more individuals
3. The entity has not been able to prevent the likely risk of serious harm with remedial action
4. ‘Serious harm’ can be psychological, emotional, physical, reputational, or other forms of harm
5. Understanding whether serious harm is likely or not requires an evaluation of the context of the data breach

What are the penalties?

- Compensation to the affected individuals and a formal apology
- $340,000 fines for individuals
- $1.7 million fines for businesses
- The AIC also has the power to publish the findings of an investigation they have undertaken
16 May 2018

Matthew Brunato
Manager Audit and Assurance
Bentleys SA Pty Ltd
Level 2 139 Frame Street
ADELAIDE SA 5000

Dear Matthew,

We appreciate the feedback from you and your audit teams interim external audit held on the 16-19 April 2018, as this helps us to review and where needed improve our processes, segregation of duties and utilisation of systems. Council will improve areas where it is agreed that it will substantially reduce the risk exposure and is an appropriate control and achievable change.

Please find below our preliminary responses to your Draft Interim Management Report:

Pg 7 General Ledger User Access
We expect this is referring system access.

ICT have produced an additional report with 3 components still a little difficult to trace access but this should be subject to regular checks for compliance and access.

Pg 8 System Generated Masterfile Changes Reports
Masterfile Changes Reports are to be produced and independently reviewed for TechOne and Pathway – although Council has compensating controls in place, we agree that further methods be introduced to produce these reports to make them visible for verification of changes by an appropriate officer.

Pg 9 Rates Access and Reviews

Non-rateable properties to ensure they are still valid
The Senior Rates Officer and Manager Financial Services verify non-rateable properties. This check/process is done via a TRIM workflow and we agree with suggestion for a further independent check to be undertaken.

Interest rate switched off
A quarterly report is used to check current fine override. We agree an independent review/check should be undertaken.
A sample of rate notices checked to model
The balance of each rate type to the modelling spreadsheet before rates
generation is undertaken and then again checked to the General ledger after
Generation. We don't see how the system would permit change individual for rate
notices during generation? But agree that an independent check could be done
from a sample of assessment records to the detailed generation report and rates
modelling.

Rates payable by rates staff
Currently staff auto deductions processed by our Debtors staff and approved by
Senior rates officer. All other receipting is carried out by Customer Service. We will
investigate if the staff auto deductions could be processed by customer service as
well as if the receipting access can be blocked for rates/debtors staff without
losing access to other pathway rates processes. A further ad-hoc check will be
made to verify the rate payment deductions from payroll have been approved by
the relevant employee.

Pg 10 Disaster Recovery Plan
There is currently no Disaster Recovery Plan and BCP – This plan exists but it needs to
be updated by ICT to reflect current selected hard data storage backup
systems/methods.

Your draft report and this response will be placed on next weeks Audit Committee Meeting
Agenda for their consideration. We will forward any feedback or comments we receive
from those discussions.

Sincerely,

Mark Lague
Manager Financial Services, The Barossa Council
AUDIT COMMITTEE
COORDINATOR INTERNAL CONTROL

22 MAY 2018

9.1 DEBATE AGENDA

9.1.1 INTERNAL FINANCIAL CONTROL REPORT
B7455

PURPOSE
To provide an update on the status of Internal Financial Control work.

RECOMMENDATION
That the report from the Coordinator Internal Control on the status of Internal Financial Control work, be received and noted.

REPORT
Attached is a copy of the Internal Financial Control Report for January to March 2018.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
Nil

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Community Plan
How We Work – Good Governance

Corporate Plan
How We Work – Good Governance
6.2 Ensure that Council’s policies and process frameworks are based on principles of sound governance and meet legislative requirements.
6.4 Ensure that decisions regarding expenditure of Council’s budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.

Legislative Requirements
Local Government Act 1999 – Section 125, 126, 129 (1) (b)
Local Government (Financial Management) Regulations 2011, 14(e)

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS
The regular monitoring and review of Council’s financial internal controls and risk assessments will significantly facilitate the on-going safeguarding of Council assets. The control and review of risks is a core officer function and responsibility.

COMMUNITY CONSULTATION
Not required under legislation or Council’s Public Consultation Policy.
INTERNAL FINANCIAL CONTROL REPORT

Date: 23/4/2018
To: CMT and Audit Committee
From: Nicole Rudd – Coordinator Internal Control
Subject: Internal Control activity – January to March 2018
Response: Not needed – for information only.

Legislative Requirement

<table>
<thead>
<tr>
<th>Local Government Act, 1999</th>
<th>Local Government (Financial Management) Regulations 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 125</td>
<td>Part 2, Regulation 4(2), (4), (5) (a-c)</td>
</tr>
<tr>
<td>Section 129(1)(b)</td>
<td>Part 6, Division 1, Regulation 19 (1)(b), (2), (3)</td>
</tr>
<tr>
<td>Section 129 (3) (b)</td>
<td></td>
</tr>
<tr>
<td>Section 130</td>
<td></td>
</tr>
</tbody>
</table>

The following report has been developed to assist the Corporate Management Team (CMT) in the monitoring, action and review of the Internal Financial Control function of Council.

This report is also provided to the Audit Committee for information on the status of Internal Financial Control.

1. Internal Financial Control Self-Assessments (ControlTrack)

The new Risk Manager and Control Manager modules are now in place and Council has a contract for using the self-assessment tool with ControlTrack for the next three years.

Within the tool, all risks have now had an inherent risk rating applied to them. This resulted in the following:

<table>
<thead>
<tr>
<th>Inherent Risk Rating</th>
<th>Extreme</th>
<th>21 risks</th>
<th>61 control assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>41 risks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medium</td>
<td>23 risks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>7 risks</td>
<td></td>
</tr>
<tr>
<td><strong>Total Risks</strong></td>
<td></td>
<td>92 risks</td>
<td></td>
</tr>
</tbody>
</table>

A risk based assessment of Controls has been initiated for the 21 risks with an inherent (without any controls in place) rating of Extreme. There are 61 controls which will be assessed and reviewed in this Assessment.

Assessment start date was 4 April 2018 and the completion date the 27 April 2018. Due to other commitments for some staff that timeframe was not met.

Some guidance from CMT was sought on timing for the completion of this assessment and then the subsequent assessment of all other controls which are not rated as extreme.
Once this assessment has been completed, these extreme risks will be reviewed and a residual risk rating will be applied. A similar process will happen with all other risks once the assessment/review of all associated controls has been completed. CMT provided another couple of weeks for the completion of this assessment and the results will be provided to the next Audit Committee meeting.

2. **External audits/correspondence from Auditors**

The Auditors were in attendance for the Interim Audit from the 16 – 19 April 2018. A management letter has been received and the response is attached to this agenda.

3. **Inspections/Internal Audits/Compliance Testing/Reviews**

3.1 **Accounts Payable – bank account checking** (B6548)

The checking of the BSB and bank account information from Payment Register from TechOne compared to the report from NAB is ongoing. No discrepancies have been identified.

This process will be automated shortly with the introduction of NAB DirectLink facilitates the direct transfer of the payment information from TechOne to NAB without the ability of manual manipulation. DirectLink implementation is in progress and will hopefully be finalised by the end of May 2018.

3.2 **Finance Policies Review** (14/36056v3 & 14/29402v2)

Significant time has been spent on aligning the Prudential Management and the Budget and Business Plan and Review Policies. These have now been reviewed and consultation with OMG has occurred. CMT considered the changes which Council adopted. The policies are attached to this agenda for information.

3.4 **Corporate Cards** (17/49741 & 17/30831)

Since the expansion of the Corporate Card program, we now have 38 active cards and there is 12 months of data to get an idea on what usage trends are developing. An update of the Corporate Card Expansion project scope has been carried out and given to CMT for review.

3.5 **Construction Industry Training Levy Audit** (CITB Audit # 1417/18) (18/23951)

In October 2017 Council was informed of an impending ‘Audit of Council responsibilities under the Construction Industry Training Fund Act 1993 (the Act)’ by Pitcher Partners SA Pty Ltd.

Contact was made and information was provided over the following 5 months when requested by the auditing firm.

In April 2018 results of the audit were received and showed that Council complies with the Act.

**Audit findings/comments:**

*There is a system in place to ensure that the CITF levy has been paid prior to granting building approval. There are checklists provided for CITF levy in the application form and approval assessment to ensure the required CITF levy was paid prior to granting approval. The checklist also includes the information of subsequent project stages to capture further CITF levy payment if applicable. The council has advised they do not have process to assess the accuracy of the disclosed estimated value. The estimated value is provided by applicant in the Development Application Form.*

No further action is required by Council staff in relation to the audit.
Council has received a refund for a portion of the levy paid in 2015/16 following a review of the projects which were carried over but have since been determined that they will not be carried out at all.

Now that the 2015/16 years levy has been reviewed, the Construction Industry Training Board will review the payments made for the 2016/17 year and then following that, the current 2017/18 year.

It is to be noted that Council is yet to pay anything for the 2017/18 year as we have been advised to hold off until the review of the other financial years are completed as well as the results of further discussions by the board on the method of calculation for the payment of the levy are forwarded to Council.

3.6 Finance Department – review of Sub-Delegations (18/1793)

A review of the sub-delegations given to finance staff members was carried out. The review ensured that the Manager Financial Services had all the sub-delegations that any of the staff under him have. Results showed that he has all the sub-delegations apart from one. (Sec 220 – Numbering of Premises and Allotments. Only the Senior Rates Officer has this sub-delegation).

A review of all other finance staff members sub-delegations was carried out against the Local Government Act and a number were highlighted that possibly officers should have but didn’t have. This information was reported to the Manager Financial Services 10/1/18.

3 Incidents and Corrective & Preventative Actions (CAPA)

<table>
<thead>
<tr>
<th>Incident ID #</th>
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<th>Directorate</th>
<th>CAPA required?</th>
<th>CAPA ID #</th>
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<tr>
<td></td>
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4 Finance Policy & Process Development/Review

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<td>Budget and Business Plan and Review Policy</td>
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</table>
5 **Audit Committee – Internal Control Action Items**

Provide progress against action items within the minutes of the Audit Committee Meetings

<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>Action</th>
<th>Status</th>
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<tbody>
<tr>
<td>None to report</td>
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</tbody>
</table>

6 **South Australian Local Government Financial Management Group (SALGFMG) - Internal Control Working Party**

No further meetings have been held at this stage.

7 **South Australian Local Government Internal Audit Network (SALGIAN) - Internal Audits**

A meeting is in the process of being organised with the following Agenda topics:

- ControlTrack – Control Manager / Risk Manager – How is this being used? Any issues?
- Internal audit role in response to corporate card media attention – How does your council handle this?
- Hot topics at our Council
  - CITB Levy processing – How are other Councils doing this?
  - Direct Link (NAB) – How are other Councils doing this?
  - Postbillpay – Are all other Councils using this?
  - Financial Control over Cncl programs/facilities provided off-site – How are other Councils managing these?
  - Procurement and recording of small and attractive assets – how are these being managed at other Councils?
  - Auditor Generals enquiry re ‘Credit Card’ expenditure
- Internal audit plans – what are Councils focusing on?
- Future SALGIAN structure, attendance and meeting schedule

This group of Council representatives provide a great resource for our Council. The group shares the scopes of internal audits and compliance testing that they are doing and provide documentation to smaller Councils that don’t have the full resources to always do them on their own.
9.1 DEBATE AGENDA

9.1.2 DRAFT ANNUAL BUDGET AND BUSINESS PLAN 2018/19 INCORPORATING THE LONG TERM FINANCIAL PLAN 2018/19 - 2027/28 - FOR CONSULTATION B7455

PURPOSE
Council, at a Special Meeting held 15 May 2018, endorsed the draft Annual Budget and Business Plan 2018/19 incorporating the Long Term Financial Plan 2018/19 to 2027/28 for public consultation.

A copy of the document is provided in Attachment 1; also a copy of the Minutes of the Special Council Meeting in Attachment 2.

RECOMMENDATION
That the report on the draft Annual Budget and Business Plan 2018/19, incorporating the annual review of the Long Term Financial Plan 2018/19 to 2027/28 for consultation, be received and noted.

REPORT
Discussion
The Annual Budget and Business Plan (AB&BP) 2018/19 incorporates the Long Term Financial Plan (LTFP) 2018/19 to 2027/28 in the one document but is divided under separate sections.

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

The formulation of the draft budget incorporates the work of numerous Council officers and teams (following an adopted timeline) which includes:
- budget preparation and input by budget managers
- checking and refining of data input, preparation of general budgets including utilities, depreciation, employee costs etc by the Finance officers
- review and approval by the Corporate Management Team

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

The input from Council is gained by holding workshops where discussions (not decisions) are held on various parts of the budget preparation and process which provides a direction for officers in the preparations of the draft budget.
The Big Project (TBP) has been included in these processes to check and ensure Council was considering its financial sustainability for this significant program of work. The capital expenditure, income and financing relating to TBP allocated over the years 2018/19 to 2021/22 (not including relevant operating costs which have been estimated and inserted in the appropriate years in the LTFP) is as follows:

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Capital Expenditure</td>
<td>33.9</td>
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<tr>
<td>Capital Income - Grants &amp; Other Contributions</td>
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<tr>
<td>Loan Financing</td>
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<tr>
<td>Balance from cash reserves*</td>
<td>1.8</td>
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</table>

*Meeting the requirements of the Treasury Policy, loan financing is obtained to provide necessary funds to ensure Council’s financial position is maintained. At the Council meeting 15 May 2018, Council approved a Debenture Loan for additional construction costs for the completion of the State Local Government Infrastructure Partnership 2017 (SLGIP) projects for $1.75m.

The adoption of the Budget is due to be held in the last week in June (date to be confirmed).

**ATTACHMENTS OR OTHER SUPPORTING REFERENCES**


Attachment 2: Minutes of Special Council Meeting held 15 May 2018

**Policy**

Budget & Business Plan and Review Policy

**COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS**

**Corporate Plan**

How We Work – Good Governance

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

6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

6.4 Ensure that decisions regarding expenditure of Council’s budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.

6.9 Provide access to Council’s plans, policies and processes and communicate with the community in plain English.

6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

**Legislative Requirements**

Local Government Act

Local Government (Financial Management) Regulations 2011 - Reg 9(1)(b)
Financial, Resource and Risk Management Considerations

Financial

The adoption of the Budget is required between 1 June and 31 August. To meet this timeline, the adoption of the draft public consultation document preferably should start in May.

Any potential effect to rate revenue for the proposed State Government “Rate Capping” has not been included in the forward years of this LTFP. It is unknown as to the requirements or changes to rating legislation and what, if any, indexation ceiling will apply.

The indexation applied to General rates in this LTFP has been held at previous year LTFP increments at 2.5% pa plus growth of 1%. The SA Local Government Price Index is 2.9% as at December 2017 and the general consumer price index is 2.3% as at March 2018.

Financial performance is managed using suitable financial indicators and targets. Council’s adopted Targets are:

- KPI - No. 1 Achieve an operating breakeven position, or better, over any five year period
- KPI - No. 2 Achieve an operating surplus ratio of between (2%) to 10% over a rolling three year period
- KPI - No. 4 Net financial liabilities (NFL) ratio is greater than zero but less than 100% of total operating revenue
- KPI - No. 6 Capital outlays on renewing/ replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans over a rolling three year period.

Financial Indicators report for the draft LTFP expected results are:

- KPI No. 1 – The cumulative years 2018/19 to 2022/23 is a surplus position at year five of $1,621k.
- KPI No. 2 - Operating surplus ratios. Council’s expected forecast results are well within the target range, and vary from a deficit (0.2%) to 2.9%
- KPI No. 4 – Councils NFL is within the target ranges starting at 38% in 2017/18 peaking at 49.8% in 2021/22 and at 27% by 2027/28
- KPI No. 6 - the KPI target is being met over the ten year period the average being 82%

KPI No. 6 – Analysis:
In three individual years in this review, this ratio is below the minimum rate at 68% to 74%. A selection of TBP builds will upgrade and replace a considerable amount of existing assets. These works will need to be identified and then re-assigned as appropriate, to renewal works which will improve this ratio’s outcome. Currently they are all listed as upgrade/new assets.

Planned expenditure from the Infrastructure and Asset Management Plan(s) for the major asset classes has been used, along with updated data for remaining life on selected asset(s) replacements. This has resulted in a more accurate measure for Council’s KPI on asset sustainability. This KPI is assessed to ensure Council provides for replacement/renewal of existing assets as they wear out or are consumed.
COMMUNITY CONSULTATION

The public consultation period will commence from 23 May 2018 and closes on 13 June 2018 at 5pm. Verbal submissions will be considered at a Special Council meeting on 6 June 2018, held at 5.00pm, providing one hour for members of the public to ask questions and make submissions in relation to the AB&BP and annual review of the LTFP. Public submissions will be considered by Council after the consultation period has ended, at the June Council meeting.

The LTFP is incorporated with the AB&BP to ensure the two Plans align. This enables the community to be involved in the short and long term planning of Council’s Budget.
The Barossa Council
Annual Budget and Business Plan – Draft for Consultation
2018-19

Incorporating the annual review of the Long Term Financial Plan - 2018-19 to 2027-28
Questions?
Members of the community who have questions regarding the Annual Budget and Business Plan, or who seek further information regarding the finances of Council, are encouraged to contact Council office during business hours, via the website, or via email.

Principal Office and Library:
Phone: 08 8563 8444
43-51 Tanunda Road, Nuriootpa
Website: www.barossa.sa.gov.au
Email: barossa@barossa.sa.gov.au

Public Consultation
People can make verbal submissions at the Nuriootpa Council chambers on Wednesday 6 June at 5.00pm. Feedback can also be given at http://ourbetterbarossa.com.au/, on Facebook (www.facebook.com/thebarossacouncil), via email (barossa@barossa.sa.gov.au, or in writing (PO Box 867, Nuriootpa SA 5355) from 23 May to 13 June 2018.
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From the Mayor

After extensive budget discussions in conjunction with Elected Members and Council Officers, Council is pleased to present its Annual Budget and Business Plan 2018-19.

Council believes we have again produced a balanced budget as we strive to maintain our current levels of service across many areas, whilst also commencing further investment into core services. There are always challenges in delivering services whilst constraining costs. The 2018-19 budget has a significant capital program which includes the commencement of implementing The Big Project (TBP) and ensuring the budget continues to deliver on long term settings. Council has also initiated an extensive internal change program to further drive efficiencies and savings for the long term viability of Council.

The 2018-19 financial year will reap benefits from a period of budget consolidation and investment in core services through the approval of many new initiatives. Council has undertaken a full review of the budget this year (called a zero based budget) and has achieved significant improvements to its operating position that will fund the long term aspirations of Council and its community through core spending and implementation of The Big Project.

Significant changes and highlights in this year’s budget include:

- Addressing the growing costs of delivering services including staffing, utilities, insurance, materials and legislative compliance.
- Investment in key infrastructure and services:
  - The Big Project with $5.2m allocated in this budget year and a further $28.7m in years 2019-20 to 2021-22. This includes Tanunda Recreation Park accelerated projects and is dependent on grant funding submissions being successful.
  - Angaston Railway Precinct Revitalisation Project $2.1m (part State Government funded $1.1m);
  - Continuation of the accelerated footpath program throughout the region $1.3m (including works carried forward of $106k); partly funded through (SLGIP) State Local Government Infrastructure Partnership $160k;
  - Continuation of the accelerated road sealing in Springton $2.3m (including works carried forward of $550k); partly funded through SLGIP $160k;
  - Additional investment in community facilities at Nuriootpa Centennial Park Authority of $180k (including works carried forward of $137k);
  - $1.1m for resealing of the existing sealed road network and new seal $312k (including works carried forward of $814k);
  - $1.2m for resheeting and road shoulders of the existing rural road network (including works carried forward of $44k);
  - Upgrade Williamstown Queen Victoria Jubilee Park Bridge Crossing $809k (including works carried forward of $493k)
  - $100k for playground replacement and upgrades;
  - $1.0m to address stormwater priority issues in Williamstown and Angaston;
  - Community Wastewater Management Systems (CWMS) infrastructure $837k (including works carried forward of $225k); primarily being the expansion of the Tanunda system.

The Annual Budget and Business Plan incorporating the annual review of the Long Term Financial Plan is available on Council’s website, at the libraries and at the front desk of the Nuriootpa office.

Mayor Bob Sloane
Our Council

The Barossa Council was originally formed in 1996 after the amalgamation of the District Councils of Barossa, Tanunda and Angaston. The majority of the District Council of Mount Pleasant was later amalgamated in 1997. The Council covers an area of approximately 894 square kilometres, is located approximately 80 kilometres north east of Adelaide, adjacent to the town of Gawler, and is home to a population of over 24,000.

Prior to European settlement, the Barossa region was inhabited by the Peramangk and Ngadjuri people. Colonel William Light first visited the area in 1837, naming the Barossa Range from which the region derives its name. The settlement of the Barossa region began in 1840, with Lutheran settlers originating from the British Isles, Prussia and Silesia to escape the religious persecution, through the sponsorship of George Fife Angas and aid of Pastor August Kavel. These settlers quickly established the early townships of the region, such as Lyndoch, Rowland Flat, Tanunda, Nuriootpa, Angaston, Stockwell, Eden Valley, Mt Pleasant, Williamstown and Springton.

Early farmers of the Barossa established vineyards in the 1840s and 1850s to supplement their primary activities of wool and livestock production and crop farming. In the late 1880s and 1890s there were substantial increases in the production of wine in the region which resulted in the establishment and subsequent expansion of a number of cellars. The driving forces behind this growth were the outbreak of phylloxera in other States and the development of an export market that provided some protection from the recession experienced in the rest of Australia during that time. The wine industry has continued to grow from these early beginnings and is the major source of income for the region.

The cultural landscape of the present day Barossa is reflective of the substantial influence of the early British and German settlers. Vineyards and paddocks dominate the landscape but historical towns, churches, wineries and stone ruins contribute substantially to the charm and character. The natural vegetation of the Barossa has been retained in many areas and underpins the visual appearance and biological diversity of the area.

The Barossa is recognised as Australia’s premier wine region. The wine experience, combined with the region’s distinctive history, has made it a significant tourist attraction. The establishment of major festivals and high quality accommodation and restaurants has complemented these attractions.

The Barossa experience is a diverse one. In addition to our premier wine and food attractions there are unique nature trails, parks and historical points of interest. The rich pastoral lands of the historic towns of Mount Pleasant and Williamstown produce fine wool, dairy products and prime lamb and beef. Forestry is also a major industry, and together with three reservoirs and national parks, provides recreational opportunities. The tourism industry continues to grow and has become a major focus for the continued development of the region.

Distance of Principal Office from Adelaide CBD 80km
Area of Council 893.5km²
Number of Rateable Assessments 12,706
Number of Non Rateable Assessments 528

Principal Office and Library:
43-51 Tanunda Road, Nuriootpa
Postal Address:
PO Box 867, Nuriootpa SA 5355
Branch Office/Libraries:
29 Barossa Valley Way, Lyndoch
130-132 Melrose Street, Mount Pleasant
Washington Street, Angaston
Library only:
66-68 Murray Street, Tanunda
Website:
www.barossa.sa.gov.au
Email:
barossa@barossa.sa.gov.au

Localities in The Barossa Council
Organisational Structure

Council
Mayor and Elected Members

- Independent Audit Committee
- Communications and Engagement
- Elected Member Support
- Executive Services
  - Chief Executive Officer
- Organisational Development and Risk
- Strategic and Community Projects
- Committee Structure
  - Corporate and Community Services Director
  - Development and Environmental Services Director
  - Works and Engineering Services Director

- Financial Services
- Customer, Library/Heritage Services
- Knowledge and Technology Services
- Community and Facilities Development
- Community and Culture
- Tourism Services
- Development Services
- Health Services
- Environmental Services
- Regulatory Services
- Works and Operations
- Engineering Services
- Assets and Infrastructure
Overview

2018-19 Budget at a Glance:

- Net Rate Revenue: $30.1m
- Other Operating Revenue: $7.7m
- Operating Expenditure: $37.3m
- Capital Income: $4.7m
- Capital Expenditure: $18.8m
- Loan Financing: $2.0m

The Annual Budget and Business Plan is the Barossa Council’s statement of intended programs and outcomes for the coming financial year. This Plan has been developed through a rigorous process of consultation and review with Council Officers and Elected Members, and follows the Business Planning Framework outlined in the Strategic Directions area of this document. It includes both continuing services, programs and new initiatives, and follows the strategic directions outlined in Council’s Community Plan 2016-2036, the Long Term Financial Plan (LTFP) – (the annual review is included in this document) and Long Term Infrastructure and Asset Management Plan.

Local Government is the most asset-intensive tier of government. The Barossa Council acts as custodian of approximately $337m of community assets, including road infrastructure encompassing approximately 350 kilometres of sealed, 570 kilometres of unsealed roads and 70 kilometres of unformed roads. This presents Council with a number of complexities, including how to allocate resources in order to satisfy community demands for new and expanded services, whilst ensuring appropriate resources are provided for maintenance and future replacement of existing community assets.

Council is committed to ensuring that the wide variety of services and activities it provides to the community reflect financial sustainability. The key measure of financial sustainability is ensuring operating expenditure (inclusive of depreciation) is fully funded from recurrent operating revenue streams. This means that Council should generally have sufficient recurrent revenue funds generated over a three year average in order to finance the programmed replacement of existing community assets at the end of their useful lives.

2018-19 Rates and Service charges:

- General Rates: increase 2.50%
- Refuse and Recycling: decrease 12.94%
- CWMS: increase 2.79%

Underlying Assumptions

- Rate and service charge revenue increase on existing ratepayers to ensure services are sustainable, indexation does not include growth from development.
- All other income and expenditure has been increased in line with the current cost for providing those services and consideration of Councils Long Term Financial Plan (LTFP);
- Staffing costs increase in line with existing contracts, Enterprise Bargaining Agreements, Superannuation and current Legislation;
- The SA Local Government Price Index is 2.9% as at December 2017 and the general Consumer Price Index is 2.3% as at March 2018;
- Selected operating costs have been isolated from general expenditure, e.g. electricity, water, insurance premiums, waste collection and disposal service costs. The projected increases for these are higher than the base rate and range from 2% to 5%;

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

Key Features

- A comprehensive capital works program of $19.1m (including Donated Assets $282k and carried forward works from previous year of $3.0m), including $6.1m on transport assets for sealing*, resealing and resheeting of roads, new and replacement footpaths (kerb and water table)* $1.3m, drainage and bridge works $1.9m and Community Waste Water Management Systems (CWMS) $917k (including vehicles)
- Expenditure of $322k for renewal works on various buildings
- The Big Project implementation* $5.2m - includes Tanunda Recreation Park $1.2m (subject to grant funding approval)
- Angaston Railway Precinct Project* $2.1m
- New female change rooms and minor works at Nuriootpa Centennial Park Authority $240k

*These items part grant funded
Strategic Directions

The Barossa Council’s Community Plan 2016-2036 was adopted by Council on 21 June 2016. The Community Plan is an aspirational document and cornerstone for future investment. It will guide future decision making over the next 20 years through the delivery of highlighted strategies and targets. The Community Plan shows commitment to the values of Land and Place, Community, Leadership and Achievement and will drive performance through objectives within the key result areas of Natural Environment and Built Heritage, Community and Culture, Infrastructure, Health and Wellbeing and Business and Employment.

The Annual Business Plan and Budget outlines the annual program that delivers upon the Community Plan and its strategies as outlined in the following tables. Further the Community Plan has a supporting Corporate Plan which outlines key corporate actions to support the Community Plan and performance targets.

Council activity for 2018-19 is identified as one or more of the following four roles and relates to the Community Plan strategies as outlined in the following tables.

- Leader
- Provider/Regulator
- Advocate
- Facilitator/Partner

### Natural Environment and Built Heritage

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<th>Strategy</th>
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<tbody>
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<td>Collaborate with relevant authorities to ensure a regional and holistic approach in the management of natural resources.</td>
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</tr>
<tr>
<td>Support native eco systems through a planned management approach.</td>
<td>★ ★</td>
</tr>
<tr>
<td>Ensure environmental and agricultural sustainability and historic significance of the region is retained.</td>
<td>★ ★</td>
</tr>
<tr>
<td>Develop and maintain streetscapes that reflect the character and heritage of the region.</td>
<td>+</td>
</tr>
<tr>
<td>Provide support and advice to preserve properties and sites which have historic significance.</td>
<td>+</td>
</tr>
<tr>
<td>Support tourism development that is sensitive to the natural environment and is sustainable.</td>
<td>+ ●</td>
</tr>
<tr>
<td>Maintain clearly defined townships and manage residential and commercial development that is sensitive to the natural environment and areas of historical significance.</td>
<td>★ ★</td>
</tr>
<tr>
<td>Implement and promote policy that reduces the consumption of our natural resources and reuses or recycles waste.</td>
<td>+</td>
</tr>
<tr>
<td>Advocate for programs and policy that preserve built heritage.</td>
<td>★</td>
</tr>
<tr>
<td>Facilitate opportunities to repurpose or find alternative use of built heritage.</td>
<td>●</td>
</tr>
<tr>
<td>Ensure the unique character of the rural landscape is appropriately managed</td>
<td>+</td>
</tr>
</tbody>
</table>
## Community and Culture

<table>
<thead>
<tr>
<th>Strategy</th>
<th>2018-19 Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiate and support activities which encourage participation and pride in the Barossa Council area.</td>
<td>+ + + +</td>
</tr>
<tr>
<td>Support the development of activities that celebrate the history and culture of the Barossa and its people.</td>
<td>+ +</td>
</tr>
<tr>
<td>Contribute to creating strong and sustainable community networks.</td>
<td>+</td>
</tr>
<tr>
<td>Encourage and support volunteering in the community.</td>
<td>+ +</td>
</tr>
<tr>
<td>Engage with, and support, young people to actively participate in the community and develop the leaders of the future.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Support a vibrant and growing arts, cultural, heritage and events sector.</td>
<td>+ +</td>
</tr>
<tr>
<td>Embrace place-making principles when developing community infrastructure and regulate planning and development in public spaces.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Provide opportunities for the community to participate in local decision-making.</td>
<td>+ + + +</td>
</tr>
<tr>
<td>Create places where people want to live and plan for the future in a coordinated, affordable, appropriate and proactive manner.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Promote our Aboriginal heritage and ongoing connections to the region.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Encourage a learning community.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Contribute to a safer community.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Support a vibrant and growing arts, cultural, heritage and events sector.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Embrace place-making principles when developing community infrastructure and regulate planning and development in public spaces.</td>
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</tr>
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</tr>
<tr>
<td>Promote our Aboriginal heritage and ongoing connections to the region.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Encourage a learning community.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Contribute to a safer community.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Advocate for education infrastructure and support improvements.</td>
<td>+ + +</td>
</tr>
</tbody>
</table>

## Infrastructure

<table>
<thead>
<tr>
<th>Strategy</th>
<th>2018-19 Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop and implement sound asset management which delivers sustainable services.</td>
<td>+ +</td>
</tr>
<tr>
<td>Collaborate with private and public utilities providers to ensure infrastructure is adequate to support the community both now and into the future.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Advocate for telecommunication infrastructure to meet personal and commercial needs of residents and businesses.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Participate in networks to improve efficient asset management and maintenance.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Advocate for and seek out funding opportunities that support the development of community, health and other facilities and infrastructure from both State and Federal Government.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Invest in, and advocate for, community facilities that support cultural and community participation.</td>
<td>+ + + +</td>
</tr>
<tr>
<td>Ensure infrastructure meets the needs of people with disabilities and provides for all abilities access.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Support opportunities to increase community transport and access to services and facilities.</td>
<td>+ + +</td>
</tr>
</tbody>
</table>

## Health and Wellbeing

<table>
<thead>
<tr>
<th>Strategy</th>
<th>2018-19 Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advocate to State and Federal health bodies, for sustained access to allied, primary and mental healthcare services and facilities.</td>
<td>+ +</td>
</tr>
<tr>
<td>Create opportunities for people of all ages and abilities to participate in the community.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Work with emergency services to prepare for disaster management and recovery.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Support sporting, recreational and community clubs and organisations to grow and be sustainable.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Advocate for and encourage services and resources that ensure equity and support for disadvantaged, disabled and at risk members of the community.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Ensure that community members can participate in cultural, recreational, sporting and learning opportunities.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Ensure food safety, hygiene and appropriate waste management standards are maintained.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Promote a healthy community through a planned approach to public health.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Design our future developments and facilities to support active lifestyles and community health and wellbeing.</td>
<td>+ + +</td>
</tr>
</tbody>
</table>
## Business and Employment

<table>
<thead>
<tr>
<th>Strategy</th>
<th>2018-19 Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work closely with State Government, Federal Government and stakeholders to support economic growth and development.</td>
<td>++ * +</td>
</tr>
<tr>
<td>Support industry accreditation and reward programs.</td>
<td>+</td>
</tr>
<tr>
<td>Help build the capacity of the tourism sector and encourage the development of tourist services, including eco and recreational tourism infrastructure.</td>
<td>- +</td>
</tr>
<tr>
<td>Attract investment for new and innovative industries, such as creative industries and cultural tourism.</td>
<td>-</td>
</tr>
<tr>
<td>Support education and training programs that directly respond to work-force gaps and innovation.</td>
<td>+</td>
</tr>
<tr>
<td>Participate in main-street programs that strengthen the retail and hospitality sector.</td>
<td>+</td>
</tr>
<tr>
<td>Collaborate with industry leaders to ensure informed decision making and Council representation in relation to economic growth, planning and development.</td>
<td>+</td>
</tr>
<tr>
<td>Ensure advice and support for small business is available.</td>
<td>+</td>
</tr>
<tr>
<td>Advocate for transport infrastructure and services that support local industry.</td>
<td>+</td>
</tr>
<tr>
<td>Drive support of economic development through a coordinated local economic development strategy and enabling land use policy.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Facilitate business growth by supporting local industry and their capacity to compete for Government contracts.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Plan for, identify and protect land for business opportunities.</td>
<td>+ + +</td>
</tr>
<tr>
<td>Support economic development through events.</td>
<td>+ + +</td>
</tr>
</tbody>
</table>
The Business Planning Framework

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

- **Corporate Plan** which outlines key corporate actions to support the Community Plan and performance targets;
- **Long Term Financial Plan** which provides financial directions for the next 10 years;
- **Long Term Infrastructure and Asset Management Plan** which provides the strategic upgrade, replacement and renewal programs for Council assets and infrastructure;
- **Annual Budget and Business Plan** which provides the annual financial and operational plans, objectives and performance targets for Council;
- **Quarterly Business Plan and Budget Reviews** which outline financial performance against the Annual Budget and Business Plan;
- **Monthly Financial Reports** which regularly track the finances of Council;
- **Annual Report** which describes the performance of Council on objectives set in the Annual Budget and Business Plan, as well as disclosing statutory information regarding the status of Council and Council services;
- **Public Health Plan** provides a coordinated strategy across Council to the health and wellbeing of communities and helps informs decisions in both soft and hard infrastructure;
- **Development Plans** which provide policy direction for the continued development of the Council area;
- **Infrastructure and Asset Management Plans** which describe the current programs of upgrade, replacement and renewal of assets and infrastructure.

![Business Planning Framework Diagram](image)
Joint Ventures and Associated Entities

**Nuriootpa Centennial Park Authority**

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

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

The 2 ovals, a soccer pitch and eight tennis courts are extensively used by local sporting clubs. The four-star rated Tourist Park facilities include on-site cabins and vans, a camp kitchen, and various other standard amenities.

The projected 2018-19 Income Statement for the Authority is included within Council’s financial statements, contained within this document. The Authority’s ten year business case has been reviewed and included in this document.

**Central Local Government Association**

Established in 1998, this organisation is formed under Section 43 of the Local Government Act 1999 and operates as a regional subsidiary of Councils included in the membership. An amount of $11,067 is included for the subscription.

**Gawler River Floodplain Management Authority**

Established in 2002, this organisation is responsible for the construction, operation and maintenance of flood mitigation infrastructure in the Gawler River catchment. An amount of $31,441 is included for the operational and maintenance subscription. Council has a share in the Net Assets $1,607,777 as at 30 June 2017. An adjustment for the movement from last year’s balance is not as yet reflected in the Financial Statements in this document.
Service Provision for 2018-19

The following outlines the proposed service provision provided by The Barossa Council for 2018-19:

**Executive Services**


**Development and Environmental Services**


**Corporate and Community Services**

**Corporate Services**

Community Committees Support, Community Land Leasing and Licensing Management, Strategic and Operational Financial Management, Rating Services, Internal Financial Control, Taxation Management, Payroll, Creditor and Debtor Management, General Administration, Advocacy, Governance, Knowledge Management and Technology, Strategic and Operational Management of Community Buildings and Recreational Facilities (excluding ovals), Tourism and Visitor Information Services, Community Development.

**Community Services**


**Works and Engineering Services**

Operating Expenditure in Support Of Service Provision for 2018-19

The following graph shows operating expenditure proposed for the 2018-19 year by the following functions in support of the provision of the services outlined. (Full Cost Attribution has not yet been applied to this version. This is an allocation of internal services to external services and does not affect the overall net result. It will be included in the final version of this plan for adoption after Public Consultation.)

Functions
Administration, Business Undertakings, Community Amenities, Community Support, Cultural Services, Economic Development, Environment, Health Services, Library Services, Public Order and Safety, Recreation, Regulatory Services, Transport, Waste Management
### Key Activities for 2018-19

<table>
<thead>
<tr>
<th>Description</th>
<th>Community/Corporate Plan Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assist in the implementation of the State Planning Code - Character and Rural Areas policy development</td>
<td>Natural Environment and Built Heritage</td>
</tr>
<tr>
<td>Advocate for relevant local policy as part of the new State Planning Code</td>
<td></td>
</tr>
<tr>
<td>Undertake energy audit and schedule implementation of agreed actions</td>
<td></td>
</tr>
<tr>
<td>Support heritage grant program</td>
<td></td>
</tr>
<tr>
<td>Complete evaluation of options for a Joint Planning Board - implementation/delivery of Regional Plan</td>
<td></td>
</tr>
<tr>
<td>Implementation of the ePlanning framework</td>
<td>Community and Culture</td>
</tr>
<tr>
<td>Develop and conduct a customer survey program</td>
<td></td>
</tr>
<tr>
<td>Improve customer request response time</td>
<td>Community and Culture</td>
</tr>
<tr>
<td>Implement RFID (Radio frequency identification) efficiencies in Libraries</td>
<td></td>
</tr>
<tr>
<td>Activate Council customer service foyer redevelopment</td>
<td></td>
</tr>
<tr>
<td>Implement Dog and Cat Act reforms</td>
<td></td>
</tr>
<tr>
<td>Support community grants program</td>
<td></td>
</tr>
<tr>
<td>Main street tree audit and implementation of targeted tree maintenance activities and new plantings</td>
<td></td>
</tr>
<tr>
<td>Community Initiative improvement - Lyndoch Recreational Park lighting improvements</td>
<td></td>
</tr>
<tr>
<td>Community Initiative improvement - Williamstown Netball bitumen warm up area</td>
<td></td>
</tr>
<tr>
<td>Community Initiative improvement - Replace Williamstown oval retaining wall</td>
<td></td>
</tr>
<tr>
<td>Further develop procurement systems to promote local social value in purchasing decisions</td>
<td></td>
</tr>
<tr>
<td>Implement 90% of Targeted Capital Program</td>
<td>Infrastructure</td>
</tr>
<tr>
<td>Review all plant and equipment utilisation</td>
<td></td>
</tr>
<tr>
<td>Implement strategic direction for planned versus reactive maintenance</td>
<td></td>
</tr>
<tr>
<td>Implement Angaston Railway Precinct upgrade works</td>
<td></td>
</tr>
<tr>
<td>Advocate for State road infrastructure improvements - Kroeners Crossing                                                                avery</td>
<td></td>
</tr>
<tr>
<td>Advocate for State road infrastructure improvements - key township and heavy vehicle linkages</td>
<td></td>
</tr>
<tr>
<td>Commence implementation of Disability Action and Inclusion Plan agreed actions</td>
<td>Health and Wellbeing</td>
</tr>
<tr>
<td>Continue with oval maintenance programme of VerdiDrain and reel mowing specific to sporting activity</td>
<td></td>
</tr>
<tr>
<td>Safety improvements at Springer Quarry to support improved user and environmental outcomes</td>
<td></td>
</tr>
<tr>
<td>Implement new waste system and contract arrangements</td>
<td></td>
</tr>
<tr>
<td>Implement voucher system for hard waste</td>
<td></td>
</tr>
<tr>
<td>Implement e-waste trial</td>
<td></td>
</tr>
<tr>
<td>Undertake review of Regional Health Plan</td>
<td></td>
</tr>
<tr>
<td>Completion of Economic Development Strategy</td>
<td>Business and Employment</td>
</tr>
<tr>
<td>Deliver Tanunda Barossa Visitor Centre and Library redesign to improve customer experience and tourism growth</td>
<td></td>
</tr>
<tr>
<td>Advocate for sound planning system changes and reform that promote desirable development further develop procurement systems to promote local, regional or state industry involvement</td>
<td></td>
</tr>
<tr>
<td>Implementation of Year 1 of the approved efficiency, customer service and digital future change program</td>
<td></td>
</tr>
<tr>
<td>Conduct Council elections</td>
<td>Good Governance</td>
</tr>
<tr>
<td>Implement identified components of the Workforce Plan</td>
<td></td>
</tr>
<tr>
<td>Undertake internal organisational survey, develop and commence implementation of action plans</td>
<td></td>
</tr>
<tr>
<td>Implement changed Australian Taxation Office reporting requirements</td>
<td></td>
</tr>
<tr>
<td>Undertake condition audit of transport and building assets and update long term intervention and maintenance plan</td>
<td></td>
</tr>
<tr>
<td>Advocate for legislative and governance reform that delivers efficiencies without loss of acceptable governance standards</td>
<td></td>
</tr>
<tr>
<td>Prepare analysis of service impacts that could result from rate capping legislation</td>
<td></td>
</tr>
</tbody>
</table>

*This is a list of key activities that are included in the operating or capital budget and form part of the summarised service provisions included in this Business Plan.*
### Capital Investment in Support of Service Provision for 2018-19

<table>
<thead>
<tr>
<th>Description</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CORPORATE &amp; COMMUNITY SERVICES</strong></td>
<td></td>
</tr>
<tr>
<td>Community Services - Community Transport</td>
<td>52,000</td>
</tr>
<tr>
<td>Library Services</td>
<td>68,830</td>
</tr>
<tr>
<td>Barossa Regional Gallery</td>
<td>89,450</td>
</tr>
<tr>
<td>Barossa Visitor Centre - Interpretative Display/Video Wall</td>
<td>14,091</td>
</tr>
<tr>
<td><strong>Offices and Community Facilities</strong></td>
<td>7,778,780</td>
</tr>
<tr>
<td>Angaston Railway Precinct - Entrance</td>
<td>27,231</td>
</tr>
<tr>
<td>Angaston Railway Precinct - Picnic and Market Area</td>
<td>429,400</td>
</tr>
<tr>
<td>Angaston Railway Precinct - Railway Station and Associated Works</td>
<td>652,484</td>
</tr>
<tr>
<td>Angaston Railway Precinct - Southern Bank Bike Track</td>
<td>97,460</td>
</tr>
<tr>
<td>Angaston Railway Precinct - Youth and Play Area</td>
<td>802,415</td>
</tr>
<tr>
<td>Building Renewal and Replacement</td>
<td>139,394</td>
</tr>
<tr>
<td>Lyndoch Recreation Park Interim Upgrade Oval Lights - (Funded from Reserve)</td>
<td>20,000</td>
</tr>
<tr>
<td>Nuriootpa Office and Library Air Conditioning Renewal Program</td>
<td>70,000</td>
</tr>
<tr>
<td>Talunga Tennis Courts - Reseal/Drainage</td>
<td>40,000</td>
</tr>
<tr>
<td>Tanunda Recreation Park - Electrical Upgrade and Lighting (Part Carried Forward)</td>
<td>647,675</td>
</tr>
<tr>
<td>Tanunda Recreation Park - Oval Expansion</td>
<td>51,360</td>
</tr>
<tr>
<td>Tanunda Recreation Park - Show Hall Upgrade</td>
<td>581,745</td>
</tr>
<tr>
<td>The Big Project - Phase 1 Implementation - Buildings</td>
<td>1,946,266</td>
</tr>
<tr>
<td>The Big Project - Phase 1 Implementation - Recreation</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Williamstown Pool Replacement Sand Filters</td>
<td>80,000</td>
</tr>
<tr>
<td>Williamstown Queen Victoria Jubilee Park Retaining Wall behind Clubroom</td>
<td>90,000</td>
</tr>
<tr>
<td>Williamstown Soldiers Memorial Hall Air Conditioning</td>
<td>23,400</td>
</tr>
<tr>
<td><strong>DEVELOPMENT &amp; ENVIRONMENTAL SERVICES</strong></td>
<td></td>
</tr>
<tr>
<td>Nuriootpa Bushgardens</td>
<td>22,568</td>
</tr>
<tr>
<td>Access Paths</td>
<td>10,000</td>
</tr>
<tr>
<td>Nursery Shed (Carried Forward)</td>
<td>6,669</td>
</tr>
<tr>
<td>Quad Bike (Carried Forward)</td>
<td>5,910</td>
</tr>
<tr>
<td><strong>NURIOOTPA CENTENNIAL PARK AUTHORITY</strong></td>
<td>240,000</td>
</tr>
<tr>
<td>Hoffman Oval Female Change Rooms (Part Carried Forward) $137,000)</td>
<td>180,000</td>
</tr>
<tr>
<td>Internal Roadworks</td>
<td>25,000</td>
</tr>
<tr>
<td>Replacement Cleaners Van</td>
<td>35,000</td>
</tr>
<tr>
<td><strong>WORKS &amp; ENGINEERING</strong></td>
<td></td>
</tr>
<tr>
<td>Bridges</td>
<td>928,722</td>
</tr>
<tr>
<td>Melrose Street Footbridge Mount Pleasant (Part Carried Forward) $48,720</td>
<td>119,904</td>
</tr>
<tr>
<td>Williamstown Queen Victoria Jubilee Park Bridge (Part Carried Forward) $493,415</td>
<td>808,728</td>
</tr>
<tr>
<td><strong>Footpaths</strong></td>
<td>1,303,522</td>
</tr>
<tr>
<td>Atze Parade Nuriootpa</td>
<td>17,650</td>
</tr>
<tr>
<td>Barossa Street Nuriootpa</td>
<td>43,700</td>
</tr>
<tr>
<td>Edward Street Springton</td>
<td>72,850</td>
</tr>
<tr>
<td>Greenock Road Nuriootpa</td>
<td>107,196</td>
</tr>
<tr>
<td>Melrose Street Mount Pleasant</td>
<td>200,504</td>
</tr>
<tr>
<td>Murray Street Nuriootpa</td>
<td>58,260</td>
</tr>
<tr>
<td>Queen Street Williamstown</td>
<td>184,000</td>
</tr>
<tr>
<td>Tanunda to Gawler Bike Track Connection - Rail Corridor</td>
<td>253,750</td>
</tr>
<tr>
<td>Truro Road Moclula</td>
<td>177,822</td>
</tr>
<tr>
<td>Victoria Terrace Williamstown (Carried Forward)</td>
<td>105,000</td>
</tr>
<tr>
<td>Washington Street Angaston</td>
<td>81,960</td>
</tr>
<tr>
<td><strong>Motor Vehicles, Plant and Equipment</strong></td>
<td>886,000</td>
</tr>
<tr>
<td>Depot - Combination Roller</td>
<td>75,000</td>
</tr>
<tr>
<td>Depot - Minor Plant</td>
<td>35,000</td>
</tr>
<tr>
<td>Depot - Road Sweeper</td>
<td>375,000</td>
</tr>
<tr>
<td>Depot - Utes</td>
<td>105,000</td>
</tr>
<tr>
<td>Motor Vehicles Renewal (Part Carried Forward) $33,000)</td>
<td>296,000</td>
</tr>
</tbody>
</table>
## Capital 2018-19 (Continued)

<table>
<thead>
<tr>
<th>Description</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parks and Gardens</strong></td>
<td></td>
</tr>
<tr>
<td>Angaston Oval Works (Carried Forward)</td>
<td>40,414</td>
</tr>
<tr>
<td>Lyndoch Oval Works (Carried Forward)</td>
<td>53,716</td>
</tr>
<tr>
<td>Playground Equipment Upgrade</td>
<td>100,000</td>
</tr>
<tr>
<td>Stockwell Recreation Park Oval Works (Carried Forward)</td>
<td>15,000</td>
</tr>
<tr>
<td>Tanunda Recreation Park Oval Works (Carried Forward)</td>
<td>198,510</td>
</tr>
<tr>
<td>Tolley Reserve Nuriootpa Fencing</td>
<td>10,965</td>
</tr>
<tr>
<td>Williamstown Queen Victoria Jubilee Park Oval Works (Carried Forward)</td>
<td>44,900</td>
</tr>
<tr>
<td><strong>Road Resheeting</strong></td>
<td>2,622,346</td>
</tr>
<tr>
<td>Allendale Road Kalbeeba (Carried Forward)</td>
<td>43,523</td>
</tr>
<tr>
<td>Craneford Road Eden Valley</td>
<td>249,562</td>
</tr>
<tr>
<td>Duck Ponds Road Moonta</td>
<td>126,315</td>
</tr>
<tr>
<td>Gruenberg Road Moonta</td>
<td>46,712</td>
</tr>
<tr>
<td>Hamiltons Road Springer</td>
<td>68,560</td>
</tr>
<tr>
<td>High Eden Road Eden Valley</td>
<td>21,318</td>
</tr>
<tr>
<td>Jutland Road Springer</td>
<td>129,719</td>
</tr>
<tr>
<td>Ken Hicks Road Mount Pleasant</td>
<td>20,841</td>
</tr>
<tr>
<td>Keyneton Road Moonta</td>
<td>119,159</td>
</tr>
<tr>
<td>Old Mill Road Nuriootpa</td>
<td>20,424</td>
</tr>
<tr>
<td>Pipeline Road Nuriootpa</td>
<td>24,408</td>
</tr>
<tr>
<td>Rocky Valley Road Angaston</td>
<td>82,877</td>
</tr>
<tr>
<td>Resheeting Budget</td>
<td>261,907</td>
</tr>
<tr>
<td>Road Shoulders Budget</td>
<td>107,000</td>
</tr>
<tr>
<td><strong>Road Sealing</strong></td>
<td>3,716,950</td>
</tr>
<tr>
<td>Eckerts Street Springer (Part Carried Forward $153,125)</td>
<td>267,614</td>
</tr>
<tr>
<td>Gilbert Terrace Springer (Part Carried Forward $167,708)</td>
<td>290,522</td>
</tr>
<tr>
<td>Gretz Terrace Springer (Part Carried Forward $127,804)</td>
<td>413,381</td>
</tr>
<tr>
<td>Johannes Street Springer (Part Carried Forward $64,000)</td>
<td>149,260</td>
</tr>
<tr>
<td>Luckes Road Kalbeeba (Part Carried Forward $100,000)</td>
<td>311,930</td>
</tr>
<tr>
<td>Miller Street Springer (Part Carried Forward $37,604)</td>
<td>166,601</td>
</tr>
<tr>
<td>Rose Street Springer</td>
<td>160,221</td>
</tr>
<tr>
<td>William Street Springer</td>
<td>825,313</td>
</tr>
<tr>
<td><strong>Road Resealing</strong></td>
<td>1,142,088</td>
</tr>
<tr>
<td>Kalmina Road Nuriootpa CWMS Trench Reconstruction</td>
<td>133,005</td>
</tr>
<tr>
<td>Light Pass Road Tanunda (Carried Forward)</td>
<td>240,000</td>
</tr>
<tr>
<td>Para Winra Road Williamstown</td>
<td>195,000</td>
</tr>
<tr>
<td>Stockwell Road Angaston (Carried Forward)</td>
<td>34,903</td>
</tr>
<tr>
<td>Stockwell Road Carrara Hill Intersection (Carried Forward)</td>
<td>44,000</td>
</tr>
<tr>
<td>Tanunda to Gawler Bike Track Reseal</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Stormwater</strong></td>
<td>1,011,900</td>
</tr>
<tr>
<td>Car Parking/Drainage adjacent Williamstown Primary School</td>
<td>35,000</td>
</tr>
<tr>
<td>Drainage Inlet Capacity Upgrades</td>
<td>65,000</td>
</tr>
<tr>
<td>Newcastle Street Angaston Drainage</td>
<td>738,900</td>
</tr>
<tr>
<td>Yeetie Road Williamstown Drainage Upgrade</td>
<td>173,000</td>
</tr>
<tr>
<td><strong>Streetscaping</strong></td>
<td>80,000</td>
</tr>
<tr>
<td>Mount Pleasant Main Street</td>
<td>80,000</td>
</tr>
<tr>
<td><strong>Community Wastewater Management System (CWMS)</strong></td>
<td>916,725</td>
</tr>
<tr>
<td>CWMS Vehicle Replacement - Co-ordinator</td>
<td>38,000</td>
</tr>
<tr>
<td>CWMS Vehicle Replacement - Northern Operations</td>
<td>44,105</td>
</tr>
<tr>
<td>Mount Pleasant Gravity Mains Operation Construction of New Inspection Points (IP)</td>
<td>12,000</td>
</tr>
<tr>
<td>Mount Pleasant Gravity Mains Operation Emergency IP and Manhole Repairs/Replacement</td>
<td>11,320</td>
</tr>
<tr>
<td>Nuriootpa Gravity Mains Operation Emergency Drain Repairs</td>
<td>29,000</td>
</tr>
<tr>
<td>Nuriootpa Gravity Mains Operation Emergency IP and Manhole Repairs/Replacement</td>
<td>11,320</td>
</tr>
<tr>
<td>Pearce Gravity Mains Operation Emergency IP and Manhole Repairs/Replacement</td>
<td>14,720</td>
</tr>
<tr>
<td>Springton Gravity Mains Operation Emergency IP and Manhole Repairs/Replacement</td>
<td>11,320</td>
</tr>
<tr>
<td>Tanunda Gravity Mains Operation Emergency Drain Repairs</td>
<td>20,000</td>
</tr>
<tr>
<td>Tanunda Gravity Mains Operation Emergency IP and Manhole Repairs/Replacement</td>
<td>11,320</td>
</tr>
<tr>
<td>Tanunda Waste Water Treatment Plant (Part Carried Forward $224,620)</td>
<td>724,620</td>
</tr>
<tr>
<td><strong>Budget Capital Total</strong></td>
<td>18,832,425</td>
</tr>
<tr>
<td>Description</td>
<td>2018-19 Budget</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td><strong>CORPORATE &amp; COMMUNITY SERVICES</strong></td>
<td></td>
</tr>
<tr>
<td>Land Sales</td>
<td>(4,894,787)</td>
</tr>
<tr>
<td>Vehicle and Equipment Trade-in Sales</td>
<td></td>
</tr>
<tr>
<td>Motor Vehicles/Plant $324,453, Motor Vehicle $15,500 (Carried Forward)</td>
<td>(341,063)</td>
</tr>
<tr>
<td>Tanunda Recreation Park - Contribution to Lighting</td>
<td>(98,000)</td>
</tr>
<tr>
<td>Angaston Railway Precinct Open Space Project Grant Funding (Carried Forward)</td>
<td>(1,055,750)</td>
</tr>
<tr>
<td>The Big Project - Phase 1 Implementation Regional Growth Fund (RGF) Grant Funding (subject to funding approval)</td>
<td>(3,011,084)</td>
</tr>
<tr>
<td><strong>NURIOOTPA CENTENNIAL PARK AUTHORITY</strong></td>
<td>(5,000)</td>
</tr>
<tr>
<td>Vehicle Trade-in Sale</td>
<td>(5,000)</td>
</tr>
<tr>
<td><strong>WORKS &amp; ENGINEERING</strong></td>
<td>(345,000)</td>
</tr>
<tr>
<td>Newcastle Street Drainage Contribution</td>
<td>(25,000)</td>
</tr>
<tr>
<td>SLGIP Grant Funding - Footpaths (Carried Forward)</td>
<td>(160,000)</td>
</tr>
<tr>
<td>SLGIP Grant Funding - Roads (Carried Forward)</td>
<td>(160,000)</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>(5,244,787)</td>
</tr>
</tbody>
</table>
Funding Our Activities

Council is budgeting expenditure of $50.9m in 2018-19 on the delivery of services, programs, maintenance of assets (not including depreciation), replacement, new and upgraded assets and loan servicing.

Operating Revenue
The Budget provides for operating revenue to increase from the 2017-18 third quarter Budget Update of $37.6m to $37.8m – an increase of 0.54%. Recurrent revenue streams of Council are:

<table>
<thead>
<tr>
<th>$m</th>
<th>%</th>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.0</td>
<td>79.5</td>
<td>General Rates and Service Charges</td>
<td>General rates on properties as well as service rates (i.e. sewerage and refuse/recycling rates)</td>
</tr>
<tr>
<td>3.1</td>
<td>8.1</td>
<td>User Pay Charges set by Council</td>
<td>Charges for the Council’s fee based facilities and services such as caravan parks, swimming pools, community halls, cemeteries and refuse dump fees</td>
</tr>
<tr>
<td>2.5</td>
<td>6.7</td>
<td>Grants and Subsidies</td>
<td>Council seeks to attract as much grant funding from other tiers of government as possible, thereby reducing the reliance on other revenue streams</td>
</tr>
<tr>
<td>1.5</td>
<td>3.9</td>
<td>Investment, Reimbursements and Other Income</td>
<td>Interest received on Council’s internal cash reserves and deposits, Reimbursements for work undertaken and Other income</td>
</tr>
<tr>
<td>0.7</td>
<td>1.8</td>
<td>Statutory Charges set by State Government</td>
<td>Fees and charges set by State Government regulation and received by the Council for regulatory functions undertaken such as assessment of development and building applications, and dog control management</td>
</tr>
</tbody>
</table>

Operating Expenditure
The Budget provides for operating expenditure to decrease from the 2017-18 third quarter Budget Update of $37.8m to $37.3m – a decrease of 1.4%. Full Cost Attribution has not been applied - this is an allocation of internal services to external services and does not affect the overall net result. Recurrent expenditures incurred by Council are:

<table>
<thead>
<tr>
<th>$m</th>
<th>%</th>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.6</td>
<td>41.8</td>
<td>Contractual Services, Materials and Other Expenses</td>
<td>Payments for external provision of services Payments for physical goods such as water, fuel, energy, road materials, office consumables and stationary Includes expenses not separately classified above such as insurances, postage, telephone, government levies, contributions and donations</td>
</tr>
<tr>
<td>13.4</td>
<td>36.1</td>
<td>Employee Costs</td>
<td>All labour related expenses such as wages and salaries, and on-costs such as allowances, leave entitlements and employer superannuation</td>
</tr>
<tr>
<td>7.4</td>
<td>19.8</td>
<td>Depreciation</td>
<td>Annual consumption of Council’s fixed assets (e.g. infrastructure, equipment, buildings, etc) over their useful lives</td>
</tr>
<tr>
<td>0.9</td>
<td>2.3</td>
<td>Finance Costs</td>
<td>Costs of financing Council’s activities through borrowings or other types of financial accommodation</td>
</tr>
</tbody>
</table>
Implications for Our Rates

Council plans to raise a net sum of $25.6m from rates in 2018-19 (including 0.83% growth, but excluding service charges, separate rates and the State Government NRM levy).

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

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

Any potential effect to rate revenue for a proposed State Government “Rate Capping” has not been included in this plan. It is unknown as to the requirements or changes to rating legislation and what, if any indexation ceiling will apply. The indexation applied to general rates in this plan has been held at previous year LTFP increments at 2.5% per annum plus growth of 1.0%. The SA Local Government Price Index is 2.9% as at December 2017 and the general consumer price index is 2.3% as at March 2018.

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

Rating Policy

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

Council is mindful of its responsibility to continually review its rating policy to ensure it is fair and equitable on its residents. The current rating policy is available for inspection at all Council branches and can be downloaded from Council’s website at www.barossa.sa.gov.au.

Land Valuation Method

Council uses the capital value determined by the State Valuation Office as the basis for valuing land and calculating rates.

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

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more taxes than ratepayers of lesser wealth;
- Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates.

The total property rateable valuations provided by the State Valuation Office as at 15 April 2018 was $5,041,394,736 – an increase of 3.5% over last year.

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Total Valuation Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>3.54%</td>
</tr>
<tr>
<td>Commercial</td>
<td>1.56%</td>
</tr>
<tr>
<td>Industry - Light</td>
<td>7.89%</td>
</tr>
<tr>
<td>Industry - Other</td>
<td>(0.23%)</td>
</tr>
<tr>
<td>Primary Production</td>
<td>5.04%</td>
</tr>
<tr>
<td>Vacant Land</td>
<td>(0.05%)</td>
</tr>
<tr>
<td>Other</td>
<td>2.31%</td>
</tr>
</tbody>
</table>
How rates are calculated

Differential rates
Council applies differential general rates based on the land use of the property, as outlined in the Land Use table.

Fixed Charge
As part of the general rates, Council applies a fixed charge component so that all rateable properties make a fixed contribution towards the cost of administering Council's activities. The fixed charge has increased from $332.00 to $342.00 per assessment.

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

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

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Year</th>
<th>Average Valuation $</th>
<th>Rate Charge $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential: residential dwellings, flats, units</td>
<td>2017-18</td>
<td>332,543</td>
<td>0.0034780</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>341,289</td>
<td>0.0034854</td>
</tr>
<tr>
<td>Commercial: Retail shops, professional services, e.g. accounting, legal, engineering, etc.</td>
<td>2017-18</td>
<td>505,306</td>
<td>0.0054370</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>514,472</td>
<td>0.0054745</td>
</tr>
<tr>
<td>Industry – Light: Vehicle repairs, workshops</td>
<td>2017-18</td>
<td>345,349</td>
<td>0.0056430</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>352,358</td>
<td>0.0056525</td>
</tr>
<tr>
<td>Primary Production: Agriculture, livestock, horticulture, commercial forestry</td>
<td>2017-18</td>
<td>543,170</td>
<td>0.0034550</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>572,060</td>
<td>0.0033799</td>
</tr>
<tr>
<td>Vacant Land: Vacant allotments</td>
<td>2017-18</td>
<td>171,328</td>
<td>0.0063430</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>175,464</td>
<td>0.0063592</td>
</tr>
<tr>
<td>Other: Government agencies, education, public utilities</td>
<td>2017-18</td>
<td>339,586</td>
<td>0.0057760</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>345,874</td>
<td>0.0058135</td>
</tr>
<tr>
<td>Industry – Other: Wineries, manufacturing</td>
<td>2017-18</td>
<td>2,505,097</td>
<td>0.0159020</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>2,518,319</td>
<td>0.0162153</td>
</tr>
</tbody>
</table>

In order to obtain an average valuation, the data did not include past assessments that were removed and/or new assessments in 2018-19. The calculations are based on the average valuation as at 15 April 2018 from the Valuer General, as shown above and growth from development is not included in the average valuations. Individual assessments may vary from these amounts.

State Government Levies
Council collects a regional Natural Resource Management (NRM) Levy on behalf of two regional NRM Boards on all rateable properties. In this capacity, Council is operating as a revenue collector for the State Government and does not retain the revenue or determine how it is spent. Further information is available from the relevant State Government agencies.

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

Discretionary Rebates
Discretionary rebates may be applied by the Council on land used for community purposes under Section 166 of the Act. Application forms giving full criteria are available from Council.
Residential Rate Capping
Council offers a rebate of general rates to the principal ratepayer where the increase in general rates levied upon a property exceeds the 2017-18 general rates levied by more than:
- 7.5% for ratepayers on fixed government incomes;
- 15% for other ratepayers
Application forms with eligibility criteria are available from Council’s Principal Office or any branch office.

Concessions and Postponement
In order to support ratepayers who are in receipt of fixed incomes, a number of concessions are available for eligible pensioners: the ‘Cost of Living Concession Payment’ which is paid directly to eligible concession holders by the State Government and the concession for Community Wastewater Management System (CWMS) (which will also be paid directly by the State Government). The Department for Communities and Social Inclusion (DCSI) administer all State concessions and Council has no part in approving or providing these concessions.

In addition and in accordance with the Local Government Act 1999, persons who hold a Seniors Card may apply to postpone payment for any amount in excess of $500.00 ($125.00 per quarter) for their principal place of residence.

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

Paying Your Rates
Council provides for quarterly payment of rates in September, December, March and June each year.

Payments can be made via Council’s website (www.barossa.sa.gov.au), B-Pay, Australia Post Billpay, by mail, allocated EFT payment or by cash/cheque/EFTPOS over the counter at the Nuriootpa or branch offices.

Expected Impact on Ratepayers
Council’s previous year adopted Long Term Financial Plan 2017-18 to 2026-27, the 2018-19 Annual Budget and Business Plan included an increase of 2.5% for general rate revenue with a further 1% from new property growth being required to fund the recurrent services, activities and major works program incorporated within the plan. For more information on the rate revenue increases please refer to the Long Term Financial Plan section in this document.

The table on the next page incorporates the proposed overall rating and its impact using average valuations as shown in the Land Use Table (refer previous page); rate changes for individual assessments will likely vary from these amounts.

Understanding the Numbers

Service Charges
The Residential CWMS Service charge will increase from $322.00 to $331.00. The Non-Residential CWMS service rate for each of the townships is to be increased from $0.001190 to $0.001202. Many Springton properties are charged a capital contribution of $245.00 for a 15 year period. An annual service charge of $60.00 is applied to vacant allotments in Springton and an annual service charge of $105.00 is applied for all other vacant allotments where CWMS is available but not connected.

The CWMS rate service charges will raise $2,717k with other related revenue bringing the total for CWMS income to $3,044k for 2018-19. Operating expenditure is expected to be $3,000k, resulting in a surplus of $44k. This surplus is used towards capital expenditure to ensure the services are maintained and grow with service demands into the short to medium term. Total capital expenditure for CWMS is $917k (including carried forwards $225k).

CWMS charges are summarised in the table on the following page.

Overall the standard refuse and recycling collection service rate has been decreased by 12.94% on 2017-18 charges from $179.20 to $156.00. The 140L Refuse Bin has decreased by 17.06% from $127.80 to $106.00 and Recycling by 2.72% from $51.40 to $50.00. The Standard Refuse service rate decrease is mainly due to implementation of a new contract starting 1 July 2018.

The two waste service rates are shown together in the table on the following page under Refuse/Recycling.

The voluntary commercial refuse collection service rate for 240 Litre bins has decreased by 23.7% from $174.20 to $133.00 due to the new contract starting 1 July 2018.

From 1 July 2018 the Green Organics bin will be an optional residential town service within the Council’s designated waste collection area. Customers who opt for this service will be charged an annual fee; for 2018-19 it is proposed to be $59.00.

Council rates are exempt from GST.
## Rates for Land Use Categories based on Average Valuation (see table on page 22)

<table>
<thead>
<tr>
<th>Type</th>
<th>Year</th>
<th>General Rates</th>
<th>Fixed Charge</th>
<th>CWMS</th>
<th>Refuse/Recycling</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential: Residential dwellings, flats, units</td>
<td>2017-18</td>
<td>$1,156.60</td>
<td>$332.00</td>
<td>$322.00</td>
<td>$179.20</td>
<td>$1,989.80</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>$1,189.50</td>
<td>$342.00</td>
<td>$331.00</td>
<td>$156.00</td>
<td>$2,018.50</td>
</tr>
<tr>
<td>Commercial: Retail shops, professional services e.g. accounting, legal, engineering, other</td>
<td>2017-18</td>
<td>$2,747.30</td>
<td>$332.00</td>
<td>$601.30</td>
<td>$51.40</td>
<td>$3,732.00</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>$2,816.50</td>
<td>$342.00</td>
<td>$618.30</td>
<td>$50.00</td>
<td>$3,826.80</td>
</tr>
<tr>
<td>Industry – Light: Vehicle repairs, workshops</td>
<td>2017-18</td>
<td>$1,948.80</td>
<td>$332.00</td>
<td>$411.00</td>
<td>$51.40</td>
<td>$2,743.20</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>$1,991.70</td>
<td>$342.00</td>
<td>$423.50</td>
<td>$50.00</td>
<td>$2,807.20</td>
</tr>
<tr>
<td>Primary Production: Agriculture, livestock, horticulture, commercial forestry</td>
<td>2017-18</td>
<td>$1,876.70</td>
<td>$332.00</td>
<td>$0.00</td>
<td>$179.20</td>
<td>$2,387.90</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>$1,933.50</td>
<td>$342.00</td>
<td>$0.00</td>
<td>$156.00</td>
<td>$2,431.50</td>
</tr>
<tr>
<td>Vacant Land: Vacant allotments</td>
<td>2017-18</td>
<td>$1,086.70</td>
<td>$332.00</td>
<td>$100.00</td>
<td>$0.00</td>
<td>$1,518.70</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>$1,115.80</td>
<td>$342.00</td>
<td>$105.00</td>
<td>$0.00</td>
<td>$1,562.80</td>
</tr>
<tr>
<td>Other: Government agencies, education, public utilities</td>
<td>2017-18</td>
<td>$1,961.40</td>
<td>$332.00</td>
<td>$0.00</td>
<td>$179.20</td>
<td>$2,472.60</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>$2,010.80</td>
<td>$342.00</td>
<td>$0.00</td>
<td>$156.00</td>
<td>$2,508.80</td>
</tr>
<tr>
<td>Industry – Other: Wineries, manufacturing</td>
<td>2017-18</td>
<td>$39,836.10</td>
<td>$332.00</td>
<td>$0.00</td>
<td>$51.40</td>
<td>$40,219.50</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>$40,835.20</td>
<td>$342.00</td>
<td>$0.00</td>
<td>$50.00</td>
<td>$41,227.20</td>
</tr>
</tbody>
</table>

### Percentage increase in Rates and Charges for Land Use Categories based on Average Valuation

<table>
<thead>
<tr>
<th>Land Use Code</th>
<th>Year</th>
<th>Total Rates</th>
<th>% Average Total Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>2017-18</td>
<td>1989.80</td>
<td>1.44%</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>2018.50</td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>2017-18</td>
<td>3732.00</td>
<td>2.54%</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>3826.80</td>
<td></td>
</tr>
<tr>
<td>Industry - Light</td>
<td>2017-18</td>
<td>2743.20</td>
<td>2.33%</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>2807.20</td>
<td></td>
</tr>
<tr>
<td>Primary Production</td>
<td>2017-18</td>
<td>2387.90</td>
<td>1.83%</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>2431.50</td>
<td></td>
</tr>
<tr>
<td>Vacant Land</td>
<td>2017-18</td>
<td>1518.70</td>
<td>2.90%</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>1562.80</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2017-18</td>
<td>2472.60</td>
<td>1.46%</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>2508.80</td>
<td></td>
</tr>
<tr>
<td>Industry - Other</td>
<td>2017-18</td>
<td>40219.50</td>
<td>2.51%</td>
</tr>
<tr>
<td></td>
<td>2018-19</td>
<td>41227.20</td>
<td></td>
</tr>
</tbody>
</table>
Measuring Our Performance

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

- **Monthly Financial Reports** which regularly track Council finances;
- **Quarterly Budget Reviews** which outline financial performance against the Annual Budget and Business Plan;
- **Audited Financial Statements** which are included in the Annual Report as required under the Local Government Act 1999;
- the **Annual Report** which describes the performance of Council on objectives set in the Annual Budget and Business Plan;
- Council’s **Community Plan 2016-2036** includes the long term objectives and strategies Council is striving to achieve. The Community and Corporate plans are used to form the 2018-19 Annual Budget and Business Plan.

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

**Key Performance Indicators**

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

Legend:  
- Target Not Met
- Target At Risk
- Target Met

Forecast is the third Budget Update (Q3) for the year, adopted by Council at the May 2018 meeting and material financial information received since that time has been included.

The Key Performance Indicator: Asset Consumption Ratio is no longer showing within this report. The Local Government (Financial Management) Regulations 1999 no longer require the inclusion of this KPI with the budget estimates.

Individual periods are shown; refer to the long term financial plan section in this document for a rolling 3 year period on selected KPIs.

**Key Performance Indicator 1: Operating Result ($’000)**

Council has set the following target - **To achieve an operating break-even position, or better, over any five year period. The operating result for 2018-19 is forecast as a surplus. The cumulative five year period is a surplus position.**

<table>
<thead>
<tr>
<th>Year Result Status</th>
<th>2015-16 Actual</th>
<th>2016-17 Actual</th>
<th>2017-18 Forecast Q3</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16 Actual</td>
<td>1,120</td>
<td>2,920</td>
<td>(168)</td>
<td>572</td>
</tr>
<tr>
<td>Status</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
<td></td>
</tr>
</tbody>
</table>
Key Performance Indicator 2: Operating Surplus/(Deficit) Ratio

Expresses the projected Operating Surplus/(Deficit) result as a percentage of general rate revenue. Council has set the following target - To achieve an operating surplus ratio of between -2% to 10%.

<table>
<thead>
<tr>
<th>Year</th>
<th>2015-16 Actual</th>
<th>2016-17 Actual</th>
<th>2017-18 Forecast Q3</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result</td>
<td>3.2%</td>
<td>7.7%</td>
<td>(0.4%)</td>
<td>1.5%</td>
</tr>
<tr>
<td>Status</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2015-16 Actual</th>
<th>2016-17 Actual</th>
<th>2017-18 Forecast Q3</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result</td>
<td>10,206</td>
<td>5,961</td>
<td>8,915</td>
<td>14,388</td>
</tr>
<tr>
<td>Status</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>

Key Performance Indicator 4: Net Financial Liabilities Ratio

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2015-16 Actual</th>
<th>2016-17 Actual</th>
<th>2017-18 Forecast Q3+</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result</td>
<td>29%</td>
<td>16%</td>
<td>24%</td>
<td>38%</td>
</tr>
<tr>
<td>Status</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>

Key Performance Indicator 5: Interest Cover Ratio

Expresses the net interest expense (i.e. interest expense less investment income) as a percentage of total operating revenue. Council has set the following target - Net interest is greater than 0% and less than 8% of operating revenue.

<table>
<thead>
<tr>
<th>Year</th>
<th>2015-16 Actual</th>
<th>2016-17 Actual</th>
<th>2017-18 Forecast Q3+</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result</td>
<td>2.3%</td>
<td>2.0%</td>
<td>1.8%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Status</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>

Key Performance Indicator 6: Asset Sustainability Ratio

Expresses the rate by which assets are wearing out and being replaced by comparing capital outlays on renewal/replacement of existing assets (net of any proceeds from the sale of replaced assets) to the annual depreciation expense allocated against such assets. Council has set the following target - Capital outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans.

<table>
<thead>
<tr>
<th>Year</th>
<th>2015-16 Actual</th>
<th>2016-17 Actual</th>
<th>2017-18 Forecast Q3+</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result</td>
<td>36%</td>
<td>58%</td>
<td>81%</td>
<td>68%</td>
</tr>
<tr>
<td>Status</td>
<td>↓</td>
<td>↓</td>
<td>↑</td>
<td>↓</td>
</tr>
</tbody>
</table>
Performance Measures

Council continues to review its Key Performance Indicators to improve the measurement of performance. This is part of Council’s Community Plan, as well as continuous improvement initiatives related to Council’s Business Planning Framework. Indicators measuring the performance of Council in relation to the Annual Business Plan can be found below.

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

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theme 1 – Natural &amp; Built Heritage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Rules Consent Processing</td>
<td>The percentage of Building Rules Consent Applications completed within three months of lodgement</td>
<td>90%</td>
</tr>
<tr>
<td>Planning Consent Processing</td>
<td>The percentage of Planning Consent Applications completed within three months of lodgement</td>
<td>90%</td>
</tr>
<tr>
<td><strong>Theme 2 – Community &amp; Culture</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library Visits</td>
<td>The number of library visits and participation within the Barossa Council Area</td>
<td>5 visits per capita</td>
</tr>
<tr>
<td>Mutual Liability Claims</td>
<td>Number of successful Mutual Liability Claims against Council</td>
<td>3 or less per annum</td>
</tr>
<tr>
<td><strong>Theme 3 – Infrastructure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Spending Ratio</td>
<td>Ratio of asset expenditure on renewal, replacement and upgraded assets and maintenance on assets</td>
<td>Between 100% and 150% of Depreciation</td>
</tr>
<tr>
<td><strong>Theme 4 – Health &amp; Wellbeing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nuisance and Environmental Complaint Resolution Rate</td>
<td>Percentage resolved within due date</td>
<td>75%</td>
</tr>
<tr>
<td>Waste Disposal Rate</td>
<td>Percentage of waste disposed to landfill</td>
<td>Less than 65%</td>
</tr>
<tr>
<td>Recycling Rate</td>
<td>Percentage of waste recycled</td>
<td>More than 35%</td>
</tr>
<tr>
<td><strong>Theme 5 – Business &amp; Employment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourism Customer Satisfaction with Visitor Information Services</td>
<td>Average Customer Satisfaction Rating</td>
<td>4 or above</td>
</tr>
<tr>
<td>Visitor Information Centre Bookings</td>
<td>Annual Booking Revenue (Accommodation/Tours/Tickets)</td>
<td>100% of Budget</td>
</tr>
<tr>
<td>Cycle Hub – Bike Hire Revenue</td>
<td>Annual Sales Revenue</td>
<td>100% of Budget</td>
</tr>
<tr>
<td><strong>How We Work – Good Governance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LGA KPI Audit Action Plan</td>
<td>Percentage of KPI Audit Actions Complete</td>
<td>90%</td>
</tr>
<tr>
<td>LGA Risk Review</td>
<td>Percentage risk review conformance</td>
<td>90%</td>
</tr>
<tr>
<td>Customer Request Completion Rate</td>
<td>Percentage of Customer Requests Completed (On Time and Overdue)</td>
<td>85%</td>
</tr>
<tr>
<td>Customer Request Resolution Rate</td>
<td>Percentage of Customer Requests Resolved on Time</td>
<td>85%</td>
</tr>
<tr>
<td>Operational Expenditure Against Budget</td>
<td>Actual Operating Expenditure as a % of Budgeted Operating Expenditure</td>
<td>100%</td>
</tr>
<tr>
<td>Capital Expenditure Against Budget</td>
<td>Actual Capital Expenditure as a percentage of Budgeted Capital Expenditure</td>
<td>90%</td>
</tr>
</tbody>
</table>
| Organisational Culture Improvement | Percentage percentile shift in the culture survey results to an organisation of progressively improving achievement and self-actualising styles of operation | Constructive Styles above 50th Percentile
Defensive Styles below 50th Percentile |
| Staff Development - Training | Percentage of staff with an approved training needs analysis | 85% |
| Staff Development – Performance Partnering | Percentage of staff who have completed performance partnering | 85% |
| Staff Retention | Percentage of employees retained | 90% |
Budgeted Financial Statements 2018-19

The following pages contain Council’s budgeted financial statements, including the Nuriootpa Centennial Park Authority, in a format consistent with the requirements of Regulation 5B of the Local Government (Financial Management) Regulations, comprising for the year ending 30 June 2019:

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

Please note: the format of the following Financial Statements is based on the 2017 Model Financial Statements.
Statement of Comprehensive Income
for the year ending 30 June 2018

<table>
<thead>
<tr>
<th>Income</th>
<th>2017-18 Original Budget ($’000)</th>
<th>2017-18 Revised Budget* ($’000)</th>
<th>2018-19 Budget ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates</td>
<td>29,380</td>
<td>29,404</td>
<td>30,071</td>
</tr>
<tr>
<td>Statutory Charges</td>
<td>629</td>
<td>683</td>
<td>674</td>
</tr>
<tr>
<td>User Charges</td>
<td>2,698</td>
<td>2,761</td>
<td>3,077</td>
</tr>
<tr>
<td>Grants, Subsidies and Contributions</td>
<td>2,465</td>
<td>2,925</td>
<td>2,526</td>
</tr>
<tr>
<td>Investment Income</td>
<td>219</td>
<td>259</td>
<td>238</td>
</tr>
<tr>
<td>Reimbursements</td>
<td>336</td>
<td>253</td>
<td>209</td>
</tr>
<tr>
<td>Other Income</td>
<td>963</td>
<td>1,344</td>
<td>1,037</td>
</tr>
<tr>
<td>Net Gain – Joint Ventures and Associates</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>36,690</td>
<td>37,629</td>
<td>37,832</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2017-18 Original Budget ($’000)</th>
<th>2017-18 Revised Budget* ($’000)</th>
<th>2018-19 Budget ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Costs</td>
<td>13,202</td>
<td>13,139</td>
<td>13,452</td>
</tr>
<tr>
<td>Materials, Contracts and Other Expenses</td>
<td>15,071</td>
<td>16,197</td>
<td>15,593</td>
</tr>
<tr>
<td>Depreciation, Amortisation and Impairment</td>
<td>7,518</td>
<td>7,518</td>
<td>7,362</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>943</td>
<td>943</td>
<td>853</td>
</tr>
<tr>
<td>Net Loss – Joint Ventures and Associations</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>36,734</td>
<td>37,797</td>
<td>37,260</td>
</tr>
</tbody>
</table>

| Operating Surplus / (Deficit) | (44)                             | (168)                           | 572                    |
| Asset Disposal & Fair Value Adjustments | (620)                           | (325)                           | (52)                   |
| Amounts Received Specifically for New or Upgraded Assets | 707                             | 1,099                           | 4,690                  |
| Physical Resources Received Free of Charge | 277                             | 277                             | 282                    |
| Net Surplus / (Deficit) | 320                             | 883                             | 5,492                  |
| Transferred to Equity Statement | 0                               | 0                               | 0                      |
| Other Comprehensive Income | 0                               | 0                               | 0                      |
| Changes in revaluation surplus - infrastructure, property, plant & equipment | 0                               | 0                               | 0                      |
| Total Other Comprehensive Income | 0                               | 0                               | 0                      |

| Total Comprehensive Income | 320                             | 883                             | 5,492                  |

* Revised Budget is the third Budget Update for the year, adopted by Council at the May 2018 meeting and material financial information received since that time has been included.
## Statement of Financial Position

for the year ending 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>2017-18 Original Budget ($'000)</th>
<th>2017-18 Revised Budget* ($'000)</th>
<th>2018-19 Budget ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>1,234</td>
<td>7,096</td>
<td>86</td>
</tr>
<tr>
<td>Trade and Other Receivables</td>
<td>2,689</td>
<td>3,123</td>
<td>3,123</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>0</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>270</td>
<td>116</td>
<td>116</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>4,193</td>
<td>10,335</td>
<td>3,325</td>
</tr>
<tr>
<td><strong>Non-Current Assets Held for Sale</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>4,193</td>
<td>10,335</td>
<td>3,325</td>
</tr>
<tr>
<td><strong>Non-current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td>684</td>
<td>862</td>
<td>827</td>
</tr>
<tr>
<td>Equity Accounted Investments in Council</td>
<td>1,683</td>
<td>1,656</td>
<td>1,656</td>
</tr>
<tr>
<td>Infrastructure, Property, Plant and Equipment</td>
<td>357,494</td>
<td>348,789</td>
<td>368,323</td>
</tr>
<tr>
<td>Other Non-Current Assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td>359,861</td>
<td>351,307</td>
<td>370,806</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>364,054</td>
<td>361,642</td>
<td>374,131</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and Other payables</td>
<td>2,703</td>
<td>4,290</td>
<td>2,912</td>
</tr>
<tr>
<td>Borrowings</td>
<td>1,759</td>
<td>1,844</td>
<td>1,821</td>
</tr>
<tr>
<td>Provisions</td>
<td>2,538</td>
<td>2,379</td>
<td>2,178</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>7,000</td>
<td>8,513</td>
<td>6,911</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>10,717</td>
<td>10,747</td>
<td>10,776</td>
</tr>
<tr>
<td>Provisions</td>
<td>853</td>
<td>736</td>
<td>737</td>
</tr>
<tr>
<td><strong>Total Non-current Liabilities</strong></td>
<td>11,570</td>
<td>11,483</td>
<td>11,513</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>18,570</td>
<td>19,996</td>
<td>18,424</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>345,484</td>
<td>341,646</td>
<td>355,707</td>
</tr>
</tbody>
</table>

### Equity

<table>
<thead>
<tr>
<th></th>
<th>2017-18 Original Budget ($'000)</th>
<th>2017-18 Revised Budget* ($'000)</th>
<th>2018-19 Budget ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Surplus</td>
<td>70,791</td>
<td>71,566</td>
<td>76,705</td>
</tr>
<tr>
<td>Asset Revaluation Reserve</td>
<td>265,706</td>
<td>260,704</td>
<td>269,273</td>
</tr>
<tr>
<td>Other Reserves</td>
<td>8,987</td>
<td>9,376</td>
<td>9,729</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>345,484</td>
<td>341,646</td>
<td>355,707</td>
</tr>
</tbody>
</table>

* Revised Budget is the third Budget Update for the year, adopted by Council at the May 2018 meeting and material financial information received since that time has been included.
## Statement of Changes in Equity

### as at 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Surplus ($'000)</th>
<th>Asset Revaluation Reserve ($'000)</th>
<th>Other Reserves ($'000)</th>
<th>Total Equity ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at end of previous reporting period 30 June 2018 (Original Budget 2017-18)</td>
<td>70,791</td>
<td>265,706</td>
<td>8,987</td>
<td>345,484</td>
</tr>
<tr>
<td>Restated opening balance (2017-18 Revised Budget)</td>
<td>71,566</td>
<td>260,704</td>
<td>9,376</td>
<td>341,646</td>
</tr>
<tr>
<td>Net Surplus / (Deficit) for year</td>
<td>5,492</td>
<td>0</td>
<td>0</td>
<td>5,492</td>
</tr>
<tr>
<td>Gain on revaluation of infrastructure, property, plant and equipment</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transfer to accumulated surplus on sale of infrastructure, property, plant and equipment</td>
<td>0</td>
<td>8,569</td>
<td>0</td>
<td>8,569</td>
</tr>
<tr>
<td>Transfer between reserves</td>
<td>(353)</td>
<td>0</td>
<td>353</td>
<td>0</td>
</tr>
<tr>
<td><strong>Balance at the End of Period</strong></td>
<td><strong>76,705</strong></td>
<td><strong>269,273</strong></td>
<td><strong>9,729</strong></td>
<td><strong>355,707</strong></td>
</tr>
</tbody>
</table>

* Revised Budget is the third Budget Update for the year, adopted by Council at the May 2018 meeting and material financial information received since that time has been included.*
## Statement of Cash Flows

for the year ending 30 June 2018

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
<th>2017-18 Original Budget ($'000)</th>
<th>2017-18 Revised Budget* ($'000)</th>
<th>2018-19 Budget ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Receipts</td>
<td>36,300</td>
<td>36,876</td>
<td>37,594</td>
</tr>
<tr>
<td>Investment Receipts</td>
<td>219</td>
<td>259</td>
<td>238</td>
</tr>
<tr>
<td><strong>Payments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating payments to Suppliers and Employees</td>
<td>(28,275)</td>
<td>(29,336)</td>
<td>(29,045)</td>
</tr>
<tr>
<td>LandFill rehabilitation expense</td>
<td>(197)</td>
<td>(200)</td>
<td>(200)</td>
</tr>
<tr>
<td>Finance Payments</td>
<td>(944)</td>
<td>(944)</td>
<td>(853)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by (or Used in) Operating Activities</strong></td>
<td>7,103</td>
<td>6,655</td>
<td>7,734</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities</th>
<th>2017-18 Original Budget ($'000)</th>
<th>2017-18 Revised Budget* ($'000)</th>
<th>2018-19 Budget ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts Specifically for New or Upgraded Assets</td>
<td>707</td>
<td>2,312</td>
<td>3,314</td>
</tr>
<tr>
<td>Sale of Replaced Assets</td>
<td>401</td>
<td>616</td>
<td>346</td>
</tr>
<tr>
<td>Sale of Surplus Assets</td>
<td>133</td>
<td>133</td>
<td>389</td>
</tr>
<tr>
<td>Repayments of Loans by Community Groups</td>
<td>42</td>
<td>42</td>
<td>33</td>
</tr>
<tr>
<td><strong>Payments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on Renewal / Replacement of Assets</td>
<td>(5,562)</td>
<td>(5,349)</td>
<td>(4,402)</td>
</tr>
<tr>
<td>Expenditure on New / Upgraded Assets</td>
<td>(4,748)</td>
<td>(6,803)</td>
<td>(14,431)</td>
</tr>
<tr>
<td>Loans made to Community Groups</td>
<td>(80)</td>
<td>(260)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Cash Provided by (or Used in) Investing Activities</strong></td>
<td>(9,107)</td>
<td>(9,309)</td>
<td>(14,751)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Financing Activities</th>
<th>2017-18 Original Budget ($'000)</th>
<th>2017-18 Revised Budget* ($'000)</th>
<th>2018-19 Budget ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans Received</td>
<td>80</td>
<td>260</td>
<td>1,950</td>
</tr>
<tr>
<td>Finance Lease Funds</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Proceeds from Internal Borrowings</td>
<td>4,200</td>
<td>4,200</td>
<td>3,380</td>
</tr>
<tr>
<td><strong>Payments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayments of Borrowings</td>
<td>(1,998)</td>
<td>(2,006)</td>
<td>(1,943)</td>
</tr>
<tr>
<td>Repayment of Finance Lease Liabilities</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Repayment of Internal Borrowings</td>
<td>(4,200)</td>
<td>(4,200)</td>
<td>(3,380)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by (or Used in) Financing Activities</strong></td>
<td>(1,918)</td>
<td>(1,746)</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Increase / (Decrease) in Cash Held</th>
<th>2017-18 Original Budget ($'000)</th>
<th>2017-18 Revised Budget* ($'000)</th>
<th>2018-19 Budget ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3,922)</td>
<td>(4,400)</td>
<td>(7,010)</td>
<td></td>
</tr>
</tbody>
</table>

* Revised Budget is the third Budget Update for the year, adopted by Council at the May 2018 meeting and material financial information received since that time has been included.
**Uniform Presentation of Finances**

for the year ending 30 June 2018

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>2017-18 Original Budget ($'000)</th>
<th>2017-18 Revised Budget* ($'000)</th>
<th>2018-19 Budget ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>36,690</td>
<td>37,629</td>
<td>37,832</td>
</tr>
<tr>
<td>Less Expenses</td>
<td>36,734</td>
<td>37,797</td>
<td>37,260</td>
</tr>
<tr>
<td><strong>Operating Surplus / (Deficit)</strong></td>
<td><strong>(44)</strong></td>
<td><strong>(168)</strong></td>
<td><strong>572</strong></td>
</tr>
<tr>
<td>Less Net Outlays on Existing Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Expenditure on Renewal and Replacement of Existing Assets</td>
<td>5,562</td>
<td>5,349</td>
<td>4,402</td>
</tr>
<tr>
<td>Less Depreciation, Amortisation and Impairment</td>
<td>7,518</td>
<td>7,518</td>
<td>7,362</td>
</tr>
<tr>
<td>Less Proceeds from Sale of Replaced Assets</td>
<td>401</td>
<td>616</td>
<td>346</td>
</tr>
<tr>
<td><strong>(2,357)</strong></td>
<td><strong>(2,785)</strong></td>
<td><strong>(3,306)</strong></td>
<td></td>
</tr>
<tr>
<td>Less Net Outlays on New and Upgraded Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Expenditure on New and Upgraded Assets</td>
<td>4,748</td>
<td>6,803</td>
<td>14,431</td>
</tr>
<tr>
<td>Less Amounts Received Specifically for New and Upgraded Assets</td>
<td>707</td>
<td>2,312</td>
<td>3,314</td>
</tr>
<tr>
<td>Less Proceeds from Sale of Surplus Assets</td>
<td>133</td>
<td>133</td>
<td>389</td>
</tr>
<tr>
<td><strong>3,908</strong></td>
<td><strong>4,358</strong></td>
<td><strong>10,728</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net Lending / (Borrowing) for Financial Year</strong></td>
<td><strong>(1,595)</strong></td>
<td><strong>(1,741)</strong></td>
<td><strong>(6,850)</strong></td>
</tr>
</tbody>
</table>

* Revised Budget is the third Budget Update for the year, adopted by Council at the May 2018 meeting and material financial information received since that time has been included.
Introduction and Assumptions

Under the Local Government Act 1999, Councils are required to have a Long Term Financial Plan (for a minimum period of 10 years). This Long Term Financial Plan has been declared by The Barossa Council as a Strategic Management Plan pursuant to Section 122(8) of the Local Government Act 1999. This document subsequently reflects an annual review of Council’s Long Term Financial Plan and acts as a starting reference point in the formulation of Council’s 2018-19 Annual Budget and Business Plan.

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

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

General Assumptions

- Long term financial plans have been prepared for each of the following areas to measure and check financial sustainability: CWMS; Waste; Nuriootpa Centennial Park Authority (NCPA); all other Council operations and a consolidated LTFP.
- The NCPA LTFP is based on a draft 2018-19 to be adopted by the NCPA board and Council.
- The LTFP reflects existing recurrent service levels to our community being maintained. Council’s budget process considers on-going Service Delivery and Commitments and New Expenditure items or Initiatives.
- For new initiatives, a Due Diligence Report is prepared to assess the financial commitment in order that current and future budgets are accurate and that Council has full information regarding the financial risks of their decisions.
- All new initiatives were then assessed using a Bid Analysis Tool and given a score against set criteria.

Operations

- General Rate Revenue and Service charges have been reviewed to ensure funding and service level provision is maintained in line with sustainability requirements.
- Operating Cost – Employee, Contractors & Materials have been based on a zero based method for this budget year.
- Rubble raising cost at $337k in 2018-19 with any remaining stock to be used in the years following.
- Selected costs have been isolated from general expenditure, e.g. energy use for electricity, water costs, insurance premiums, and waste collection and disposal service costs; projected increases for these are at or higher than the base rate.
• Increments for income and expenditure is listed in the Financial Parameters following this report.
• Depreciation has been calculated on existing asset classes, structures, valuation and condition rating; asset componentisation has been included as appropriate to selected asset types. A review of useful lives of all assets and components is an ongoing task refining the data.
• The external Committees and advisory groups operational budgets are funded by service areas within the budget and throughout the LTFP.
• The current Roads to Recovery (R2R) grant funded program has been fully spent in 2017-18 – so there is no allocation in 2018-19; the R2R program is expected to continue from 2019-20 for the life of the LTFP and $328k per annum is included.
• In the 2017-18 and 2018-19 years $233k is included for supplementary road grants.
• Staff levels have reduced for minor changes due to grant funding programs ending and overall increases are projected to be in line with current Enterprise Bargaining Agreements.
• Full Cost Attribution - an allocation of internal services to relevant charge areas has been estimated in the LTFP. This allocation does not affect the overall net result.

Capital
• Asset Renewal and/or Replacement expenditure is provided for on various buildings, transport assets and CWMS infrastructure with the Council’s adopted asset sustainability ratio to planned expenditure from the IAMPs over the full term of the LTFP.
• Due to TBP capital expenditure program over the next four years ($33.9m) the discrepontional capital expenditure allocation has been removed for years 2019-20 to 2022-23 and reinstated to $50k for 2023-24 and 2024-25 and $500k per year for the remaining years.
• Capital grants and contributions in this review include SLGIP road and footpaths programs $320k, CWMS developer contributions $180k, other capital contributions $123k, Angaston Railway works grant funding $1.0m and TBP $3.1m in 2018-19, $5.3m – 2019-20, $7.3m – 2020-21 and $3.4m – 2021-22 (subject to funding approval).
• Council has identified land assets considered surplus for the needs of the community and its operations. These estimated sale proceeds are included.

Loan Principal and Interest Repayments
• The internal loan from Council to NCPA for $650k included in the LTFP is to be repaid from 2018-19 ($130k for three years and then $65k for four years). The NCPA external cash advance debenture loan repayments start from 2018-19 and the loan should be fully repaid by 2024-25.
• TBP loan financing is included in 2018-19 $1.7m, 2019-20 $4.3m, 2020-21 $6.3m and 2021-22 $2.4m.
• Council’s net debt is predicted to peak at $19.5m in 2021-22. The net loan balance outstanding at 30 June 2018 is $12.6m and should reduce to $11.0m by 30 June 2028.

• Based on the LTFP, a cash advance facility will be required in 2018-19 at $200k and 2024-25 at $100k.
• An internal loan (funded from the CWMS operations reserve) of $11.9m will be required to ensure Council’s general operations meet financial sustainability indicators.
• There is a scheduled balloon payment for $3.1m on an existing loan in the year 2024-25 at which time Council will assess its loan requirements and re-finance as needed.

Key Performance Indicators
• Council has established targets for the Key Performance Indicators (KPI) as recorded within the LTFP document, as follows:
  • KPI - No. 1 Achieve an operating breakeven position, or better, over any five year period
  • KPI - No. 2 Achieve an operating surplus ratio of between -2% to 10%
  • KPI - No. 4 Net financial liabilities ratio is greater than zero but less than 100% of total operating revenue.
  • KPI - No. 6 Capital outlays on renewing/ replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans over a rolling 3 year period.

Financial Sustainability Performance Report
• KPI - No. 1 It is noted that cumulative years 2018-19 to 2022-23 are in surplus.
• KPI No. 2 - Operating surplus ratios. Council’s expected forecast results are within the target range of -2% to 10%.
• KPI - No. 6 - The target is being met over the ten year period the average being 82%. For three years in this review the ratio is below the minimum rate from 68% to 74%. A selection of TBP builds will upgrade and replace a considerable amount of existing assets; these works will need to be identified and then re-assigned as appropriate to renewal works which will improve this ratio. Planned expenditure from the IAMP for the major asset classes has been used along with updated data for remaining lives on selected asset replacements.
• All other KPI are within the target ranges.
• Council has reviewed its financial parameters for the LTFP including the indexation used for forward projections on income and expenditure. A full list is contained in the following pages.
• In line with Council Policy a regular review of Council’s treasury management will be required to ensure a positive cash position is maintained.
• This analysis indicates that Council is currently financially sustainable for the forecast period covered by the LTFP. Noting that with the inclusion of TBP grant funding and loan financing, Council has the capacity to undertake TBP asset construction, operational costs and other minor additional projects. Consideration of other major works in future years will require a review of the LTFP to check financial sustainability.
Financial Sustainability

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

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

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

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

During 2016-17 the ‘high-level’ Infrastructure and Asset Management Plans have been reviewed and approved by Council. The plans outline a scheduled improvement process to further develop and enhance them to a more comprehensive and detailed level over a four year period.

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

How We Plan To Pay For It All

Council uses a mix of service, user and statutory charges, grants, commercial and other income as a means of funding both operating and capital expenditure.

To assist in keeping rates affordable, Council is limiting general rates income to an increase per annum to provide required service levels to the community over the life of this plan. Annual indexation around 2.5% plus an allowance for annual growth in development expected at 1.0% keeps the increases in rates during this LTFP relatively low.

Council is planning to spend an average of $12.7m per annum (including indexation and TBP) on capital projects and an average of $33.4m per annum on day to day essential services (operational expenditure, excluding interest and depreciation but including indexation) over the next 10 years.

Our Financial Principles

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

- Ongoing education and training such that all Council Members and Staff understand and fulfil their financial governance responsibilities
- Policies and practices that support decision making and assessment of performance
- Budget and financial information is presented at a strategic level, succinct and easy to follow
- Budget and financial information is based on the Long Term Financial Plan
- The Asset Management Plans are maintained and reflect whole of life costs
- The Rating strategy is equitable and generates sufficient revenue to meet financial needs
- Financial performance is managed using suitable financial indicators and targets
- A robust audit and internal control process is in place to ensure effective financial and governance compliance
- Information provided to the community is open, transparent and relevant.
Appendix

Key Performance Indicators and Financial Parameters

Long Term Plan Financial Statements 2018-19 to 2027-28

Capital Expenditure
### Key Performance Indicators (KPI’s) - Summary

<table>
<thead>
<tr>
<th>KPI 1 - Operating Surplus cumulative forward 5 year period*</th>
<th>Surplus year 5</th>
<th>Draft budget</th>
<th>LTFP</th>
<th>LTFP</th>
<th>LTFP</th>
<th>LTFP</th>
<th>LTFP</th>
<th>LTFP</th>
<th>LTFP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000 or %</td>
<td>$’000 or %</td>
<td>$’000 or %</td>
<td>$’000 or %</td>
<td>$’000 or %</td>
<td>$’000 or %</td>
<td>$’000 or %</td>
<td>$’000 or %</td>
<td>$’000 or %</td>
</tr>
<tr>
<td></td>
<td>572</td>
<td>1,386</td>
<td>1,798</td>
<td>1,888</td>
<td>1,621</td>
<td>1,888</td>
<td>1,621</td>
<td>1,888</td>
<td>1,621</td>
</tr>
</tbody>
</table>

*All amounts in KPI 1 are in $’000

### Financial parameters - Indexation

#### RATE REVENUE INCREASES

<table>
<thead>
<tr>
<th>General - Rate Revenue Increase Net (excl growth)</th>
<th>2.50%</th>
<th>2.50%</th>
<th>2.50%</th>
<th>2.50%</th>
<th>2.50%</th>
<th>2.50%</th>
<th>2.50%</th>
<th>2.50%</th>
<th>2.50%</th>
<th>2.50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural growth - Development</td>
<td>1.00%</td>
<td>1.00%</td>
<td>1.00%</td>
<td>1.00%</td>
<td>1.00%</td>
<td>1.00%</td>
<td>1.00%</td>
<td>1.00%</td>
<td>1.00%</td>
<td>1.00%</td>
</tr>
<tr>
<td>CWMS - Rate Revenue Increase (excl growth)</td>
<td>(12.9%)</td>
<td>2.50%</td>
<td>2.50%</td>
<td>2.50%</td>
<td>2.50%</td>
<td>2.50%</td>
<td>2.50%</td>
<td>2.50%</td>
<td>2.50%</td>
<td>2.50%</td>
</tr>
</tbody>
</table>

**Index added to Employee Costs and Contracts, Materials & Other

### OPERATING REVENUE

<table>
<thead>
<tr>
<th>Operating Grants</th>
<th>2.0%</th>
<th>2.0%</th>
<th>2.0%</th>
<th>2.0%</th>
<th>2.0%</th>
<th>2.0%</th>
<th>2.0%</th>
<th>2.0%</th>
<th>2.0%</th>
<th>2.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory Charges</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>User Charges</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Reimbursements</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

### OPERATING EXPENDITURE

<table>
<thead>
<tr>
<th>Service Cost Natural Growth**</th>
<th>1.0%</th>
<th>1.0%</th>
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<th>1.0%</th>
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**Index added to Employee Costs and Contracts, Materials & Other

### Asset Revaluation Increments

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### Asset Renewal Expenditure Increments

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* All amounts in KPI 1 are in $’000

** Index added to Employee Costs and Contracts, Materials & Other
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<td>(749)</td>
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## A2-2 Consolidated Results: Budgeted Statement of Financial Position

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## Annual Budget and Business Plan 2018-19

### The Barossa Council

#### Page - 41 of 43

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### Draft Budget

#### Cash Flows from Operating Activities

**Receipts:**
- Operating receipts: $37,594
- Investment receipts: $238

**Payments:**
- Landfill rehabilitation expense: $(200)
- Operating payments to suppliers & employees: $(29,045)
- Finance payments: $(853)

#### Cash Flow from Investing Activities

**Receipts:**
- Amounts specifically for new or upgraded assets: $3,314
- Sale of replaced assets: $346
- Sale of surplus assets: $389
- Net return of investment securities: $0
- Community store shares: $0

**Payments:**
- Expenditure on renewal/replacement of assets: $(4,402)
- Expenditure on new/upgraded assets: $(14,431)
- Net purchases of investment securities: $0
- Loans made to community groups: $0

#### Cash Flow from Financing Activities

**Receipts:**
- Proceeds from borrowings: $1,950
- Proceeds from内部 borrowings (NCPA): $3,380

**Payments:**
- Repayment of borrowings: $(1,943)
- Repayment of internal borrowings (CWMS): $(3,380)
- Repayment of bonds and deposits: $(3,380)
- Repayment of finance lease: $(3,380)
- Repayment of internal borrowings (CWMS): $(3,380)

#### Net Increase/(Decrease) in Cash

| Cash at Beginning of Period | $7,096 | $86 | $672 | $946 | $905 | $2,071 | $2,654 | $8 |
| Cash at End of Period       | $86    | $672| $946 | $905 | $2,071 | $2,654 | $8   | $235 | $72 |

Annual Budget and Business Plan 2018-19 | The Barossa Council | Page - 41 of 43
### Consolidated Results: Budgeted Uniform Presentation of Finances

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**Note:** includes internal allocations & CWMS donated assets
MINUTES OF THE SPECIAL MEETING
OF THE BAROSSA COUNCIL

held on Tuesday 15 May 2018 commencing at 10.30am in the Council Chambers, 43-51 Tanunda Road, Nuriootpa

1.1 WELCOME
Mayor Sloane declared the meeting open at 10.30am.

1.2 MEMBERS PRESENT
Mayor Bob Sloane, Crs Mark Grossman, David de Vries, Michael Seager, Leonie Boothby, Christopher Harms, Scotty Milne, John Angas, Tony Hum and Richard Miller

1.3 LEAVE OF ABSENCE
Cr Margaret Harris

1.4 APOLOGIES
Cr Michael (Bim) Lange

MOVED Cr Grossman that the apology received from Cr Michael (Bim) Lange be noted.
Seconded Cr Miller
CARRIED 2014-18/1406

2. DEBATE AGENDA

2.1.1 FINANCE – DEBATE

2.1.1.1 DRAFT ANNUAL BUDGET AND BUSINESS PLAN 2018/19 INCORPORATING THE LONG TERM FINANCIAL PLAN 2018/19 - 2027/28

Author: Manager, Financial Services

MOVED Cr de Vries that Council:

(a) approves the inclusion of the additional items as listed within this report in the draft Annual Budget and Business Plan 2018/19 and, as applicable, in the draft Long Term Financial Plan for the period 2018/19 to 2027/28 and authorises the Chief Executive Officer to make any final typographical or minor amendments to the document.

(b) endorses the draft Annual Budget and Business Plan 2018/19 incorporating the annual review of the draft Long Term Financial Plan for the period 2018/19 to 2027/28, incorporating the draft Budget 2018/19 and draft Long Term Financial Plan for the period 2018/19 to 2027/28 for the Nuriootpa Centennial Park Authority, for the purpose of community consultation.
(c) approves the consultation period being from 23 May 2018 to 13 June 2018 and that an allowance of one hour be made at a Special Council Meeting on 6 June 2018 for verbal submissions in response to public consultation.

Seconded Cr Hurn CARRIED 2014-18/1407

PURPOSE
Further to the recent budget and rating workshops, the attached draft Annual Budget and Business Plan 2018/19 incorporating the Long Term Financial Plan 2018/19 to 2027/28 has been prepared for public consultation.

REPORT
Discussion
The Annual Budget and Business Plan (AB&BP) 2018/19 incorporates the Long Term Financial Plan (LTFP) 2018/19 to 2027/28 in the one document, but is divided under separate sections.

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

The formulation of the draft budget incorporates the work of numerous Council officers and teams (following an adopted timeline) which includes:
- budget preparation and input by budget managers
- checking and refining of data input, preparation of general budgets including utilities, depreciation, employee costs etc by the Finance officers
- review and approval by the Corporate Management Team.

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

The input from Council is gained by holding workshops where discussions (not decisions) are held on various parts of the budget preparation and process, which provides a direction for officers in the preparation of the draft budget.

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

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

**Council Workshop 20 February 2018:**
Discussions included:
- proposed indexation and assumptions from last years adopted LTFP
- setting of the framework for the draft 2018/19 AB&BP and LTFP
- opportunity for Council Members to consider strategic or other items for the AB&BP or LTFP.

**Outcome:**
Council noted the indexation and assumptions as presented for inclusion in the draft AB&BP and LTFP.

**Council Workshop 20 March 2018:**
Community and Elected Member New Initiatives (NI’s) were presented to the Council workshop for comment. Within the report, any NI’s considered not supported by CMT were flagged as such and comments were provided as to why.

**Outcome:**
Any Community or Elected Members NI’s that Members indicated they would like further analysis were progressed to the next Stage which requires the appropriate Due Diligence Report (DDR)/Bid Analysis Tool.

**Council Workshop 4 April 2018:**
Members received a rate comparison of regional Councils (unidentified) similar in size, functions and activities to The Barossa Council (acknowledging that each Council establishes its own service provision and levels and rating to raise the funding required which impacts the comparison).
Outcome:
Council provided comment on the general rating information, current methodology and approach and Council’s position against the regional comparison.

Council Workshop 18 April 2018:
All proposed capital expenditure and NI’s were presented and comment invited from Council.

Outcome:
NI’s outlined in the budget by CMT and the analysis were discussed and were included by officers in the draft AB&BP and where relevant, whole of life costs in the forward years in the LTFP.

Reserve Funds will be used to fund various NI requests where appropriate and available.

Council Workshop 2 May 2018:
Rating
• Three rating scenarios were presented to this workshop which considered achieving the target General rate revenue increase of 2.5% plus growth of 0.83%. This includes the fixed charge increasing from $332 to $342 and the differential rates adjusted for each rate type or land use code to a fair and reasonable average rate charge.

• The Community Wastewater Management Systems (CWMS) charge proposed a rate revenue increase of 2.75% from both the service charge and the rate. The Residential CWMS Service charge increasing from $322 to $331. An annual service charge for vacant land allotments increasing from $55 to $60 for Springton and all other vacant allotments where CWMS is available but not connected increasing from $100 to $105. And the Service rate will also be adjusted to ensure the rate revenue amount is achieved.

• The Waste Collection Service Charge - Domestic Refuse and Recycling service charges are both being decreased for 2018/19; Refuse by 17% to $106 pa (for a 140l bin) and Recycling by 2.75% to $50 pa.

• The new Green Organics Service Charge is still being finalised but the draft budget includes a service charge of $59 pa. (At the Council meeting 17 April 2018 an amount of $59 was provided as an estimated charge).

Outcome:
The rate increase is an average (ie not all ratepayers utilise all Council services and valuation changes are not always similar for every assessment). Council reviewed and commented on the general differential rates which provided the most equitable and fairer average rate increase across the majority of rateable assessments. All other Services charges and rates as proposed were noted.

AB&BP
A zero based operating budget process was applied by the Budget Managers for the 2018/19 draft budget, with the effect that operating income and expenditure are more reflective of service requirements. A preliminary operating result following this process was a surplus of $930k.

LTFP and Financial Indicators
• A draft LTFP for the 2018/19 year showing a comparison to the 2018/19 numbers in the LTFP adopted in June 2017 was prepared to check and provide commentary for significant variances.

• Due to a revaluation and condition assessment of major asset classes, Council officers recommended that an additional depreciation expense amount of $200k is to be included in the draft AB&BP.

• An updated LTFP was presented including TBP operational and capital requirements and a review of key financial indicators (KPIs) to establish targets and commentary on expected results and variances, to check Council’s financial sustainability.

Outcome:
Council noted this information and that officers will include it in the draft AB&BP and LTFP.
A revised preliminary operating result presented from this workshop indicated a surplus of $730k.

**Carried Forward Items**
Items which are also included in the draft AB&BP since the Council workshops for Council to consider at its meeting 15 May 2018 for inclusion/removal are as follows:

- Various capital expenditure of $3.1m which are carried forward items from 2017/18 as included in the Budget Update 2017/18 as at 31 March 2018 - $1.6m (net of capital income).
- Various operating expenditure of $203k which are carried forward items from 2017/18 as included in the Budget Update 2017/18 as at 31 March 2018 - $149k (net of operating income).

**Nuriootpa Centennial Park Authority Board Draft Budget and LTFP**
Given that the 2017/18 NCPA actual results are tracking better than budget, the draft 2018/19 NCPA budget incorporates that improvement.

The NCPA Board approved their draft 2018/19 budget at their meeting on the 21 February 2018 and a revised LTFP on the 21 March 2018.

Since that time, Council officers have updated the NCPA draft LTFP and met with representatives of the NCPA Board, providing further suggestions for inclusion which will be considered at the NCPA board meeting 16 May 2018.

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

- operating income and expenditure
- increase to the electricity budget $5k pa.
- indexation of income reduced from 3% to 2%
- indexation to operating expense materials now applied
- Loans - repayments earlier than previous LTFP including:
  - Council loan of $650k, repaid – 2018/19 - $130k pa for 3 years then $65k pa for 4 years
  - Cash Advance Debenture loan, repayment – 2018/19 - $100k, then yearly amounts in the LTFP.
- Capital Expenditure - increase renewal and upgrade program:
  - 2018/19 - $240k
    - female changerooms $180k (inc. $137k c/fwd from 2017/18),
    - vehicle replacements $35k and,
    - minor works $25k.
  - 2019/20 and 2020/21 - minor renewal
  - 2021/22 to 2022/23 asset replacements $75k pa
  - 2023/24 asset replacements $150k
  - 2024/25 renewal now matches depreciation charge for the remaining years in the LTFP providing for asset replacement
  - 2025/26 to 2027/28 $100k pa for asset new/upgrades in the precinct.

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

**Draft Operating Forecast**
With the inclusion of the NCPA budget amendments and Budget Update 2017/18 as at 31 March 2018 carried forward requests, this results in a reduction to the forecast operating surplus result from $730k to a budget surplus of $572k for the 2018/19 budget year.

**Federal Budget 2018**
The Federal Government Budget announced on 8 May 2018 included:

- Prepayment in 2017/18 for half of the 2018/19 Financial Assistance Grant (FAGS) funding payment (estimated at $674k).
This results in a reduction of the operating result for 2018/19 by that amount and an increase in the operating result in 2017/18.

Note: As Parliament has not yet passed the early FAGS payment, the draft AB&BP will be adjusted during the consultation period.

• As per advice from the Local Government Association:
  o Roads to Recovery (R2R) Program will continue beyond its current expiry date of 30 June 2019 and that funding will be increased by $50 million pa nationally for the financial years 2019/20 and 2020/21 (resulting in annual payments of $400 million nation-wide in those years).
  o A new measure included in the 2018/19 Federal Budget is a continuation of the R2R Program $400 million funding for a further year (2021/22).

• The Barossa Council has exhausted its current R2R allocation and no funding is included in the 2018/19 draft AB&BP. The LTFP includes a funding amount of $328k pa starting from 2019/20 and ongoing for the remaining years. At this stage the LTFP does not include specific transport works for the R2R funding.

• The Supplementary Local Roads Program provided The Barossa Council with $233k pa for the years 2017/18 and 2018/19. There is no mention in the Federal Budget papers about a possible extension of this program beyond 30 June 2019.

• Other Federal Budget 2018 funding infrastructure programs include the bridges, black spot program and sporting grants.

Long Term Financial Plan

• General rate increases are held at 2.5% plus 1% growth.

  If growth does not reach 0.83% for 2018/19 (as at 6 May 2018 growth was at 0.71%), it is proposed that the LTFP General rate revenue indexation is increased in the 2019/20 financial year to replace the growth revenue not received in the 2018/19 year.

  This step is to maintain financial sustainability and meet long term asset plans and service levels as they currently stand as set by Council.

• Other operating income and expenditure indexation for future years in the LTFP has been maintained at low levels to reflect the expected cost of services.

• The discretionary Capital expenditure has been removed for years 2019/20 to 2022/23 and reinstated to $50k for 2023/24 and 2024/25 and $500k per year for the remaining years. This is a result of TBP program over the next four years, with capital expenditure of $33.9m.

• Capital Grants and contributions in this review include estimation for funding allocation for:
  o CWMS developer minor contributions
  o TBP $3.1m in 2018/19, $5.3m in 2019/20, $7.3m in 2020/21 and $3.4m in 2021/22.

• A delay has been made for the purchase of selected plant and equipment expenditure in selected years of the LTFP to remain in a net positive cash position.

  A full analysis of life cycle costs on major plant and equipment will be carried out, with a view to reallocate the program over a longer life cycle and thus generating overall budget savings.

• The Community Wastewater Management Systems (CWMS) service charge ranging from 2.5% to 2.75% pa.

  The future years of the CWMS LTFP is forecasting an operating deficit position, although a reserve is in place which adequately offsets those expected result(s). This draft CWMS LTFP does not currently make provision for the cost of Capital and/or Risk.

• Waste service charges and costs are expected to be increased between 2.25% and 2.5% pa., reflecting the expected cost of providing the service.

Summary and Conclusion

Council to approve the draft AB&BP and annual review of the LTFP for consultation.
Council has reviewed its financial parameters for the LTFP, including the indexation used for forward projections on income and expenditure.

This analysis indicates that Council is currently financially sustainable for the forecast period covered by the LTFP. Noting that with the inclusion of TBP grant funding and loan financing included in the LTFP, Council has the capacity to undertake TBP asset construction, operational costs as well as other minor additional discretionary proposed projects.

Consideration of other major works in future years will require a full review of the LTFP and as required, DDR processes to check financial sustainability.

The adoption of the Budget is due to be held in the last week in June (date to be confirmed).

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

6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

6.4 Ensure that decisions regarding expenditure of Council’s budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.

6.9 Provide access to Council’s plans, policies and processes and communicate with the community in plain English.

6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

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<th>FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS</th>
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<td>Financial</td>
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<td>The adoption of the Budget is required between 1 June and 31 August. To meet this timeline, the adoption of the draft public consultation document preferably should start in May.</td>
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Any potential effect to rate revenue for the proposed State Government “Rate Capping” has not been included in the forward years of this LTFP. It is unknown as to the requirements or changes to rating legislation and what, if any, indexation ceiling will apply.

The indexation applied to General rates in this LTFP has been held at previous year LTFP increments at 2.5%pa plus growth of 1%. The SA Local Government Price Index is 2.9% as at December 2017 and the general consumer price index is 2.3% as at March 2018.

Financial performance is managed using suitable financial indicators and targets. Council’s adopted Targets are:

- **KPI - No. 1** Achieve an operating breakeven position, or better, over any five year period
- **KPI - No. 2** Achieve an operating surplus ratio of between (2%) to 10% over a rolling three year period
- **KPI - No. 4** Net financial liabilities (NFL) ratio is greater than zero but less than 100% of total operating revenue
• KPI - No. 6 Capital outlays on renewing/ replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans over a rolling three year period.

Financial Indicators report for the draft LTFP expected results are:
• KPI No. 1 - The cumulative years 2018/19 to 2022/23 is a surplus position at year five of $1,621k.
• KPI No. 2 - Operating surplus ratios. Council’s expected forecast results are well within the target range, and vary from a deficit (0.2%) to 2.9%.
• KPI No. 4 – Council’s NFL is within the target ranges starting at 38% in 2017/18 peaking at 49.8% in 2021/22 and at 27% by 2027/28.
• KPI No. 6 - the KPI target is being met over the ten year period the average being 82%.

KPI No. 6 – Analysis:
In three individual years in this review, this ratio is below the minimum rate at 68% to 74%. A selection of TBP builds will upgrade and replace a considerable amount of existing assets. These works will need to be identified and then re-assigned as appropriate, to renewal works which will improve this ratio’s outcome. Currently they are all listed as upgrade/new assets.

Planned expenditure from the Infrastructure and Asset Management Plan(s) for the major asset classes has been used, along with updated data for remaining life on selected asset(s) replacements. This has resulted in a more accurate measure for Council’s KPI on asset sustainability. This KPI is assessed to ensure Council provides for replacement/renewal of existing assets as they wear out or are consumed.

COMMUNITY CONSULTATION
The public consultation period will commence from 23 May 2018 and closes on 13 June 2018 at 5pm. Verbal submissions will be considered at a Special Council meeting on 6 June 2018, held at 5.00pm, providing one hour for members of the public to ask questions and make submissions in relation to the AB&BP and annual review of the LTFP. Public submissions will be considered by Council after the consultation period has ended, at the June Council meeting.

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

4. NEXT MEETINGS
Special Council meeting Wednesday 6 June 2018 at 5.00pm
Tuesday 19 June 2018 at 9.00am

5. CLOSURE OF MEETING
Mayor Sloane declared the meeting closed at 10.46am.

Confirmed at Council Meeting – Tuesday 19 June 2018

Date:........................................ Mayor:........................................
9.1 DEBATE AGENDA

9.1.3 QUARTER 3 – 2017/18 PERFORMANCE AND ACTIVITY REPORT
B7455

PURPOSE

RECOMMENDATION
That the Quarter 3 – 2017/18 Performance and Activity Report be received and noted.

REPORT

Background
Since November 2016, Council and the Audit Committee have been presented with Quarterly Performance Reports on measures adopted within the Corporate Plan.

Introduction
The Barossa Council Quarter 3 – 2017/18 Performance and Activity Report (attached) provides performance results against Corporate Plan measures as at 31 March 2018. The report also includes a suite of activity measures, providing a snapshot of activity undertaken over the quarter in the delivery of key internal and external Council services under each Community Plan Theme.

Discussion
During the third quarter, operational use of Council’s holistic enterprise level strategic planning and reporting software (Magiq) has continued. The solution has allowed better access to a broader range of data and improved the efficiency and effectiveness of data analysis in preparing reports during 2017/18.

With the ongoing implementation of Magiq Software, officers are continuing to refine counting rules and formulas for the extraction and analysis of data, which may result in the revision of previously reported results where the data has been refined or cleansed. Where this is the case, the report will include a disclaimer regarding the nature of any changes implemented and its impact on the data.

Additionally, where justification exists, performance targets may be amended to reflect a more realistic figure. As above, where this is the case, the report will include an explanation of the nature of and justification for any changes implemented and its impact on the data.
Overall, it is anticipated that comparison data reported will become more longitudinal as the reporting system grows and allow the representation of trends over time. It is anticipated that this will facilitate an increase in evidence based strategic policy decision making by Council and the executive team.

**ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

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**FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**

Current resources are sufficient to provide ongoing quarterly reporting.

**COMMUNITY CONSULTATION**

Community consultation is not required under the Act or Council’s Public Consultation Policy.
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Waste Disposal Rate
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Operating Surplus/(Deficit) Ratio 36
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Net Financial Liabilities Ratio 37
Result within target range for 2016/17.

Customer Request Completion Rate 38
Quarter 3 target met.

Customer Request Resolution Rate 39
Quarter 3 target not met.
Operational Expenditure Against Budget  
Quarter 3 target not met.

Capital Expenditure Against Budget  
Quarter 3 target not met.

Organisational Culture Improvement  
Primarily a constructive result from the October 2016 OCI/OEI Employee survey. All Defensive styles are below the 50th percentile ring, and two Constructive styles are at or above the 50th percentile ring, which is desirable.

Staff Development - Training  
Target met.

Staff Development – Performance Partnering  
Target not met.

Staff Retention  
Target not met.

Activity Snapshot

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**legend**

- Target not met
- Target at risk or not improving
- Heading toward target or progress acceptable
- Target achieved
Theme 1 – Natural & Built Heritage

Building Rules Consent Processing

The percentage of Building Rules Consent Applications completed within three months of lodgement

Quarter 3 target missed by 6.11% with 83.89% of building rules consents due completed on time.

RESULTS

INTERPRETATION

This measure is a lag indicator, with data reported on requests completed within the nominated timeframe based on lodgment date within the previous quarter.

The activity data presented on page 8 of this report provides a snapshot of actual applications approved, both on time and overdue during the third quarter.

The March quarter result shows that 83.89% of Building Rules Consents were completed within three months of lodgment during the period, a slight increase from Quarter 2 (82.84%), however still an overall reduction compared to Quarter 1 (95.18%).
RESPONSE

Whilst the current result remains close to the nominated target, the measure cannot account for resource limitations which occurred during this quarter. Notwithstanding, continuous improvement investigations of the 6.11% of applications that did not meet the target are expected to yield more specific information that will assist in identifying process and procedural improvements.

These issues will be investigated and addressed under Council’s ongoing change program during 2018/19.
Planning Consent Processing

The percentage of Planning Consent Applications completed within three months of lodgement

Quarter 3 target not met with 62.04% of planning consents due completed on time.

RESULTS

INTERPRETATION

This measure is a lag indicator, with data reported on requests completed within the nominated timeframe based on lodgment date within the previous quarter.

The activity data presented on page 8 of this report provides a snapshot of actual applications approved, both on time and overdue during the third quarter.

The March quarter result shows that 62.04% of Planning Consents were completed within three months of lodgment during the period, a significant reduction when compared to 82.29% in Quarter 2 and 87.41% in Quarter 1.

RESPONSE

To assist in identifying process and procedural performance elements it would be necessary to review actual applications which were used to determine the percentage completed within three months of lodgement.
A review would initially examine the 37.96% which the results indicate exceeded 90 days and would seek to identify the specific rationale for any delays or potential reporting inaccuracies. This approach in turn would assist with identifying and deploying necessary improvements.

These issues will be investigated and addressed under Council’s ongoing change program during 2018/19.
Activity Snapshot

Development Applications

Development Applications Activity - Quarter 3

- **147** (583 YTD) Applications lodged
- **62** (314 YTD) Applications approved
- **127** (431 YTD) Planning consents issued
- **151** (522 YTD) Building Rules Consents Issued
- **$23,034,257** ($100,107,443 YTD) Aggregated estimated value of applications lodged

**Applications Approved Per Development Type - Quarter 3**

- Residential: 102
- Industrial: 9
- Commercial: 3
- Public & Institutional: 0

**Est.Value of Applications Approved Per Development Type - Quarter 3**

- $587,54K
- $285K
- $24,002,395M

**Number of Development Applications Lodged by Category - Quarter 3**

- Sch 1A Bid Rules Consent Only
- Sch 4 Complying
- Sch 4 Res Code Complying
- Merit
- Non-Complying

**Number of Applications Approved by Category - Quarter 3**

- Sch 1A Bid Rules Consent Only
- Sch 4 Complying
- Sch 4 Res Code Complying
- Merit
- Non-Complying

**Median Number of Days for Applications to be Approved**

- Number of Days
  - Sch 1A Building Rules Consent Only
  - Sch 4 Res Code Complying
  - Merit - Cat 1 Dev
  - Merit - Cat 2 Dev
  - Merit - Cat 3 Dev
Building Rules Consent

Percentage of Building Rules Consents Received from Private Certifiers - YTD 2017-18

47%
Theme 2 – Community & Culture

Library Visits

The number of library visits and participation within the Barossa Council Area

Target exceeded for the past five financial years

RESULTS

Library Visits Per Capita

![Bar Chart showing library visits per capita from 2012/13 to 2016/17]

INTERPRETATION

Annual Measure - Library visits continue to increase due to the diverse range of activities and uses of the library including regular borrowing, internet and Wifi access for homework, job seekers, printing and family history. Regular events increase library visitor numbers, with 10,139 participants recorded across 751 library events during 2016/17. Events included author talks, story times and children’s programs, health events, book clubs, book week activities, scrabble, mah-jong, chess, writers groups, craft, art and writing groups.

RESPONSE

No response required.
Mutual Liability Claims

Number of successful Mutual Liability Claims against Council

Target consistently met with one successful claim per annum for the past four years

RESULTS

Mutual Liability Claims

![Bar Chart]

INTERPRETATION

Annual Measure - Effective reporting and claims management over the 2016/17 year resulted in the closeout of 14 Mutual Liability Claims with one successful claim costing Council $2,500.

There has been an improvement with the way Council’s Risk Information and Insurance claims are reported to the Scheme with the Local Government Risk Services (LGRS) Members Centre being brought online during 2016/17. The Members Centre replaces the LGRS Website and is an “Interactive Knowledge Hub” for all of Council’s risk and insurance needs and has provided a more efficient and secure reporting of all Council’s injury and Insurance incidents.

RESPONSE

No response required.
Activity Snapshot

Community Assistance Grants

Grants Activity - Quarter 3 Results

- 8 (42 YTD) Applications Received
- 7 (39 YTD) Applications Approved
- $1,450 ($25,040) Grant Funds Approved

Value of Grant Funds Approved

Quarter 3 - Event Applications Approved

Volunteer Management

Volunteer Activity - Quarter 3

- 348 Registered Council Volunteers as at 31 March 2018
- 4658 (YTD) Council Volunteer Hours
- 126 (459 YTD) Flyers Provided to Prospective Volunteers
- 59 (144 YTD) Visitors to Volunteer Resource Centre
- 62 (131 YTD) Phone Calls to Volunteer Resource Centre

Registered Volunteers - Mar 2018

Regional Gallery

Gallery Activity - Quarter 3

- 4 Community Events
- 1037 Visitors
- $11,054 Value of Items Sold
* The above charts do not represent Council’s full volunteering profile, with additional volunteers currently contributing to the Barossa Bushgardens, community committees and other programs which don’t currently formally collect volunteer data.
Theme 3 – Infrastructure

Asset Sustainability

Ratio of Capital expenditure on renewal or replacement of assets for a period compared to the optimal level of such expenditure proposed in a Council’s Infrastructure and Asset Management Plan.

Target not met for 2016/17.

RESULTS

Asset Sustainability Ratio

INTERPRETATION

Annual Measure – The Asset Sustainability Ratio is now using planned expenditure data from the Councils Infrastructure and Asset Management Plans (IAMP). Council IAMP’s have been revised - where information on planned expenditure has not been included depreciation for that asset class/portfolio has been included. For the 2016-17 actual results an amount of $6,971k has been used for this calculation for planned expenditure.

The 2016/17 actual result was $4,057K/$6,971K or a ratio of 58.2% and the rolling three year average stands at 62.22, both well below the target range of 80% to 110%. As was the case in 2015/16, the low ratio can again be attributed to the fact that the Capital Expenditure Program was not completed in 2016/17, resulting in reduced expenditure on renewal/replacement.
Note: the original budget for 2016/17 was for an asset sustainability ratio of 101%, however the March 2017 budget update reduced the budgeted ratio to 75%.

**RESPONSE**

The 2017/18 capital program includes $3.8M in carry-overs from the 2016/17 capital program which was underspent by 45%. It is anticipated that the delivery of these carryovers, along with the base 2017/18 capital program, will improve this year’s asset sustainability ratio, along with the rolling three year average. Note: the 2017/18 revised forecast is for an asset sustainability ratio of 91%.
Asset Spending Ratio

Ratio of asset expenditure on renewal, replacement and upgraded assets and maintenance on assets.

2016/17 target achieved.

RESULTS

Asset Spending (Renewal & Upgrade) Compared to Depreciation and Target Maintenance

INTERPRETATION

Annual Measure – Due to a revision of the counting methodology for this measure, the upper target range has been amended from 130% to 150% to reflect the capturing of a broader subset of expenditure relevant to the maintenance of assets. The 2016/17 result shows the ratio of expenditure on renewal, replacement and upgraded assets plus maintenance expenditure on assets within the target range. Analysis of expenditure over a three year period also shows performance within the target range. The asset spending ratio is however on a downward trend, which is directly linked to capital project performance.

RESPONSE

The downward trend in the asset spending ratio is being addressed primarily by the Works and Engineering Services Directorate via better forward planning and it is expected improved performance in the delivery of capital projects will see this trend addressed.
Activity Snapshot

Traffic, Road & Footpath Management

Footpath Maintenance Activity - Quarter 3

- 9 Reports Relating to Trip Hazards
  On Council Footpaths - 17 YTD
- 39 Reports Regarding Footpath Maintenance
  Compared to 28 during the same period in 2016/17
- 2 Reports of Injuries Sustained
  On Council Footpaths Compared to 4 in Quarter 3 - 2016/17

Traffic & Road Activity - Quarter 3

- 39 Requests for Street Sweeping
  53 YTD - which is 11 less than the same period in 2016/17
- 12 Requests for Repairs to Unsealed Roads
  There has been a 64% reduction YTD compared to 2016/17
- 2 Requests for Repairs to Sealed Roads
  3 less than the same period in 2016/17
- 2 Requests for Repairs to Road Shoulders & Edges
  There has been a 68% reduction YTD compared to 2016/17
- 26 Requests for Grading of Council Roads
  There has been a 32% reduction YTD compared to 2016/17
- 13 Reports Regarding Potholes
  One less report than the number received during the third quarter of 2016/17

Cemetery Management

Cemetery Enquiries

- Repairs - Unsealed Roads
- Repairs - Sealed Roads
- Repairs - Road Shoulders & Edges
- Grading
- Potholes
Parks, Gardens & Reserves Maintenance

Requests for Parks, Gardens & Reserves Maintenance - Quarter 3

- **25 Requests for Parks, Gardens or Reserves Maintenance (78 YTD)**
  - A 28% reduction YTD compared to the same period in 2016/17

- **21 Requests for Playground Maintenance**
  - A 39% increase YTD compared to the same period in 2016/17

Community Facility Management

Community Facility Lease & Licensing - Quarter 3

- *The above data does not represent Council’s full lease and licensing obligations as it only includes those leases and licenses currently managed within Pathway.*

Rex Usage - Quarter 3

- **52,057**
  - Centre Attendances

- **26**
  - Pool Closures

- **$80,064**
  - Centre Revenue
Theme 4 – Health & Wellbeing

Nuisance and Environmental Complaint Resolution Rate

Percentage resolved within due date.

Target not met however improvement in performance recorded during Quarter 3 compared to Quarter 2.

RESULTS

Nuisance & Environmental Complaint Resolution

INTERPRETATION

The second quarter saw an improvement in both the percentage of nuisance and environmental requests completed within the nominated due date (58.82%) and the overall number of requests completed both on time and overdue (80.54%), however this result is still well below the nominated target. The slight improvement seen above is likely due to the commencement of an additional General Inspector and Environmental Health Officer during the third quarter, increasing the capacity in this space. It is anticipated that response times will improve as the new officer’s knowledge and experience increases.

In addition to the increasing demand for these services; Council will be impacted by the introduction of two new functions.

As part of the agreement to develop the Warren Reservoir into a recreational fishing, kayaking and tourist destination; staff identified an initial increase in workload and requests for service in relation to the agreed compliance and regulatory functions as well as necessary inspections. Ongoing compliance work and inspections will need to be undertaken, predominately after hours.
The State Government has also introduced legislative changes which requires Council to develop guidelines, issue approvals and undertake necessary compliance inspections in relation to the operation of mobile food vendors or ‘Food Trucks’. This will see a further increase in workload and requests for service. The impacts of these additional functions will need to be monitored closely.

The ongoing inability to meet the nominated target is an indicator of the increasing demand for these services and can largely be attributed to the introduction of the Local Nuisance and Litter Control Act 2016, which saw Councils take on a new regulatory role in littering from 1 February 2017 and a new role in regulating local nuisances from 1 July 2017. Between 1 July and 31 March 2018, there were a total of 136 requests across the Local Nuisance and Litter Control request types.

In addition to these new requests, Council data shows an increase in the number of Animal request types compared to the same period in the previous two financial years, as seen below. This is likely due to a change in processing methodology to accurately capture customer requests, such as change of dog ownership details directly into the Customer Request Management system (Pathway) for accurate record keeping.

### RESPONSE

The increased staffing capacity in both Regulatory Services and Health Services is expected to improve response times, particularly over time as the knowledge, experience and capacity of these new officers develops.

It is expected that increasing implementation of smart mobile applications will streamline and improve the customer service resolution process for staff. These processing efficiencies will need to be realised to improve both service delivery and the ability for staff to updated actions and customer requests, to ensure the future achievement of complaint resolution targets despite growing request numbers.
With a focus on continuous improvement, administrative processes will continue to be monitored, refined and improved. The work being undertaken as part of the review of services levels will be important in the context of this report.
Waste Disposal Rate

Percentage of waste disposed to landfill

Progressing towards target of < 60.8% with a total of 65% of waste disposed to landfill.

RESULTS

Waste Disposal Rate

INTERPRETATION

During May and June 2017 the community was consulted on a number of new options for waste collection service to encourage diversion of rubbish from landfill to composting and recycling. Feedback received from the community indicated a strong preference for the continuation of current waste collection arrangements and on this basis Council resolved to maintain existing service levels. As a result of this clarification of community commitment to diversion of waste from landfill, the previous target of a maximum of 54% waste disposed to landfill (based on the state average) has been amended to a more realistic target of a 10% improvement against the previous year’s result for 2017/18 (ie a target of 60.8%).

During the third quarter for 2017/18, Council recorded a waste to landfill rate of 65%, falling 4.2% short of the 2017/18 target. This result is 1% higher than the result achieved in March 2017, with very little positive movement achieved in waste disposal rates since September 2016.

The third quarter result translates to 1404 tonnes of rubbish, which is actually a slight reduction compared to the tonnes collected during the same period in 2016/17 (1429). Overall, Council has seen a year to date reduction of 302 tonnes of rubbish compared to the same period in 2016/17. So despite falling short of the targeted waste disposal rate, the actual tonnes of waste being diverted to landfill has reduced.
RESPONSE

The current waste and recycling collection service contract is due to expire in June 2018. In the first half of 2017/18 Council participated in a regional tender for disposal services via the Barossa Regional Procurement Group and selected Solo to deliver waste management services from July 2018. Under the new agreement, Council will continue to offer rubbish, recycling and green waste collection services and will promote the ongoing diversion of waste from landfill to recycling and recovery.

Council is also currently developing a Waste Management Strategy to guide its approach in offering alternative waste management options for e-waste and soft plastic and for encouraging a reduction of waste disposed to landfill and increase in recycling and organics disposal.

In preparation for the new waste contract, Council released for consultation a new Waste Management Services Policy, which defines Council’s role as a waste and recycling service provider. The policy was endorsed by Council on 26 April 2018.

As part of the roll out of the new service, Council also commenced a campaign to encourage residents to take the challenge to Waste Less, Recycle More. This message will be featured strongly in the lead up to the new contract and beyond. The new trucks and bins will also display the message. Over time, it is hoped that this campaign will result in a reduction in the amount of waste put to landfill.
Recycling Rate

Percentage of waste recycled

Progressing towards target of > 39.2% with 35% of waste recycled during Quarter 3.

RESULTS

Recycling Rate

INTERPRETATION

During May and June 2017 the community was consulted on a number of new options for waste collection service to encourage diversion of rubbish from landfill to composting and recycling. Feedback received from the community indicated a strong preference for the continuation of current waste collection arrangements and on this basis Council resolved to maintain existing service levels. As a result of this clarification of community commitment to diversion of waste from landfill and recycling, the previous target of a minimum of 46% of waste recycled (as per the state rural average) has been amended to a more realistic target of a 10% improvement against the previous year’s result for 2017/18 (ie a target of 39.2%).

Recycling statistics consist of both co-mingled recycling collected via Council’s yellow lidded bins and organic material collected via the currently voluntary green lidded bin green waste collection service.

During the third quarter for 2017/18, Council recorded a recycling rate of 35% (24% yellow lidded waste and 11% green waste) which is 4.2% short of the 2017/18 target.

The third quarter result translates to 540 tonnes of yellow lidded recycling and 228 tonnes of green waste, which represents a slight decrease for both streams of waste compared to the tonnes collected during the same period in 2016/17 (yellow – 554 and green - 266). However overall, Council has seen a slight year to date increase of 36 tonnes of comingled recycling compared to the same period in 2016/17. So despite falling short of
the targeted recycling rate, the actual tonnes of waste being diverted away from landfill has increased.

**RESPONSE**

The current waste and recycling collection service contract is due to expire in June 2018. In the first half of 2017/18 Council participated in a regional tender for disposal services via the Barossa Regional Procurement Group and selected Solo to deliver waste management services from July 2018. Under the new agreement, Council will continue to offer rubbish, recycling and green waste collection services and will promote the ongoing diversion of waste from landfill to recycling and recovery.

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At the beginning of January, China banned foreign waste imports, including waste paper, textiles, plastics and certain types of metals. This ban is likely to force waste companies to stockpile recycling waste, or send it to landfill. There are strong calls on both Federal and State Governments to assist in creating new markets for recycled waste in Australia, and provide a ‘relief package’ for local government to offset potential increases in recycling costs. While NAWMA have already increased the recycling sorting charge, the new waste contract has provided Council with a buffer to this initial increase.

Notwithstanding the China situation, Council should continue to promote recycling, including green organics. The average garbage bin contains 60% organic material waste. The bulk of which is food (40%) and garden waste (20%). The introduction of green organic bins as part of the new waste service will go a long way to achieving our target to reduce waste to landfill in the household sector.
**Activity Snapshot**

**Animal Management**

**Dog Management Activity**

*Note* – large increase in Jan-Mar 2018 was due to 66 reports relating to wasps.

**Waste Management**

**Waste Activity - Quarter 3**

- **1,404 Tonnes of Landfill Waste**
  This accounts for 65% of all waste collected compared to 64% during the same period in 2016/17
- **540 Tonnes of Recycling**
  15 tonnes of recycling less than the same period in 2016/17
- **228 Tonnes of Organic Waste**
  38 tonnes of green waste less than the same period in 2016/17

*Note* – overall recycling rate reported on page 24 includes both recycling and green waste as recyclable materials diverted from landfill.
**Community Transport**

**Community Transport Activity - Quarter 3**

- **265 Individual Clients Provided with Car Transport**
  - An average of 22 clients per week over the quarter
- **1,047 One Way Client Trips**
  - Equals 87.25 trips per week
- **320 One Way Carer Trips**
  - Equal to 26 carer trips per week
- **308 Car Trips**
  - Equal to approximately 5 trips per day
- **61,247 Kilometers Travelled**
  - Equivalent to just under 1 and a half laps of the earth
- **108 Disability Access Cab Trips**
  - Equal to 9 trips per week
- **314 Shopping Bus Client Trips**
  - Delivered over 23 occasions

**Home Assist**

**Quarter 3 Activity**

- **1400 Total Hours of Support**
- **315 Clients Assisted**
- **695 Domestic Assistance Hours**
- **659 Home Maintenance Hours**
- **46 Shopping & Individual Social Support Hours**

**Home Assist Services Breakdown**

![Home Assist Services Graph]

**Tree Management**

**Quarter 3 Results**

- **81 Tree Inspections Requested**
  - (171 YTD)
  - A reduction of 15 YTD compared to the same period in 2016/17
- **42 Reports Relating to Fallen Trees & Limbs**
  - (106 YTD)
  - A reduction of 66% (206 less reports YTD) compared to the same period in 2016/17
Tree Management Cont.

Tree Management Activity

Reports Relating to Fallen Trees & Limbs - YTD

Fuel Reduction Inspections
2017/18 YTD Activity

- 100 Rural Inspections
- 433 Township Inspections
- 87 Follow Up Rural Inspections
- 289 Follow Up Township Inspections

Note – the above inspections do not reflect the full number of inspections undertaken – only those property inspections of compliance interest due a previous or current inspection failure are recorded within Council’s inspection system.

Parking Complaints

Parking Complaints

Pool Safety

Private Pool Inspections

Waste Water

Quarter 3 Result

- 47 Waste Water Applications

Compared to 41 during the same period in 2016/17
Theme 5 – Business & Employment

Tourism Customer Satisfaction with Visitor Information Services

Average Customer Satisfaction Rating

Target met for Quarter 3 with an average rating of good.

RESULTS

Tourism Customer Satisfaction with Visitor Information Services

INTERPRETATION

Whilst the results show that the target rating of 4 continues to be achieved, demonstrating that on average customers rate the customer service at the Visitor Information Centre as very good, it should be noted that these averages are drawn from a relatively low number of ratings (23 YTD in 2017/18 and 52 across 2016/17) compared to the total number of customers served – there were 57,310 visitors to the Tanunda Visitor Center during the first three quarters of 2017/18. On this basis, the data is not considered representative of the customer base and should be interpreted conservatively.

RESPONSE

The Tourism Services team will continue to explore opportunities to encourage customers to provide feedback on their satisfaction with services provided. A range of web-based and social media tools will be utilised to engage customers.
Visitor Information Centre Bookings

Annual Booking Revenue (Accommodation/Tours/Tickets)

RESULTS

Visitor Information Centre Booking Revenue for Accommodation/Tickets & Tours

INTERPRETATION

The Barossa Visitor Centre reported very strong growth following the release of the ‘Barossa Be Consumed’ Campaign in May 2013 with enquiries and sales growing strongly year on year. The ‘Barossa Be Consumed’ campaign began to wind down at the end of 2015 and was completed by 30 June 2016.

Enquiries and sales have slowed down since January 2016, but remain strong when compared to results prior to the ‘be consumed’ campaign. The booking revenue result for the first quarter of 2017/18 was its strongest since March 2016, with $206,593 in bookings, however Quarter 2 saw a reduction in revenue back to $143,283 and quarter 3 showed a further reduction to $137,446.

Overall a number of external factors continue to impact sales performance. These include strong and aggressive competition for our booking site from Air BnB, Bookings.com, wotif, Expedia, stayz, Trip Advisor etc. Many of these international companies spend billions of dollars in google advertising and digital marketing to ensure their websites are within the top 3 search results. Barossa.com has in fact seen an overall decline in visitation as a result.

RESPONSE

No response required.
Cycle Hub – Bike Hire Revenue

Annual Sales Revenue

**Continued consistent growth in revenue.**

**RESULTS**

- **Cycle Hub - Bike Hire Revenue**

![Bar graph showing quarterly and annual bike hire revenue]

**INTERPRETATION**

Since the introduction of bike hire during the Christmas period 2014, bike hire revenue has increased consistently. The opening of the Barossa Cycle Hub in January 2015 saw a large increase in hire revenue with 374 bikes hired during 2014/15 ($13,070 in revenue), 873 bikes hired in 2015/16 ($30,505 in revenue) and 884 bikes hired during 2016/17 ($32,460 in revenue).

During the third quarter for 2017/18, only 92 bikes were hired and 317 Cycle Hub enquiries were received (compared to 759 in Q2 and 662 in Q1). This translated into a slight reduction in quarterly revenue from bike hire fees to $7,068 compared to $9,899 in the second quarter.

In addition to the revenue being generated by this initiative, Council’s ongoing investment and service delivery in cycling creates strong destination awareness of the Barossa leading to greater visitor yield and length of stay.

**RESPONSE**

No response required.
Activity Snapshot

Visitor Information Centre & Cycle Hub

Cycle Hub & Visitor Information Centre Activity - Quarter 3

- 25,502 Visitors to the Tanunda Visitor Information Centre
- 1,678 Interstate Visitors
- 460 International Visitors
- 12,874 Visitor Enquiries
- 1,377 Tour, Accommodation & Ticket Bookings
- 1,233 Merchandise Sales Transactions
- 92 Bikes Hired
- 317 Cycle Hub - Bike Enquiries

Value of Visitor Information Centre Sales - Quarter 3

- $24,408 Merchandise
- $10,155 Accommodation
- $5,065 Events
- $3,082.66 Sealink
- $860.83 Bookeasy Online
- $5,798.26 Tours
How We Work – Good Governance

LGA KPI Audit Action Plan

Percentage of KPI Audit Actions Complete

<table>
<thead>
<tr>
<th>2016/17 Target</th>
<th>Met Following Extension of Due Date</th>
</tr>
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RESULTS

LGA KPI Audit Action Plan Completion

INTERPRETATION

Annual Measure - Target exceeded in 2015/16 and 2013/14 with 100% close out of actions. The target was missed in 2014-15 due to the non-completion of 3 of the 27 actions required under the LGA KPI Audit. In 2016/17, due to staff turnover and associated resource impacts, Council only completed 5 of the 10 actions required, resulting in a KPI completion rate of just 50% which is well below the 90% target. An extension was sought and granted by the LGA for the completion of the KPI actions by 31 October 2017.

As anticipated, the KPI Audit Action Plan completion rate improved to 91% following verification of completed actions as at the end of October.

RESPONSE

Council is currently developing the KPI Action Plan for 2018 in consultation with the LGA’s Regional Risk Coordinator.
**LGA Risk Review**

Percentage risk review conformance

*Biennial Measure - 2016/17 result deferred to July 2018.*

**RESULTS**

**LGA Risk Review Outcome**

![Graph showing risk review conformance from 2012-13 to 2015-16.]

**INTERPRETATION**

Biennial Measure – Due to a change in assessment methodology, the LGAWCS/LGAMLS Risk Evaluation process will now combine corporate risk and work health safety. This Risk Evaluation shall occur yearly but for only 50% of Councils. The Barossa Council is scheduled for 2018. In the meantime, The Barossa Council is continuing to develop its corporate risk profile including closing out its outstanding Risk Review actions.

**RESPONSE**

Council will continue to work on overall risk based conformance and implementation of the Risk Review Action Plan.
Operating Surplus/(Deficit) Ratio

Operating surplus (deficit) expressed as a percentage of operating income

Result within target range for 2016/17.

RESULTS

INTERPRETATION

Annual Measure – During 2016/17 actual operating surplus increased against budgeted surplus as a result of unexpected income late in the financial year and decreases to expenditure, including energy, fuel and materials costs. Despite this variance, the overall result was within the target range, showing a favorable result.

RESPONSE

No response required.
Net Financial Liabilities Ratio

Net financial liabilities at the end of the financial year as a percentage of operating income for the year

Result within target range for 2016/17.

RESULTS

INTERPRETATION

Annual Measure – Whilst Actual Net Liabilities for 2016-17 was within the targeted range, the result was below budgeted Net Financial Liabilities due to larger than anticipated carry overs of projects and budgeted expenditure from the 2016-17 financial year into the 2017-18 financial as well as better than anticipated operating revenue and expenditure results previously reported to Council at its October 2017 meeting, as part of the financial results performance report for the 2016-17 financial year. The net result is Council had significantly more cash on hand at 30 June 2017 than originally forecast which effectively offset debt levels resulting in a lower net financial liability result.

RESPONSE

The difference between budgeted and actual net financial liabilities is being addressed through improved capital project performance outcomes.
Customer Request Completion Rate

Percentage of Customer Requests Completed (On Time and Overdue)

RESULTS

Customer Request Completion Rate

INTERPRETATION

The March 2018 Quarter saw a 95.94% request completion rate, exceeding the target of 85%. This measure is calculated using the number of requests completed year to date (regardless of when they were logged or due) versus the number of requests due for the same period. As a result, as seen in the first quarter, it is possible for the number of requests completed during the period (2649) to exceed the number logged (2579).

RESPONSE

During 2017/18 Council has focused on the improvement of customer request response times, particularly in relation to analysing duplication of effort both within and across directorates and focusing on administrative process optimisation within the customer service supply chain. The implementation of Pathway Smart Mobile applications under Council’s Change Program will be a key strategy in improving the customer request completion rate by introducing greater mobility to Council’s customer request management system and allowing officers to complete requests in real time out in the field.
**Customer Request Resolution Rate**

Percentage of Customer Requests Resolved on Time

| Quarter 3 target not met. |

**RESULTS**

**Customer Request Resolution Rate**

![Resolution Rate vs Target](chart)

**INTERPRETATION**

The targeted resolution rate was not met again for the third quarter, with only 67.61% of requests completed by the due date, however there was a continued general overall improvement in the customer resolution rate compared to the past two financial years. This result has been achieved despite a continued increase in the number of requests lodged per quarter as demonstrated in the chart on page 39. The chart shows that the number of requests received per quarter is continuing to grow, with 2,701 requests received for the period in March 2018 compared to 1,870 in March 2016.
The March quarter has continued the trend of a much higher number of requests received for the quarter compared to 2016/17. This increase is a direct reflection of a change in Council’s customer request processing methodology and use of supporting corporate systems, whereby the organisation is transitioning to all requests being managed end to end in Council’s customer request management system rather than multiple systems. This has meant that whilst request numbers appear to have increased significantly, workload has not necessarily increased across some key request types, it is now just recorded and measured in a central location. Previously a significant portion of the organisation’s work was unable to be measured or quantified. The impact of this change can be seen in increased activity associated with processing of Council rates and dog registrations, with 419 requests for change of dog registration details YTD (compared to 244 during the same period in 2016/17 and 66 in 2015/16); 539 requests for change of owner YTD and none in previous years; and 757 requests for changes to Council’s name and address register YTD (572 YTD in 2016/17 and 404 in 2015/16).

A refresh of request completion data as part of Council’s holistic reporting project has shown that the number of requests completed or being closed out each quarter has also risen in the past year (rising from approximately 1700 per quarter throughout 2015 to in excess of 2500 per quarter since June 2017). It is understood that the above results are likely due to sustained effort to address the non-close out of customer requests in Council’s Electronic Customer Request Management System even though they have been completed outside of the electronic system.

**RESPONSE**

As identified in the previous measure, key strategic projects currently being implemented to address customer request close out issues, to identify system and administrative process improvements and the review of customer service methodologies more broadly, and the implementation of Pathway Smart Mobile applications will result in continued progress towards achieving the nominated target.
Operational Expenditure Against Budget

Actual Operating Expenditure as a % of Budgeted Operating Expenditure

| Quarter 3 target not met. |

RESULTS

INTERPRETATION

As at 31 March, 91.56% of the quarterly operational budget had been spent. There are many timing issues between expenditure and anticipated budgeted expenses within this variation that are significant and have had a major impact on the Quarter 3 result.

RESPONSE

Officers will continue to monitor operational budget and service performance.
Capital Expenditure Against Budget

Actual Capital Expenditure as a percentage of Budgeted Capital Expenditure

Quarter 3 target not met.

RESULTS

As at 31 March 2018, 41.84% of the $14,247,000 capital budget had been spent with 62% of Works & Engineering capital works projects having commenced and 89% of Corporate & Community Services capital works projects having been completed (10) or commenced (6).

Work continues to complete and deliver the capital works programme during the final quarter noting there is a lag between reporting and performance. There are a further $1.7M in commitments that are expected to be delivered during quarter 4 plus a further $1M for footpath construction that is yet to be recognised as a commitment and expected to commence prior to end of financial year.

The March quarter will be followed by quarter three proposed budget adjustments which are not recognised in the performance results above, for example the Tanunda Recreational Park early works will be delayed pending results of the Regional Growth Fund ($900k) plus large capital works such as Carrara Hill road intersection upgrade ($500k) have also been deferred pending results of HVSPP federal funding.
RESPONSE

An additional, temporary, capital works resource has been appointed within the Works and Engineering Services team to assist in delivery of the 2017/18 program. This role is fully funded from the capital works programme.

Unfortunately, Works and Engineering have recently lost a project delivery resource through a resignation and are actively recruiting to backfill.

It is expected that final quarter performance will increase with greater on-ground delivery resources.
Organisational Culture Improvement

Percentage percentile shift in the culture survey results to an organisation of progressively improving achievement and self-actualising styles of operation

Primarily a constructive result from the October 2016 OCI/OEI Employee survey. All Defensive styles are below the 50\textsuperscript{th} percentile ring, and two Constructive styles are at or above the 50\textsuperscript{th} percentile ring, which is desirable.

RESULTS

INTERPRETATION

Biennial Measure - Whilst the results from the 2016 Culture survey are steady, with some improvements in causal factor results (from the Organisational Effectiveness Inventory (OEI)), the most striking difference between the 2014 survey and the 2016 survey is the increased response rate, at around 25%. This is a very positive indicator as it demonstrates an increased willingness to engage in organisational improvement.

RESPONSE

Each directorate has reviewed their individual results and formulated an action plan to address areas of improvement identified.
Staff Development - Training

Percentage of staff with an approved training needs analysis

<table>
<thead>
<tr>
<th>Target met</th>
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**RESULTS**

Staff Development - Training Needs Analysis

**INTERPRETATION**

Annual Measure - All employees have an individual training plan which is scheduled for review on a 12-month cycle. Generally, most plans require only small changes to keep up-to-date. During 2016/17 the Organisational Development/Human Resources team delayed the Training Needs Analysis (TNA) review activity pending the establishment of a new competency based Model using Skytrust. As a result, the 2016/17 percentage of staff with an up to date TNA equals 0%.

Council recently implemented an online system (Skytrust) for managing staff competencies, TNA’s and training records. As a result, during the first quarter for 2017/18, 132 TNA’s were completed and an additional 18 were completed during quarter 2, resulting in an improvement in the rate of staff with an approved Training Needs Analysis to 94% as at 31 December 2017.

**RESPONSE**

No response required.
Staff Development – Performance Partnering

Percentage of staff who have completed performance partnering

| Target not met |

RESULTS

Staff Development - Performance Partnering

![Bar graph showing performance partnering completion rates from 2013/14 to 2017/18]

INTERPRETATION

Annual Measure – Council has achieved a performance partnering completion rate of 50% year to date for 2017/18. Performance partnering workbooks were due to be completed by the end of March 2018.

RESPONSE

Council’s poor performance partnering completion rate has resulted in a review of the Performance Partnering workbook template and methodology. The new workbook was rolled out during the 2017/18 performance partnering review cycle and resulted in a slight improvement in the completion rate within the nominated due date, however there are still a significant percentage of outstanding workbooks which managers are working to address by 30 June 2018.
Staff Retention

Percentage of employees retained

Target not met.

RESULTS

Annual Measure – During 2016/17, Council recorded a retention rate of 89%, falling just short of the targeted 90% which equates to only 1 additional vacancy. This result continues the trend of an overall decline in retention of staff over the past four financial years.

Turnover in 2016/17 occurred due to natural attrition, retirements and cessation of fixed term contracts. We have also seen increasing competition for skilled workers in the planning and building fields, resulting in the movement of staff within the industry.

High retention rates occur when employers consider the needs of employees and develop and implement mechanisms which serve to engage them.

RESPONSE

Council continues to support the retention of staff through the development and implementation of contemporary organisational development and human resource management practices.
Activity Snapshot

Rate Management

Rate Activity - Quarter 3

- 13,456 Number of Rateable Properties
- $5,195,504,800 Value of Rateable Properties
- 0.32% Rate Enquiry & Adjustment Request Rate

Rate Enquiries

Searches Completed on Time

- 79.48% Searches Completed On Time

Search Process Turnaround Time

- Average Turnaround Time = 5 Days

Council Decision Making

Council Decisions - Quarter 3

- 75 Decisions made at Council meetings
- 5.33% Decisions made at meetings closed to the public

Elected Member Attendance - Quarter 3

- 91.6% Elected Member Council Meeting Attendance Rate

Local Government Records Searches

Local Government Search Requests Vs Completions

Procurement

Procurement Activity as at 31 March 2018

- Active Contractors
- Active Contracts
- Tenders

The Barossa Council
Customer Requests

Customer Request Activity

Help Desk Resolution Rate - Quarter 3

Help Desk Requests Logged, Due & Completed

Knowledge & Technology Services

Knowledge & Technology - Quarter 3

- 1,462 Helpdesk Requests Logged
- 1,474 Helpdesk Requests Resolved
- 52 Outstanding Requests as at 31 March 2018
- 42,362 Documents registered in Council's Record Management System by all staff
- 3,001 Documents registered in Council's Record Management System by Records Staff

Human Resources & Payroll

Workforce Demographics

- 163 Total Headcount
- 91 Females
- 72 Males
Human Resources & Payroll Cont.

HR Activity - Quarter 3

- 10 Positions Vacant
- 9 New Starters
- 8 Inductions Completed
- 5 Probation Periods Completed
- 7 Staff Exits

Payroll Activity - Quarter 3

- 1,370 Hours of Sick Leave Taken
  An average if 10 hours taken per FTE
- 6,473 Annual Leave Hours Taken
  An average of 49 hours per FTE
- 22,585 Hours Annual Leave Liability
  An average leave liability of per FTE of 173 hours
- 40,850 Hours Long Service Leave Liability
- 2,722 Hours RDO Liability
- 392 Hours TOIL Liability

Risk Management

Risk Management Activity - Quarter 3

- 1,374
  Active Corrective and Preventative Action Items in Council's Risk Register
- 1,231
  Completed Corrective and Preventative Action Items as at 31 March 2018
- 0
  Hazard/Near Miss Reports Submitted this quarter
- 2
  Injuries Reported this quarter
- 0
  Lost Time Injuries this quarter
9.1 DEBATE AGENDA

9.1.4 UPDATE - RISK MANAGEMENT PROGRAMS AND PROJECTS

B7531
Author: Risk Advisor

PURPOSE
To present a quarterly report on the progress of Risk Management programs and projects.

RECOMMENDATION
That the report on the progress of Risk Management Programs and Projects be received and noted.

REPORT

Risk Management
Risk Services has been reviewing multiple action plans and schedules with view to aligning into a single spreadsheet planner. Risk Services’ intent is to relate this document to the 4 year Risk Plan, once finalised.

Risk Management Action Plan for 2018
The 2018 Risk Management Action Plan has been developed and approved by Council’s Corporate Management Team. This 2018 Risk Management Plan has been developed based on the LGA Mutual Liability Scheme Risk Evaluation criteria in preparation for Council’s risk evaluation later this year. It comprises 17 actions with the focus areas being:

- Risk Management
- Roads and Footpaths
- Planning and Development Administration

Strategic Risk Register
The Corporate Management Team (CMT) have participated in a guided session facilitated by Craig Johnson (Risk Consultant), and two further unguided sessions to develop the organisation’s Strategic Risk Register. 80% of the register is now complete, with a third session scheduled for 15 June 2018, where the Register should be finalised.

KPI Action Plan for 2018
The 2018 Key Performance Indicator Action Plan (KPI Action Plan) has been developed and approved by Council’s Corporate Management Team. This 2018 KPI Action Plan comprises 33 actions with the focus areas being:

- Risk Plan - Finalising the overarching 4 year Risk Plan
- Document Review - Structure a review, rationalisation and simplification of Council’s Risk/WHS Management System
• Mining – Completing required work for Springton Quarry as a result of SafeWork SA’s two improvement notices issued in December 2017
• Chemical Management – The only incomplete item from the 2017 KPI Action Plan
• Emergency Management – Further work required to improve this area
• Volunteer Management – Further work required to improve this area

Derek Jones has been appointed as Risk Advisor at Council. Derek comes to Council from a high risk industry with a successful history of systems management that drives safety management through a smarter not harder holistic approach.

Risk Management Quarterly Report
See Council’s Risk Management Quarterly Report for quarter 1/1/2018 to 31/03/2018 (Attachment 1) that provides details on Risk Management, Work Health Safety and Insurance.

Emergency Management
Emergency Evacuation Diagrams are being developed for Curdnatta Park and Lyndoch Hall, with a view to expanding to other Council Halls/Recreation Parks.

Emergency Evacuation Drills are scheduled to occur for the following Council locations in the forthcoming quarter:

• Angaston Library
• Mount Pleasant Library
• Lyndoch Library
• Barossa Regional Gallery

Emergency Warden refresher training was held in May 2018.

Business Continuity Plan
Council managers will be meeting with a LGRS representative to complete the draft Services Level/Business Continuity Plan analysis spreadsheet. Once complete, it will be presented to Council’s Corporate Management Team to determine Council’s critical functions.

Insurance Claims - 1/1/2018 to 31/03/2018
There are currently 34 active/open/potential claims. This comprises:

• 26 Mutual Liability Scheme Claims (including 11 potential claims)
• 4 Asset Claims
• 3 Motor Vehicle Claims
• 1 Windscreen Claim

Finalised Claims:
6 Mutual Liability Scheme claims were finalised during the quarter, with 4 claims being successful against Council, namely:

• Effluent Management Issue - $24,579.00
• Compensation of internet/phone services - $1,610.00
• Injury at Nuriootpa War Memorial Swimming Pool - $94.60
• Loss of wages – Vehicle incident - $75.00
Corporate Plan

How We Work – Good Governance

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

6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

Legislative Requirements
Local Government Act 1999
Work Health Safety Act 2012

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS
Addressed within the Report.

COMMUNITY CONSULTATION
Not required under legislation or Council’s Public Consultation Policy.
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Legend

- Target not met
- Target at risk or not improving
- Heading toward target or progress acceptable
- Target achieved
- Parked/Not Applicable (N/A) this quarter
Quarterly Risk Management Report

The following report has been developed to assist Council’s Corporate Management Team (CMT) in monitoring and reviewing their Risk, Work Health Safety and Injury Management (Return to Work) duties. It is comprised of Risk/WHS monitoring information as well as the current WHS Plan actions (programs/projects).

Risk Management

Risk Plan

RESULTS/INTERPRETATION

The Risk Plan for 2017 - 2021 is currently in draft format pending the finalisation of targets and measures contained within. The Risk Management Action Plan for 2018 has also been drafted based on the LGAML/LSGAWC/S Risk Evaluation criteria and has been submitted to Corporate Management Team (CMT) for review/approval on Wednesday, 4 April 2018. Once the Risk Management Action Plan is approved, these actions will be fed back into this overarching 4 year Risk Plan. Normally, the Risk Plan would inform the Risk Management Action Plan however, this year we have had to work backwards due to the 4 year Risk Plan still being in draft format.

RESPONSE

No response required.

Strategic Risk Register

RESULTS/INTERPRETATION

The Corporate Management Team (CMT) have participated in a guided session facilitated by Craig Johnson (Risk Consultant) to develop the organisation’s Strategic Risk Register. A second session to complete the register will be held on the 12th of April 2018.

RESPONSE

N/A

Operational Risk Register

RESULTS/INTERPRETATION

No further Corporate Risk Assessments have been developed this quarter due to resourcing constraints.

RESPONSE

No response required.
Insurance

RESULTS/INTERPRETATION


Insurance Claims submitted for this quarter:

11 claims were submitted to Local Government Risk Services this quarter comprising of:

- 3 Asset Claims
- 2 Motor Vehicle Claims (Note: 1 of these claims fell under Council’s motor vehicle policy excess so it was finalised directly with the claimant).
- 6 Mutual Liability Scheme Claims

Total Number of Claims - Active (Open) including Potential Claims

There are currently 34 active/open/potential claims. This comprises of:

- 4 Asset Claims
- 3 Motor Vehicle Claims
- 1 Windscreen Claim
- 26 Mutual Liability Scheme Claims (including 11 potential claims)

Successful Mutual Liability Claims against Council:

4 Mutual Liability Scheme claims were successful against Council this quarter namely:

- Effluent Management Issue - $24,579.00
- Compensation of internet/phone services - $1,610.00
- Injury at Nuriootpa War Memorial Swimming Pool - $94.60
- Loss of wages - vehicle incident - $75.00

RESPONSE

No response required.
Work Health Safety

WHS Plan - Program 1 - Internal Auditing

The organisation has an internal audit system that allows for examination against defined criteria to ensure activities and related results conform to planned arrangements and identify improvements.

Performance Indicators:

- 50% of audited documents that utilise the Internal Audit Rational.
- 70% of Internal Audits against the implemented Annual Audit Schedule.
- 80% of internal audits where at least 3 competent individuals including the Auditor are involved.
- 100% of all Internal Audit Actions approved for the quarter are included in the relevant Risk Management Quarterly Report.

RESULTS/INTERPRETATION

Internal auditing has been parked for this quarter.

RESPONSE

No response required.
WHS Plan – Program 2 – Volunteer Management

Objective:
Council has a volunteer management system in place that allows for the identification, assessment and control of foreseeable hazards and appropriate training and supervision of our volunteer workforce.

Performance Indicators:

- 70% of Council’s registered volunteers are inducted into Council’s WHS requirements.
- 50% of Volunteer Supervisors have position descriptions reviewed to ensure they identify required competency for the role.
- 40% of registered Volunteers have signed off on SWI developed for their tasks.
- 30% of registered Volunteers undertake a TNA.

RESULTS/INTERPRETATION

70% of Council’s registered volunteers are inducted into Council’s WHS requirements.
All new accepted volunteers of Council are provided with a WHS Fundamentals Online Induction to complete as well as a general volunteer induction by Council’s Coordinator Volunteering Services. Then Volunteer Supervisors provide volunteer site specific inductions.

50% of Volunteer Supervisors have position descriptions reviewed to ensure they identify required competency for the role.
Human Resources Advisor, in consultation with Coordinator Volunteering Services, is updating position descriptions across Council to incorporate relevant competencies for Volunteer Supervisors.

40% of registered Volunteers have signed off on SWI developed for their tasks
This work has not been progressed pending the outcome of the Risk Services Review e.g. whether we continue with Task Risk Assessments and Safe Work Instructions or transition over to the use of Safe Work Method Statements.

30% of registered Volunteers undertake a Training Needs Analysis (TNA)
Position descriptions for all Council volunteer programs need to be developed first to determine the competencies, at which point, TNAs can be undertaken.

RESPONSE

No response required.
WHS Plan - Program 3 - Health Management

Objective:
To proactively manage and improve the health-related issues faced by Council Workers.

Performance Indicators:

- 80% of identified Processes are implemented by scheduled dates.
- 60% of TNA Workbooks include the requirement to be trained in newly implemented Health Processes.
- 90% of Workers with detectable hearing changes have their work tasks reviewed as per Council’s Process.

RESULTS/INTERPRETATION

No further work has been undertaken in relation to health management this quarter.

RESPONSE

No response required.
WHS Plan - Project 1 - WHS Training System Development

Objective:
To improve the Council’s WHS training program by ensuring all WHS training needs are identified, planned, implemented and recorded, allowing for knowledge transfer and ongoing awareness of WHS & IM responsibilities within the workplace.

Performance Indicators:

- 80% of WHS inductions undertaken are completed and returned to HR in accordance with the relevant training policy.
- 100% Induction competency assessment results are provided for a percentage of Online Inductions undertaken.
- 70% of WHS training sessions evaluated as effective by post-training survey from participants.
- 25% of job competency assessment are undertaken by relevant Supervisors on a percentage of Hazardous Tasks.

RESULTS/INTERPRETATION

The Risk/WHS induction component of Council’s Induction Checklist is now provided to Human Resources for record keeping. Human Resources are also keeping track of returned induction checklists and placing notes in their calendars to chase up completed induction checklists.

Council’s Acting Risk Coordinator has introduced a Risk/WHS Induction Sign Off Form that requires new employees to complete/return to confirm they have read/understand Council’s Risk/WHS cornerstone policies. This is in line with consultant feedback received from a gap analysis undertaken for mining requirements at Springton Quarry.

RESPONSE

No response required.
WHS Plan - Project 2 - Hazard Identification, Evaluation and Control

Objective:
Hazards and Near Misses are systematically identified, assessed, controlled and reviewed to reduce the level of risk to employees, volunteers and contractors and to ensure legislative compliance.

Performance Indicators:
1. 70% of SWI and their associated Risk Assessments are reviewed as per the current annual review schedule.
2. 100% of Task Risk Assessments have sign-off of Worker participation and their current role.
3. 70% of current SWI signed off and in the Training Register.

RESULTS/INTERPRETATION
No further work has been undertaken pending the outcome of the Risk Services Review with the one exception being the review of Bushgardens Task Risk Assessment and Safe Work Instruction for Gardening/Propagation/General Maintenance.

Signed Safe Work Instructions (SWIs) are not currently captured in SkyTrust Training Module (Training Register). Instead Risk Services are using an Excel document (See 15/39467*) to track signed Safe Work Instructions by staff.

RESPONSE
No response required.
WHS Plan - Project 3 - Emergency Management

Objective:
To ensure that an Emergency Response System is in place that will minimise the likelihood and effect of an emergency/disaster on The Barossa Council and its workers.

Performance Indicators:

1. 11 Emergency Management Plans are reviewed annually with the relevant Council Business Plan.
2. 1 Emergency Planning Committee meeting per year
3. 100% of Emergency Control Organisation (ECO) members have Proxy members

RESULTS/INTERPRETATION

Further work is required to review Emergency Control Organisation members and assign proxy members. Council currently has no Chief Warden after two emails sent seeking nomination on 21/11/17 and 26/02/18.

RESPONSE

No response required.
WHS Plan - Project 4 - WHS Information and Reporting Mechanisms

**Objective:**
To develop and provide accurate electronic WHS operational systems and reporting data for identification of trends and successful mitigation of WHS hazards.

**Performance Indicators:**
- 50% of Pathway CRM Job Cards provided with electronic links to relevant WHS documentation.
- 60% of CRM’s provided to Council Workers have SWI available for use.
- 40% of Hazard reports received via the SharePoint desktop link.
- 20% of Incident reports received via the SharePoint desktop link.

**RESULTS/INTERPRETATION**
Pathway CRMs have electronic links to WHS documents (including Safe Work Instructions) available for use against relevant request types.

No hazard reports (either hardcopy or SharePoint desktop link) were received for this quarter.

100% of notified incidents were reported through via the SharePoint desktop link for this quarter.

**RESPONSE**
No response required.
## Risk/ WHS Incidents

### RESULTS

<table>
<thead>
<tr>
<th>Type</th>
<th>CCS</th>
<th>DES</th>
<th>ES</th>
<th>WES</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td>Q2</td>
<td>Q3</td>
<td>Q2</td>
<td>Q3</td>
<td>Q2</td>
</tr>
<tr>
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<td>9</td>
<td>3</td>
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<td>5</td>
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<tr>
<td>Property / Equipment</td>
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<td>Damage</td>
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<td>Q3</td>
<td>Q2</td>
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<tr>
<td>this Quarter</td>
<td>14</td>
<td>10</td>
<td>3</td>
<td>4</td>
<td>2</td>
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</table>

**Total WHS Incidents for Quarter 3**

- Business Process / Behaviour, 3
- Environmental Impact, 1
- Member of Public, 7
- Motor Vehicle, 7
- Other, 2
- Personal Injury, 2

*Total WHS Incidents for Quarter 3*
<table>
<thead>
<tr>
<th><strong>WHS Incidents</strong></th>
<th>CCS</th>
<th>DES</th>
<th>ES</th>
<th>WES</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Q2</td>
<td>Q3</td>
<td>Q2</td>
<td>Q3</td>
<td>Q2</td>
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<td>0</td>
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<td>Member of Public</td>
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<td>4</td>
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<td>1</td>
<td>0</td>
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<tr>
<td>Motor Vehicle</td>
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<tr>
<td>Non-work related</td>
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<tr>
<td>Other</td>
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<tr>
<td>Personal Injury</td>
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<td>1</td>
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<td>Personal Injury (Report Only)</td>
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<td>Pre-existing medical condition</td>
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<tr>
<td><strong>Total WHS Incident</strong></td>
<td>14</td>
<td>9</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

**RESULTS / INTERPRETATION**

The number of hazards/incidents is consistent with the previous quarter with a slight overall reduction from 29 to 26.

41% of reported incidents this quarter involved vehicles (Council, contractor or member of public vehicles).

18% of reported incidents this quarter involved inappropriate customer behaviour.

**RESPONSE**

No response required.
Corrective and Preventative Action Register (CAPA Register)

RESULTS/INTERPRETATION

<table>
<thead>
<tr>
<th>Action Status</th>
<th>Corporate &amp; Community Services*</th>
<th>Development &amp; Environmental Services</th>
<th>Executive Services*</th>
<th>Works &amp; Engineering Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2</td>
<td>Q3</td>
<td>Q2</td>
<td>Q3</td>
<td>Q2</td>
</tr>
<tr>
<td>Completed</td>
<td>564</td>
<td>671</td>
<td>72</td>
<td>72</td>
<td>299</td>
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<tr>
<td>Active</td>
<td>256</td>
<td>327</td>
<td>143</td>
<td>143</td>
<td>231</td>
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<tr>
<td>Extension Requested</td>
<td>30</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>3</td>
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<tr>
<td>Total of Actions</td>
<td>882</td>
<td>1028</td>
<td>215</td>
<td>215</td>
<td>534</td>
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<tr>
<td>Action Reviewed</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Actions not resolved</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

RESULTS/INTERPRETATION

The number of active/extension requested corrective actions still remains very high at 1374.

RESPONSE

No response required.
## Hazardous Task/Hazard Register

### RESULTS/INTERPRETATION

<table>
<thead>
<tr>
<th>Hazardous Task Status</th>
<th>Corporate &amp; Community Services</th>
<th>Development &amp; Environmental Services</th>
<th>Executive Services</th>
<th>Works &amp; Engineering Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Assessment Completed</td>
<td>29</td>
<td>23</td>
<td>2</td>
<td>43</td>
<td>97</td>
</tr>
<tr>
<td>Outstanding</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Hazardous Tasks</strong></td>
<td><strong>30</strong></td>
<td><strong>24</strong></td>
<td><strong>2</strong></td>
<td><strong>43</strong></td>
<td><strong>99</strong></td>
</tr>
<tr>
<td>Risk Assessments determined not required</td>
<td>15</td>
<td>5</td>
<td>0</td>
<td>7</td>
<td>27</td>
</tr>
</tbody>
</table>

### RESULTS/INTERPRETATION

Outcome Task Risk Assessments for completion are:
- CCS Directorate - ICT - Equipment Maintenance
- DES directorate - Nuisance Complaints

New Task Risk Assessments required:
- Men’s Shed at Tanunda Depot

### RESPONSE

No response required.
Training and Induction

RESULTS/INTERPRETATION

<table>
<thead>
<tr>
<th>Training Courses Provided</th>
<th>Number of Courses</th>
<th>Attendance No’s</th>
<th>Attendance Sheets received</th>
<th>Feedback Questionnaires received</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Risk/WHS courses arranged for this quarter.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Inductions for Quarter Period

<table>
<thead>
<tr>
<th>Inductions for Quarter Period</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Council Staff - Day One Risk/WHS Inductions for quarter</td>
<td>7</td>
</tr>
<tr>
<td>Volunteer Registration – 348 accepted on Volunteer Impact database</td>
<td>348</td>
</tr>
<tr>
<td>Online WHS Induction - Employees</td>
<td>8</td>
</tr>
<tr>
<td>Online WHS Induction - Volunteers</td>
<td>6</td>
</tr>
<tr>
<td>Online WHS Induction - Contractors</td>
<td>7</td>
</tr>
</tbody>
</table>

The following training sessions have been organised in accordance with the Annual Training Plan for 2018:

- Emergency Warden Training – 10/04/2018 and 3/05/2018
- Provide First Aid Training – 10/05/2018 and 29/05/2018
- CPR Refresher Training – 01/05/2018 (x2 sessions)
- Asbestos Awareness Training – 16/05/2018
- Manual Handling Training – 02/05/2018 (x2 sessions)
- WHS Committee Training – 31/05/2018

As mentioned earlier in this report, small modifications have been made to the Risk/WHS Induction e.g. return of the newly developed Risk/WHS Management Sign Off Form from new employee to say they have read and understood the Risk/WHS cornerstone policies and also the return of Risk/WHS portion of Induction Checklist to Human Resources.

RESPONSE

No response required.
Policy and Process - Development/Review

RESULTS/INTERPRETATION

Developed

A significant volume of work is required in order to meet the two SafeWork SA Improvement Notices for Springton Quarry. A consultant from Mining and Quarrying Occupational Health and Safety Committee assisted Council in January 2018 with undertaking a gap analysis against WHS Regulations 2012 (SA) Chapter 10 Mines requirements. The information relevant from this gap analysis has now been transferred into a Council risk assessment with actions/controls and is pending finalisation before being submitted back to SafeWork SA.

Further work has been undertaken with the development of Static Risk Assessments and Safe Operating Processes for Council’s plant and equipment. Safe Operating Processes now require rolling out to all relevant Council workplaces.

Further work in relation to chemical management across Council is still required and has not progressed since the last Risk Management Quarterly Report e.g. input chemicals from stock take into ChemAlert database, determine storage incompatibilities, update Safety Data Sheets, create chemical risk assessments where required, update placarding/manifest signage as required and link Chemical Risk Assessments to existing Task Risk Assessments and Safe Work Instructions. This work has been included in Council’s KPI Action Plan of 2018.
<table>
<thead>
<tr>
<th>Risk Management System Document</th>
<th>HPE Content Manager Record No.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk Management</strong></td>
<td></td>
</tr>
<tr>
<td>Risk Management Process</td>
<td>13/47310*</td>
</tr>
<tr>
<td><strong>Hazard Management</strong></td>
<td></td>
</tr>
<tr>
<td>Vehicle and Driver Safety Awareness Process</td>
<td>14/16980*</td>
</tr>
<tr>
<td><strong>WHS Administration</strong></td>
<td></td>
</tr>
<tr>
<td>Visitor Entry and Office Security Process</td>
<td>14/16981*</td>
</tr>
<tr>
<td><strong>Emergency Management</strong></td>
<td></td>
</tr>
<tr>
<td>Designated First Aider and Emergency Warden Process</td>
<td>TBA</td>
</tr>
<tr>
<td>Days of Heightened Fire Danger Process</td>
<td>16/894*</td>
</tr>
<tr>
<td>Emergency Management Plan – Dog Pound</td>
<td>TBA</td>
</tr>
<tr>
<td>Emergency Management Plan – Men’s Shed Tanunda</td>
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<tr>
<td>Emergency Management Plan – Springton Quarry</td>
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<tr>
<td>Emergency Management Plan - Halls</td>
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<tr>
<td>Emergency Management Plan – Recreation Parks</td>
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<tr>
<td>Emergency Management Plan – Nuriootpa Centennial Park Authority (NCPA)</td>
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<tr>
<td><strong>Hazardous Works</strong></td>
<td></td>
</tr>
<tr>
<td>Needle-Stick &amp; Sharp Process</td>
<td>14/16985*</td>
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<tr>
<td>Aggressive Behaviour and Armed Hold Up Process</td>
<td>14/16984*</td>
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<tr>
<td><strong>Health and Wellbeing</strong></td>
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<td>Health and Wellbeing Policy</td>
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<tr>
<td>Health and Wellbeing Process</td>
<td>14/16978*</td>
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<tr>
<td>Fit for Work Process</td>
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<td>Drug and Alcohol Management Process</td>
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<tr>
<td>Psychological Resilence Process</td>
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</tr>
</tbody>
</table>

* indicates new documents released in Quarter 3 - 2017/18
Reviewed:
The following documents have been updated and approved by Council’s Corporate Management Team this quarter:

- Work Health Safety and Return to Work Policy (12/7379*)
- Workplace Return to Work Process (12/49656*)
- Remote or Isolated Work Process (13/9299*)

Refer to Council’s ‘Risk/WHS Management System – Document Development and Review Schedule’ – click here for access


RESULTS/INTERPRETATION
The majority of Risk Services risk/work health safety management system documents (policies/processes) are out of date for review. This work will commence pending the outcome of the Risk Services Review and with the commencement of the new Risk Advisor.

RESPONSE
No response required.
Workplace Inspection Schedule

**RESULTS/INTERPRETATION**

<table>
<thead>
<tr>
<th>Workplace Inspections</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled</td>
<td>22</td>
</tr>
<tr>
<td>Completed</td>
<td>17</td>
</tr>
<tr>
<td>Outstanding</td>
<td>5</td>
</tr>
</tbody>
</table>

* Playground Equipment Inspections are not included in the above data.

5 workplace inspections are outstanding from this quarter namely:
- Barossa Regional Gallery
- Nuriootpa Library
- Para Road, Tanunda CWMS Treatment Plant/Lagoons/Pump Stations
- Williamstown Queen Victoria Jubilee Park, Williamstown
- Murray Recreation Park, Eden Valley

**RESPONSE**

No response required.

Internal and/or External Audits

**RESULTS/INTERPRETATION**

<table>
<thead>
<tr>
<th>Audit Area</th>
<th>No. of Conformances</th>
<th>No. of Non Conformances</th>
<th>No. of Opportunities for Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

No internal audits were undertaken during this quarter

**RESPONSE**

No response required.
Legislative Changes

RESULTS/INTERPRETATION

Livestock Act 1997 – Commenced 1 February 2018 – New regulations relating to the identification and movement recording of pigs in South Australia as part of the National Livestock Identification System (NLIS) Pigs is required - See 18/14173* for further information. Council’s Acting Director Corporate and Community Services has been made aware of this change.

Labour Hire Licensing Act 2017 – Commenced 1 March 2018 – Council now needs to ensure that labour hire company is licensed and labour hire employee is employed by the labour hire company - Please find link to this Act: https://www.legislation.sa.gov.au/LZ/C/A/LABOUR%20HIRE%20LICENSING%20ACT%202017.aspx Council’s Human Resources Advisor/Governance Advisor has been made aware of this change.

National Heavy Vehicle Regulator website has a page dedicated to Local government updates. Please find link to this website https://www.nhvr.gov.au/road-access/local-government-road-managers/local-government-updates Council’s SharePoint intranet site has also been updated with this link which can now be found under Risk Management/Work Health Safety/WHS (From External Sources) – Safety Alerts/Circulars/Media Releases. Council’s Manager Operations/Co-ordinator Operations has been made aware of this change.

Load Restraint Guide 2018 is now available - Please find link https://www.ntc.gov.au/Media/Reports/(9E12B22A-6156-41B0-F382-136A34520AF8).pdf Council’s Manager Operations/Co-ordinator Operations has been made aware of this change.

2018 Review of the model Work Health and Safety Laws - Current model WHS laws are being reviewed. Marie Boland has been appointed as the independent reviewer. Please find link for more details but a more detailed discussion paper is available on the SafeWork Australia website - http://nurtrim01.tbc.local/FYB_API/record/1303393/File

Section 68 (2g) of the Work Health and Safety Act 2012 (SA) has been amended - Commenced 13 February 2018 - Health and Safety Representatives (HSR) will no longer be required to use an ‘Approved WHS Consultant’ and can seek assistance from any person when needed. A person who is willing to provide assistance to HSRs is no longer required to undergo an approval process.

RESPONSE

No response required.
External Information Provided

RESULTS/INTERPRETATION

The quarterly LGA Mutual Liability Scheme/Workers Compensation Scheme Central Regional Forum was held on 19 March 2018. This forum provides information in relation to WHS/IM Legislative changes, SafeWork SA and SafeWork Australia updates, other WHS news such as OHS Alerts and Cases of Interest. Please see Agenda - LGA Workers Compensation Scheme - LGA Mutual Liability Scheme - Central Regional Forum Meeting - 19 March 2018 - 18/20402* for further details.

2018 LGRS Risk Management Conference was held on Friday 9 March 2018 and was attended by Council’s Coordinator Customer Services and Customer Service Officer as the major focus was on event management.

LGAMS/LGAWCS Risk Scheme 2018 Training and Prevention Programs – See 18/21913* for details. The LGAMS/LGAWCS has introduced a new Member Risk Fund which members can seek funding for the following risk services and resources:

- Specialised Risk Management
- Work Health & Safety Management
- Services including consulting and/or training.
- Preventative Health Services
- For example, health & well being programs, influenza vaccinations.
- Risk Consulting Services
- Including technical risk consulting and/or task specific services.
- Preventative Public Safety Risk Initiatives
- Such as security devices, signage, lighting, information sheets.
- Safety/Risk Mitigation Program
- Utilise funding to support a safety/risk mitigation.
- Purchases or Upgrade
- Recommended from a risk audit (including safety equipment, lifting devices, ergonomic equipment, playground, community facility).

LGAMS/LGAWCS Risk Management Presentation – Offer of services of their Strategic Risk Team that is funded by LGAWCS/LGAMS – See 18/32124*

LG InFocus – Issue 1 - January 2018 – See 18/21917* for details.

LGRS Mutual Matters eNewsletter – March 2018 – See 18/20413* for details.


RESPONSE

No response required.
Other

RESULTS/INTERPRETATION

N/A

RESPONSE

No response required.

Quarterly Risk Management Report Record Number: 18/21758*
Quarterly Risk Management Report Template Record No: 14/6470*

The electronic version of this document is the controlled version. Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version.

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References


Incident Register -

Corrective and Preventative Action Register (CAPA Register) -

Hazardous Task/Hazard Register -

Audit Schedule -

Risk/WHS Management System - Document Development and Review Schedule -

Organisational Risk Register -

Strategic Risk Register -

Insurance Claim Register -

The Barossa Council - Work Health Safety - Inspection Schedule - 14/14684*

Better Impact - Volunteer Register

DBIS Portal - WHS Online Induction

LGRS Member Centre
9.1 DEBATE AGENDA

9.1.5 CHANGE PROGRAM
B7455

PURPOSE
To table the Change Program with the Audit Committee.

RECOMMENDATION
That the Change Program be received and noted.

REPORT

Background
Council and its executive team, over the past 18 or so months, has undertaken a Service Review and from that, various sub-level reviews of the organisation.

Introduction
As a result of the service and sub-level review work undertaken, a change program has been established to deliver process, people and technology change.

Discussion
The Attachments provide four high level documents that are the basis for the change program:

2. Driving Change through People and Technology flyer
4. Service Review – Sub Level Review – Change Program Summary

The above documents outline the framework and detailed work which is focussed on people and technology and transforming the way we do work to achieve efficiencies, engaged employees, and improved customer services.

A Steering Committee has been established to oversee the work and set the priorities and includes staff and management representation. It has met once and aims to set the program as part of its first four meetings.

Components of the Change Program continue in any case. These components are those that are already underway and approved, such as implementing the Workforce Plan actions, establishing changes to Depot operations, re-designing the web site and directorate structural and associated industrial relations changes.
<table>
<thead>
<tr>
<th>ATTACHMENTS OR OTHER SUPPORTING REFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment 1:</td>
</tr>
<tr>
<td>Attachment 2:</td>
</tr>
<tr>
<td>Attachment 3:</td>
</tr>
<tr>
<td>Attachment 4:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Plan</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>How We Work – Good Governance</td>
</tr>
</tbody>
</table>

**Corporate Plan**

- 6.5 Implement compliant and contemporary risk management initiatives.
- 6.6 Define and deliver on agreed Customer Service Standards for Council service delivery.
- 6.10 Embed a culture of continuous improvement across Council, with tools, processes and systems being used to achieve business efficiencies and customer service improvements.
- 6.11 Maximise the use and integration of Information and Communications Technology systems to enhance external and internal customer service outcomes.
- 6.12 Ensure that our people (workers including employees, volunteers and contractors) have the skills, resources and understanding of organisational processes to do their job.
- 6.14 Pursue organisational excellence including shared services or other collaboration initiatives to reduce operating costs.

**Legislative Requirements**

Nil

**FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**

Resources have been applied in the current and 2018/19 draft budget to support the high priority work.

**COMMUNITY CONSULTATION**

Community consultation is not required under the Act or Council’s Public Consultation Policy.
The Barossa Council Change Management Program  
April 2018 - October 2020

Background
There has been considerable work undertaken over the past two years to engage staff and the community to develop the new Community and Corporate Plans, and importantly to seek feedback from staff to undertake service and workforce reviews. These important pieces of work have effectively set a path for our change priorities for the next 24 months.

As we move towards 2020, there is a greater need to maximise available technology to become a more efficient organisation and to drive further improvements to customer service to deliver appropriate services to our community.

It is with this in mind that we move into an implementation phase for initiatives arising from the recommendations of our workforce plan and service reviews. Our organisation embraces change and appears eager to engage in activities that provide more streamlined business processes.

Staff engagement in various aspects of the reviews has been extensive through interviews, surveys, follow up session and the like and most of the change is driven by your feedback, it’s your vision and ideas!

The Change Vision – Driving Change Through People and Technology
As outlined in the attached one page “Change Management V2.0” we will be striving to drive change by using technology solutions, people’s ideas and engagement and process improvement to achieve one or more of the four key outcomes below.

Key Outcomes
The projects and activities undertaken as part of this program of work will have four key outcomes as the primary deliverables. Project priority and approval will be assessed under each of the following areas and those that provide the greatest benefit for Council will receive a higher priority. They should also align with The Barossa Council – Digital Strategy – Towards 2020, service reviews and Workplace Plan.

All projects must meet the following four deliverables:
1. Improved Customer Service
2. Cost Efficiencies
3. Time Efficiencies
4. Employee Engagement

Customer Service – Everything We Do (Internally or Externally) Serves a Customer
In all that we do our Customers are our first priority, therefore it is of utmost importance that our customers are front of mind when we are undertaking any activities. This means that the services we deliver must be assessed from the customer’s perspective to ensure that they are:

- Easy to use
- Easy to access
- Relevant
- Needed
• Provide improved services

Viewing all things from the customer’s perspective will require consideration of a wide variety of variables including the language used, how services are delivered, the technology available and agreed service level standards and expectations.

Cost Efficiency (Unit) – We Need to do More with the Same Inputs as it Reduces Cost Pressures on Our Community

Costs are a key driver in every activity we undertake. Our ability to review our services from the perspective of unit cost will enable us to potentially streamline and simplify tasks to deliver improvements that reduce the overall cost of the activity. Pursuing projects such as transition from a hard copy paper based way of working to an electronic method can provide efficiencies that allow us to achieve more with the same level of resources and budget input.

Time Efficiency

All areas of the business experience time pressures and need to reassess opportunities to improve processes to save time and to allow further investment of our current resources into service improvements and cost efficiencies. Often the smallest of changes or the removal of an unnecessary step can produce significant time advantages.

Employee engagement

Implementing improved ways of managing workloads, achieving improved services and getting through workloads will lead to a greater sense of achievement and a workplace of choice. In reality, where a worker feels valued and understands their contribution to the organisation’s objectives, the result will be improved employee engagement. In its simplest form, improving a workers daily tasks so that they are meaningful and efficient and outputs can be measured will have a positive effect on how an individual will perceive the value of the work they perform.

The Four Pillars

As we embark on this journey there are four perspectives that we need to evaluate when we are reviewing activities;

• Customer – how will it be viewed/accessed by the customer
• People – who contributes and is the contribution required, is the culture appropriate for the activity, are the correct skills available
• Process – is the process appropriate, efficient, necessary, documented
• Technology – what technology is used, is it fit for purpose, is there a better solution

Each of these elements will contribute to the effectiveness and efficiency of the activities we undertake.

Key Programs

Several key programs will deliver on the priorities for change.

Task Orientation

• Reporting Budgeting – Delivery of a solution for performance reporting, budgeting and financial planning
• Website Refresh – Review and update of website to provide a more customer friendly and integrated solution
• ePathway – Delivery of a variety of customer facing applications to enable customers to “self-serve” when they do business with us
• Mobility – delivery of applications and tools to enable staff to do business in the field in real time and reduce administrative overhead.
People Orientation

- Structure – Implementation of new directorate or team structures in accordance with review recommendations
- Job Design – Review of Position Descriptions to align with current and emerging roles and responsibilities
- Capability – Completion of Training Needs Analysis and alignment of skills and competencies with organisational requirements
- Culture – Promotion and embedding of a constructive culture and workforce that embraces change and continuous improvement.

Governance

Oversight of this key change management program will be directed by;

- CEO
- OMG Representative
- Manager Knowledge & Technology Services
- Manager Strategic Projects
- Manager Organisational Development & Risk
- Coordinator, Customer Services
- 4 Staff Representatives (to be nominated)

This group, to be known as the Change Steering Group, will meet regularly to review activities and progress and be the approval body for activities.

Each project will have a Project Lead who will follow the defined project management methodology and provide regular status reports to the Change Steering Group.

In addition, there will be regular review and updates provided to OMG who will be required to promote, support and drive change in each of their business units.

Approach

Direction and approach will be largely informed by the significant work that has already been undertaken in the development of the following documents;

- Organisational Service Review (Item 1 - in the attached service review - sub level summary also attached)
- Development and Environmental Services Review (Item 2)
- Depot Operations Review (Item 3)
- Customer Service Management – Depot Review (Item 4)
- ICT Strategic Plan (Item 5)
- Risk Services Review (Item 6)
- Workforce Plan (Item 7)

Other documents that will inform the work are:

- Service Level Review
- Digital Strategy
- Community and Corporate Plan

Work may be undertaken at a variety of levels in tandem and may occur across projects to focus on specific business units or services.
Summary
This is a large body of work and has the potential to create significant benefits for the organisation. It will involve a significant amount of change and will require all staff to engage and participate and be open to the changes that may impact their role.

In taking this approach to change we will engage teams across Council to review what we do, find new solutions and further develop our culture of continuous improvement, to create lasting benefits for the organisation and our community. It will also create new and exciting opportunities to learn new skills and get involved in achieving a staff vision which to date includes ideas such as making things better for our community.
Driving change through People and Technology

**KEY DRIVERS**
- Technology
- Mobility
- People
- Integration
- Processes

to deliver.....
The Barossa Council Change Management Framework 2017 - 2020

Community Plan
- Directorate/Team Reviews

Corporate Plan
- Workforce Plan
- Digital Strategy

Service Review
- ICT Strategic Plan
- Staff feedback

WHAT
- Customer
- Process
- Technology

HOW
- Reporting/budgeting
- Website refresh
- ePathway
- Mobility

- Structure
- Job design
- Capability
- Culture

WHO
- Staff
- Change steering group
- Targeted project teams (60-90 day projects)

Delivering outcomes
- Improved customer service
- Cost efficiencies
- Time efficiencies
- Employee engagement
### Service Review - Sub Review / ICT and Organisational Change Program Summary

<table>
<thead>
<tr>
<th>Priority</th>
<th>Description</th>
<th>Key Focus/Outcomes</th>
<th>Key Tasks/Milestones</th>
<th>Status/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority 1</td>
<td>Extremely important and will prioritised over all other change programs.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority 2</td>
<td>High importance and are the key long-term drivers to achieving the change program.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority 3</td>
<td>Important and will be delivered depending on resourcing.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority Ongoing</td>
<td>Is recognised already in sound governance and administration and is embedded in internal continuous improvement.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item No</th>
<th>Strategic Change</th>
<th>Key Tasks/Milestones</th>
<th>Priority Delivery Outcome</th>
<th>Priority</th>
<th>Target Implementation</th>
<th>Notes / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Organisational Service Review</td>
<td>Improve the measurability of the Community Plan goals by outcome.</td>
<td>Improved Customer Services</td>
<td>Ongoing</td>
<td>Continuously being improved and developed as reporting systems are implemented and refined.</td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Organisational Service Review</td>
<td>Consider an organisational structure that is oriented towards and established linkages between Community Plan themes, outcomes and articulation of roles.</td>
<td>N/A</td>
<td>Recommendation was not accepted, it was felt that the best way forward was to reform what we have and implement internal processes for staff that are in these connections through review and communication processes which are underway. Reporting improvements at 1.1 will also address the external facing reports.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>Organisational Service Review</td>
<td>Engage all staff in the development and implementation of a compelling vision for The Barossa Council (distinct from the community vision).</td>
<td>Employee Engagement</td>
<td>1</td>
<td>3 months</td>
<td>Near completion, second round of staff consultation undertaken.</td>
</tr>
<tr>
<td>1.4</td>
<td>Organisational Service Review</td>
<td>Assess needs and improve the access to relevant data to support improved decision making.</td>
<td>Improved Customer Services, Cost and Time Efficiencies</td>
<td>Ongoing</td>
<td>Range of processes in place including quarterly performance reporting to Council, training needs analysis and this is closely linked also to mobility solutions explained at changes below throughout the detailed changed program.</td>
<td></td>
</tr>
<tr>
<td>1.5</td>
<td>Organisational Service Review</td>
<td>Develop amongst the management team a more comprehensive understanding of customer value and demand analysis and how to use the data in decision making and organizing ways of working.</td>
<td>Improved Customer Services, Cost and Time Efficiencies</td>
<td>3</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>1.6</td>
<td>Organisational Service Review</td>
<td>Consider an ongoing program to raise the level of awareness and skills required for continuous improvement at all levels of the organisation.</td>
<td>Employee Engagement, Cost and Time Efficiencies</td>
<td>3</td>
<td>Ongoing</td>
<td>Undertake a organisation wide continuous improvement introductory session late in 2017. Further work to be intensified after this change program underway.</td>
</tr>
<tr>
<td>1.7</td>
<td>Organisational Service Review</td>
<td>Further document what service levels exist and develop service descriptions, measures and levels where these are identified gaps.</td>
<td>All</td>
<td>1</td>
<td>Nov 18</td>
<td>Well advanced.</td>
</tr>
<tr>
<td>1.8</td>
<td>Organisational Service Review</td>
<td>Implement the already identified requirements for consistent internal financial performance process aligned with budget accountability.</td>
<td>Cost Efficiencies</td>
<td>2</td>
<td>Mar 18</td>
<td>Well advanced.</td>
</tr>
<tr>
<td>1.9</td>
<td>Organisational Service Review</td>
<td>Conduct a review of Council risk management function.</td>
<td>Cost and Time Efficiencies</td>
<td>1</td>
<td>Completed</td>
<td>Summary information provided at 6 below.</td>
</tr>
<tr>
<td>1.10</td>
<td>Organisational Service Review</td>
<td>Consider options for the further development of Councils internal audit arrangements.</td>
<td>Nil</td>
<td>3</td>
<td>TBD</td>
<td>Some work has been undertaken in the context of the Risk Review at 1.9 above.</td>
</tr>
<tr>
<td>1.11</td>
<td>Organisational Service Review</td>
<td>Undertake a detailed review, conduct detailed analysis of volumetric activity in the key areas identified in 1.12.</td>
<td>Nil</td>
<td>3</td>
<td>TBD</td>
<td>Key areas undertaken, service level review also being conducted on whole organisation.</td>
</tr>
<tr>
<td>1.12</td>
<td>Organisational Service Review</td>
<td>Area for detailed review (which included operating model considerations which are captured by the service level review): Administration support (including customer services).</td>
<td>All</td>
<td>2</td>
<td>12 months</td>
<td>ESS review commenced - model will then be released across organisation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assessment of development applications.</td>
<td>Improved Customer Services, Cost and Time Efficiencies</td>
<td>1</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Building compliance and inspections.</td>
<td>Improved Customer Services, Cost and Time Efficiencies</td>
<td>1</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer service and administrative support.</td>
<td>Improved Customer Services, Cost and Time Efficiencies</td>
<td>1</td>
<td>12 months</td>
<td>Partially done as part of ESS, depot, workforce and risk reviews not done holistically however. Audit of work done to date and cross referenced with prior customer service review and engagement with key personal now undertaken and reflected at item 8 below.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Library management.</td>
<td>Improved Customer Services, Cost and Time Efficiencies</td>
<td>2</td>
<td>TBD</td>
<td>Review needs to be undertaken but lower appetite for strategic change previously expressed by members - library will continue with new Service Delivery Plan.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Risk management, assessment and reporting</td>
<td>Cost and Time Efficiencies</td>
<td>1</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Roads and associated infrastructure maintenance/repair</td>
<td>Improved Customer Services, Cost and Time Efficiencies</td>
<td>1</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Roadside tree trimming and planting</td>
<td>Improved Customer Services, Cost and Time Efficiencies</td>
<td>1</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>Priority</td>
<td>Extent of change</td>
<td>Key Tasks/Activities</td>
<td>Priority Delivery</td>
<td>Priority</td>
<td>Target Implementation</td>
<td>Notes / Notes</td>
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</tr>
<tr>
<td>1</td>
<td>Extremely important and will prioritised over all other change programs.</td>
<td>Change planning.</td>
<td>Improved Customer Services, Cost and Time Efficiencies</td>
<td>2</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>High importance and are the key long term drivers to achieving the change program.</td>
<td>Ongoing</td>
<td>Employee Engagement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Important and will be delivered depending on resourcing.</td>
<td>Improved Customer Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Strategic Change

#### New Structure
- Real Consultation
- Structure and Position Titles Finalised
- Update HR Organisational Structure within Org Chart
- Business Case - New Positions - Report to Council
- Governance - Governance regarding Delegations
- Strategic Management Position Descriptions
- Change of Employment Conditions Forms - Internal Amendments Position Titles/Reporting Line
- Position Analysis Review and Update

#### Customer Service
- Provide training and upskilling for Customer Service (Front Desk) staff and Administrative staff.
- Maintain, upskill and develop key administrative staff to develop paraprofessional skillsets.
- Investigate the development of a greater online capability.
- Review and implement identified mandatory tasks and processes improvements duties, functions and processes.
- Upskill the administrative staff to be trained as paraprofessionals - including skills transfer to customer service team to be first point of information and appropriate resolution.

#### Efficient Goals
- Time Efficiencies
- Highest priority will be given to those that achieve mobility and electronic solutions, process improvement and rapid assessment processes and highest improvements to turnaround and customer service.

#### Process Improvements and Processing Times
- Improved Customer Services, Cost and Time Efficiencies
- Highest priority will be given to those that achieve mobility and electronic solutions, process improvement and rapid assessment processes and highest improvements to turnaround and customer service.

#### Technology
- Investigate the development of greater online capability and deliver improvements.

#### Other
- All
- Ongoing
- Continuously being improved and developed as reporting systems are implemented and refined.

### General Depot Strategic Direction

#### Service Levels defined in accordance with Council’s Community Plan, Corporate Plan and Annual Budget and Business Plan.
- Project is well advanced with workshops scheduled for service level reviews at future workshops for each area - directly related to item 1.3

#### Consideration to the development and implementation of fortnightly work schedule, supported by a team dedicated to the management of reactive customer requests.
- 3-24 months

#### Support for Team Leaders to implement defined work schedules and ability to manage reactive customer requests.
- Improved Customer Services, Employee Engagement
- 3-4 months
- Improve processes and move towards mobile solutions.
<table>
<thead>
<tr>
<th>Priority</th>
<th>Strategic Change</th>
<th>Key Tasks/ Milestones</th>
<th>Priority Delivery Outcome</th>
<th>Priority Target Implementation</th>
<th>Notes / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Extremely important and will be prioritised over all other change programs.</td>
<td>Improved Customer Services</td>
<td>2</td>
<td>3 months</td>
<td>Completed</td>
</tr>
<tr>
<td>2</td>
<td>Important and will be delivered depending on resourcing.</td>
<td>Time Efficiencies</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>3</td>
<td>Not recognised already in sound governance and administration and is embedded in internal continuous improvement.</td>
<td>Improved Employee Engagement</td>
<td>1</td>
<td>3 months</td>
<td>Completed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item No</th>
<th>Strategic Change</th>
<th>Priority Ongoing</th>
<th>Ongoing</th>
<th>3-24 months</th>
<th>Completed</th>
</tr>
</thead>
</table>
| 1.6     | 3 months | Completed 

Revised - processes in place and explanation provided to team how to effectively address these issues. Also further work being done on future resourcing as part of structure work.

**Key Tasks/Milestones**

- Consideration of the additional workforce recommendations as outlined in section 11:
  - Completion of annual training needs analysis and professional development aligned with strategic level objectives.
  - A review of the Leading Worker Model and responsibilities of Leading Workers.
  - Alignment of work activities with strategic objectives and the setting of performance standards for Depot Field Employees.
  - Additional Field Resources to support the operational requirements.
  - A system that will be able to support the process of work organisation.
  - A rapid response program for emergency situations.
  - A dedicated work group for the identification of hazards and risk assessments.

**Primary Delivery**

- **Improved Customer Services**
- **Improved Time Efficiencies**
- **Improved Cost Efficiencies**
- **Improved Employee Engagement**
**Four Key Strategic Delivery Outcomes**

<table>
<thead>
<tr>
<th>Item No</th>
<th>Strategic Change</th>
<th>Key Tools/Workstreams</th>
<th>Primary Delivery Outcome</th>
<th>Priority</th>
<th>Target Implementation</th>
<th>Notes / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Customer Service Management - Depot</td>
<td>Pathway smart mobile app solution is implemented for only non-asset based requests at the Depot.</td>
<td>All</td>
<td>1</td>
<td>3-24 Months</td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>Conquest and conquest mobile solution is reassessed for its broader suitability for operational staff to support a reactive and proactive maintenance operation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>Investigate Pathway and Conquest integration to support one point of management for reactive and proactive maintenance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td>Manage all assets in conquest and utilize as the scheduling system.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5</td>
<td>Ensure adequate Conquest licences to support system.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.6</td>
<td>Ensure adequate access to printable devices to support mobile solutions.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.7</td>
<td>Ensure adequate training to develop knowledge and skills for mobility solutions.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.8</td>
<td>Implement a “city watch” engagement to educate public on status of matters and what has and hasn’t been reported.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.9</td>
<td>Information on web - develop front facing and easily located and readable communication for all planned maintenance in the district (Council), State and other utilities potentially although start with (Council).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Review of process flows and management of customer requests forms part of customer services review.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1.1</td>
<td>Cloud</td>
<td>Undertake appropriate actions to increase our readiness to move to a Cloud environment and reduce our reliance on “On Premise” infrastructure.</td>
<td>All</td>
<td>Ongoing</td>
<td></td>
<td>Changes and new items implemented are assessed for cloud readiness.</td>
</tr>
<tr>
<td>3.1.2</td>
<td>Mobility</td>
<td>Explore opportunities to increase capability for Council workforce to access work functions whilst out of the office.</td>
<td>All</td>
<td>1</td>
<td>3-24 months</td>
<td>Large highest priority for our ICT infrastructure is to achieve sound mobility systems which supports significant opportunities in service delivery. Project will be based on highest efficient and customer service outcomes. Priority areas are depot and development and environmental service outcomes and customer management generally and customer service outcomes.</td>
</tr>
<tr>
<td>3.1.3</td>
<td>Customer Access</td>
<td>Increase opportunities for all customers to interact with Council via the Web including online business transactions.</td>
<td>All</td>
<td>1</td>
<td>3-24 months</td>
<td>Expanding services and when customers can interact e.g. track you development application on line, lodge a customer request yourself during office closed hours. Project will be based on highest efficient and customer service outcomes.</td>
</tr>
<tr>
<td>3.1.4</td>
<td>Application Rationalisation</td>
<td>Develop a model for the implementation of any new software in a cloud environment.</td>
<td>Cost Efficiencies</td>
<td>Ongoing</td>
<td></td>
<td>Changes and new items implemented are assessed for need or integration into existing applications.</td>
</tr>
<tr>
<td>3.1.5</td>
<td>Electronic Document Management</td>
<td>Undertake activities to continue to expand and promote management of all Corporate significant council records within Councils chosen EMRMS (Electronic Data Records Management System).</td>
<td>Cost and Time Efficiencies</td>
<td>Ongoing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1.6</td>
<td>Documentation</td>
<td>Ensure procedures, processes and projects are fully documented to ensure, repeatability, efficient and effective capture of relevant data.</td>
<td>Employee Engagement</td>
<td>2</td>
<td>Ongoing</td>
<td>Work for priority review are depot, development and environmental service processes and customer management generally.</td>
</tr>
<tr>
<td>3.1.7</td>
<td>Collaboration</td>
<td>Look for opportunities to work collaboratively with our neighbours and other councils in order to share knowledge and resources.</td>
<td>Cost and Time Efficiencies</td>
<td>3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Service Review - Sub Review / ICT and Organisational Change Program Summary

#### Priority 1
- Extremely important and will prioritised over all other change programs.

#### Priority 2
- High importance and are the key long term drivers to achieving the change program.

#### Priority 3
- Important and will be delivered depending on resourcing.

#### Priority Ongoing
- To be delivered depending on sound governance and administration analytics embedded in continuous improvement.

<table>
<thead>
<tr>
<th>Item No</th>
<th>Strategic Change</th>
<th>Priority Delivery</th>
<th>Priority</th>
<th>Target Implementation</th>
<th>Notes / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3</td>
<td>Service Delivery</td>
<td>Cost and Time</td>
<td>Ongoing</td>
<td>1 3 months</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Efficiencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality ICT service delivery is provided with the needs of our business and community anticipated and responded to.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The organisation has a shared understanding of ICT direction, key priorities and timelines for change.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Our ICT Team is well connected and collaborates with industry stakeholders.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Council is connected to the community and offers digital engagement options.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Risk Services Analysis

### 6.1 Risk Management Policy and Framework
- Simplify the policy and extract some of the information to the risk management framework and classic.
- Establish consistent key risk assessment criteria applicable for use across the whole Council to ensure consistency of risk management discussion and information dissemination.

<table>
<thead>
<tr>
<th>Additional Efforts</th>
<th>Ongoing</th>
<th>3-24 months</th>
<th>Significant reform required, recruiting for vacant role at present and then set a path for reform.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Management Advisory</td>
<td>All 1</td>
<td>3-24 months</td>
<td>Significant reform required, recruiting for vacant role at present and then set a path for reform.</td>
</tr>
<tr>
<td>Strategic Risk Assessment</td>
<td>All 1</td>
<td>3-24 months</td>
<td>Significant reform required, recruiting for vacant role at present and then set a path for reform.</td>
</tr>
<tr>
<td>WHS System</td>
<td>All 1</td>
<td>3-24 months</td>
<td>Significant reform required, recruiting for vacant role at present and then set a path for reform.</td>
</tr>
</tbody>
</table>

## Organisational Change and Development (2018/2019)

### 6.1 Organisational Change and Development (2018/2019)
- Review of roles and responsibilities within the Directorate of Development and Environmental Services to ensure the Directorate is adequately resourced and structured to meet legislative requirements.
- Ongoing | Completed | Part of CES review and implementation underway as outlined at item 1.1. |

### 6.2 Review administrative support provided within all Directorates.
- Employee Engagement | Ongoing | Program for 2018 set and being delivered over next 8 months. |
|                         | 2 12 months | CES review commenced – model will then be repeated across organisation. |

### 6.3 Continuation of the strategic and development programs for the Organisational Management Group (OMG) and People Management Group (PMG).
- Employee Engagement, Improved Customer Services | Ongoing | Work continues on policy, process, accountability frameworks, addressing foreground and staff development and addressing each teams action plans for 2018. |

### 6.4 Continuation of the organisational culture improvement program.
- Employee Engagement, Improved Customer Services | Ongoing | Implement outcomes of tomas needs and performance appraisals. |

### 6.5 Development opportunities for staff internally and within the sector, as supported by Council’s Human Resource Management Framework.
- Employee Engagement | Ongoing | Work continues on policy, process, accountability frameworks, addressing foreground and staff development and addressing each teams action plans for 2018. |
The Barossa Council Workforce Plan 2017 to 2027 - Activity Programs Supporting Part 7 Resolutions Above

Activity Programs Supporting Part 7 Resolutions Above

<table>
<thead>
<tr>
<th>Item No</th>
<th>Strategic Change</th>
<th>Key Tools/Workshops</th>
<th>Priority Delivery Outcome</th>
<th>Priority Target Implementation</th>
<th>Notes / Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.6</td>
<td>Annual training needs analysis aligned with competency profiles for all job roles.</td>
<td>All Ongoing</td>
<td>Completed</td>
<td>2-3 months</td>
<td>see below actions.</td>
</tr>
<tr>
<td>7.7</td>
<td>Review of the performance partnering model to align with community plan outcomes.</td>
<td>Employee Engagement 1 Completed</td>
<td>Currently being rolled out as part of annual performance reviews at both individual or team level.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.8</td>
<td>Annual performance partnering with all Employees.</td>
<td>Employee Engagement Ongoing</td>
<td>Mar-18</td>
<td>see item above 7.7</td>
<td></td>
</tr>
<tr>
<td>7.9</td>
<td>Position Descriptions to include competency profiles and visual link to community plan themes.</td>
<td>Employee Engagement Ongoing</td>
<td>Jun-18</td>
<td>Implementation underway with target for completion aligned with annual performance approach and or implementation of review outcomes.</td>
<td></td>
</tr>
<tr>
<td>7.10</td>
<td>Focus on continuous improvement, including discussion at Team meetings.</td>
<td>Cost and Time Efficiencies, Improved Customer Services</td>
<td>Ongoing</td>
<td>Preditory session done with all staff prior to Christmas as part of staff meeting.</td>
<td></td>
</tr>
<tr>
<td>7.11</td>
<td>Focus on system improvements including automating processes and reducing manual systems.</td>
<td>Cost and Time Efficiencies, Improved Customer Services</td>
<td>2 3-24 months</td>
<td>see all the above detail that covered mobility and automation, workforce support will be provided in accordance with the specific implementation of each solution.</td>
<td></td>
</tr>
<tr>
<td>7.12</td>
<td>Continuation of corporate application User Groups to assist with driving organisational change and system improvements.</td>
<td>All Ongoing</td>
<td>2 3-24 months</td>
<td>see all the above detail that covered mobility and automation, workforce support will be provided in accordance with the specific implementation of each solution.</td>
<td></td>
</tr>
<tr>
<td>7.13</td>
<td>Consider the development and implementation of internal Service Agreements (IBEA/HR, HR, Finance, IT, Customer Services) to define levels of internal service provided.</td>
<td>Ongoing 3</td>
<td>Further discussion to be considered before proceeding.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.14</td>
<td>Continuation of regional shared services (Organisational Development/Finance Resources and Procurement) to support service provision across the region.</td>
<td>Employee Engagement Ongoing</td>
<td>Completed</td>
<td>New agreements and services being provided.</td>
<td></td>
</tr>
<tr>
<td>7.15</td>
<td>Investigation of future regional shared service opportunities.</td>
<td>Employee Engagement 2 12 months</td>
<td>2 12 months</td>
<td>being discussed as part of depot review in the first instance, will consider further work on internal staff enterprise agreement.</td>
<td></td>
</tr>
<tr>
<td>7.16</td>
<td>Consider the development and implementation of Corporate Applications to support HR and Risk Management activities.</td>
<td>Employee Engagement 1 2018 completed</td>
<td>see below actions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.17</td>
<td>Consideration to the inclusion of a classification structure within Council’s Enterprise Agreement, which is appropriately aligned with current roles and responsibilities within Council.</td>
<td>Employee Engagement 2 12 months</td>
<td>12 months</td>
<td>being discussed as part of depot review in the first instance, will consider further work on internal staff enterprise agreement.</td>
<td></td>
</tr>
</tbody>
</table>

Activity Programs Supporting Part 7 Resolutions Above

<table>
<thead>
<tr>
<th>Item No</th>
<th>Strategic Change</th>
<th>Key Tools/Workshops</th>
<th>Priority Delivery Outcome</th>
<th>Priority Target Implementation</th>
<th>Notes / Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.18</td>
<td>Workforce Plan and Workforce Development Activities Plan presented to the Corporate Management Team (CMG) for approval.</td>
<td>All Ongoing</td>
<td>Completed</td>
<td>See below for actions related to this financial year and work continuing.</td>
<td></td>
</tr>
<tr>
<td>7.19</td>
<td>Implementation of the Workforce Development Activities Plan.</td>
<td>All Ongoing</td>
<td>See below for actions related to this financial year and work continuing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.20</td>
<td>Annual Review of Workforce Development Activities Plan by CMG.</td>
<td>All Ongoing</td>
<td>Year 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.21</td>
<td>Review of the Workforce Plan in 2020 in line with Council’s Corporate Plan.</td>
<td>All Ongoing</td>
<td>Year 2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Extremely important and will be prioritized over all other change programs.

People Management Development Program

Review of position descriptions for staff currently titled Information Officers

Review of resources in accordance with external funding agreements and service requirements

Key Tasks/Milestones

Primary Delivery

All Teams

√

Development Plans for staff to progress to Tourism Services Officers

Professional development of Environmental Health Officer and opportunities to undertake higher duties

√

High importance and are the key long term drivers to achieving the change program.

Is recognized already in sound governance and administration and is embedded in internal continuous improvement.

Cessation of direct service provision and potential cessation of fixed term contract employees

Continuous development of systems and processes to support reporting requirements and administration of fees and charges

Professional development of Building Officers, including progression towards Level 2 Accreditation

Annual Review Workforce Development Activities Plan

Leadership Development Program

⇒ In Progress

Important and will be delivered depending on resourcing.

Review of Operations Team classification structure and definitions included within the Enterprise Agreement

Review of Operations Team structure and position responsibilities

Review of Operations Team classification structure and definitions included within the Enterprise Agreement

Summary of Activities

Done

Completed

Ongoing

In Progress

√

Review of the ICT Strategic Plan 2015-2018

Review of the IC TStrategic Plan 2015-2018
<table>
<thead>
<tr>
<th>Item No</th>
<th>Strategic Change</th>
<th>Key Tools/Milestones</th>
<th>Priority Delivery Outcome</th>
<th>Priority</th>
<th>Target Implementation</th>
<th>Notes/Details</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

**Executive Services**

<table>
<thead>
<tr>
<th>Item No</th>
<th>Strategic Change</th>
<th>Key Tools/Milestones</th>
<th>Priority Delivery Outcome</th>
<th>Priority</th>
<th>Target Implementation</th>
<th>Notes/Details</th>
</tr>
</thead>
<tbody>
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<td></td>
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</tr>
</tbody>
</table>

**Corporate and Community Services**

<table>
<thead>
<tr>
<th>Item No</th>
<th>Strategic Change</th>
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<th>Priority</th>
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<th>Notes/Details</th>
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</table>

**Development and Environmental Services**

<table>
<thead>
<tr>
<th>Item No</th>
<th>Strategic Change</th>
<th>Key Tools/Milestones</th>
<th>Priority Delivery Outcome</th>
<th>Priority</th>
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<th>Notes/Details</th>
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</tbody>
</table>

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**Service Review - Sub Review / ICT and Organisational Change Program Summary**

**Four Key Strategic Delivery Outcomes**

| Priority 1 | Extremely important and will prioritised over all other change programs. |
| Priority 2 | High importance and are the key long term drivers to achieving the change program. |
| Priority 3 | Important and will be delivered depending on resourcing. |
| Priority Ongoing | To be recognised already in a sound governance and administration and is embedded in internal continuous improvement. |

**Summary of Activites**

- Not Yet Commenced
- Ongoing
- Completed
- Resumed
- Planned

**Customer Service Review and the next Consumer Survey**
## Service Review - Sub Review / ICT and Organisational Change Program Summary

### Priority 1
Extremely important and will prioritised over all other change programs.

### Priority 2
High importance and are the key long term drivers to achieving the change program.

### Priority 3
Important and will be delivered depending on resourcing.

### Priority Ongoing
Is recognised already in sound governance and administration and is embedded in internal continuous improvement.

### Four Key Strategic Delivery Outcomes

<table>
<thead>
<tr>
<th>Item No</th>
<th>Strategic Change</th>
<th>Key Tasks/Milestones</th>
<th>Priority Delivery Outcome</th>
<th>Priority</th>
<th>Target Implementation</th>
<th>Notes / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>Implement key outstanding items from prior review - namely first point of resolution</td>
<td></td>
<td>All</td>
<td>2</td>
<td>12 months</td>
<td>Has further dependencies with foundation and priority matters below.</td>
</tr>
<tr>
<td>8.2</td>
<td>Embed customer services data in operational and strategic planning and response as part of reporting program</td>
<td></td>
<td>All</td>
<td>2</td>
<td>12 months</td>
<td></td>
</tr>
<tr>
<td>8.3</td>
<td>Resolve feedback loops to customers using Customer Services as the central point and through the implementation of smart technology.</td>
<td></td>
<td>Improved Customer Services</td>
<td>1</td>
<td>3 months</td>
<td></td>
</tr>
<tr>
<td>8.4</td>
<td>Undertake review of customer journey and implement a customer charter.</td>
<td></td>
<td>Employee Engagement, Improved Customer Services</td>
<td>1</td>
<td>12 months</td>
<td></td>
</tr>
<tr>
<td>8.5</td>
<td>Implement an ongoing knowledge sharing model across the organisation and to especially support 8.1 - first point of resolution.</td>
<td></td>
<td>Employee Engagement, Improved Customer Services</td>
<td>1</td>
<td>12 months</td>
<td></td>
</tr>
<tr>
<td>8.6</td>
<td>Resolve technology issues associated with sound customer service, namely telephone and Mitel matters as a priority.</td>
<td></td>
<td>Employee Engagement, Improved Customer Services</td>
<td>1</td>
<td>3 months</td>
<td></td>
</tr>
<tr>
<td>8.7</td>
<td>Develop on-line and other materials of regular enquiries to reduce load primary ones are planned works such as street sweeping, drain clearing, waste management, fire management season and develop proactive messaging to community around seasonal matters.</td>
<td></td>
<td>Employee Engagement, Improved Customer Services</td>
<td>2</td>
<td>12 months</td>
<td></td>
</tr>
</tbody>
</table>