



NOTICE OF MEETING

Notice is hereby given the next Ordinary Meeting of Wattle Range Council will be held in the Council Chambers, Civic Centre, George Street, Millicent on **Tuesday 15 January 2019 at 5.00 pm.**

Ben Gower
CHIEF EXECUTIVE OFFICER

Wattle Range - a great place to live and work

**GDS20 – 9.24.1
PERMANENT**

Disclaimer: Please note that the contents of the Council Agenda has yet to be considered by Council and recommendations contained herein may be altered or changed by the Council in the process of formally making decisions of Council.



MEETING AGENDA

15 January 2019

1. OPENING OF THE MEETING – CIVIC PRAYER – ACKNOWLEDGEMENT OF COUNTRY

2. PRESENT

3. APOLOGIES

4. DISCLOSURE OF INTERESTS

Any Councillor with one of the following Conflicts of Interest is asked to declare it now and prior to the Item being discussed:

Material – where any of a defined list of persons would gain a benefit, or suffer a loss (whether directly or indirectly, personal or pecuniary) depending on the outcome of the consideration of the matter at the meeting.

Actual – where a Member has a Conflict of Interest (not being a material conflict of interest) between their own interests and the public interest that might lead to a decision that is contrary to the public interest.

Perceived – where from the perspective of an impartial, fair-minded person it could reasonably be perceived that a Member has a Conflict of Interest in a matter.

Where an actual or perceived Conflict of Interest exists the Member must inform the meeting of the interest and how (if they propose to participate in the meeting) they intend to deal with the actual / perceived Conflict of Interest. This information will be documented by the Minute Taker.

5. CONFIRMATION OF THE MINUTES

5.1 Ordinary Meeting of Council – 11 December 2018 (Folio 7994 – Folio 8006) 7

RECOMMENDATION

That the Minutes be taken as presented and confirmed.

5.2 Confidential Minutes of Council – 11 December 2018 (CM 786 – CM 795) 20

RECOMMENDATION

That the Minutes be taken as presented and confirmed.

GDS20 – 9.24.1
PERMANENT

6. MATTERS ARISING FROM THE MINUTES

7. ADJOURNMENTS

8. MAYORAL COMMUNICATIONS

- 8.1 Mayoral Communications 32

RECOMMENDATION

That the Mayoral Communications be received and noted.

9. DEPUTATIONS

- 9.1 Environment Protection Authority

Mr Andrew Pruszinski, Manager of the Site Contamination Branch will attend to make a presentation to Council at 5.05 pm re Groundwater Contamination at the Miland Treated Timbers Facility.

- 9.2 South East Local Health Network

Ms Ngaire Buchanan, Deputy CEO – South East Local Health Network and Mr Grant King, Chair – South East Local Health Network will attend to make a presentation to Council at 5.30 pm re the South East Health Service and Millicent and District Hospital Health Service.

10. PETITIONS

- 10.1 Petition by Tantanoola Residents in regard to the nuisance of Little Corellas in Tantanoola 35

11. REPORTS FROM COUNCIL MEMBERS

12. QUESTIONS WITH NOTICE

13. QUESTIONS WITHOUT NOTICE

14. REPORTS FROM COUNCIL COMMITTEES

- 14.1 Lake McIntyre Management Board – Minutes of the Meeting held on Tuesday, 11 December 2018 41

RECOMMENDATION

1. That the report be received and noted.
2. That a letter of appreciation be sent to John Chalmers thanking him for his involvement with the Board.

15. REPORTS FROM COUNCIL OFFICERS

15.1	Chief Executive Officer	
15.1.1	Major Project Status Report	46
15.1.2	Millicent Railway Land	56
15.2	Director Corporate Services	
15.2.1	Monthly Financial Performance Report	78
15.2.2	Wattle Range Youth Development Foundation	82
15.3	Director Development Services	
15.3.1	Millicent Saleyards Report	90
15.3.2	Great Vic Bike Ride – Funding Support	157
15.4	Director Engineering Services	
15.4.1	Coonawarra to Penola Rail Trail	185

16. CORRESPONDENCE

16.1	Letter from Tony Pasin, MP – Federal Member for Barker – Road to Recovery Program 2019/20	215
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RECOMMENDATION

That the correspondence be received and noted.

16.2	Letter from Fiona Rasheed, Presiding Member, South East Natural Resources Management Board – Draft South East NRM Board Business Plan 2019/20 – 2021/22 – Consultation from 18 December 2018 to 4 February 2019	216
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RECOMMENDATION

That the correspondence be received and noted.

16.3	Letter from Adrian Beresford-Wylie, CEO, Australian Local Government Association re Notices of Motions for National General Assembly 2019 (NGA)	246
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RECOMMENDATION

That the correspondence be received and noted.

16.4	Letter from David Speirs, MP, Minister for Environment & Water re Native Vegetation Guidelines and \$30,000 for repair of Post Office Rock Causeway at Beachport	248
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RECOMMENDATION

That the correspondence be received and noted.

- 16.5 Letter from Lee Morgan, Chairperson, Millicent Business Community Association re sincere thankyou for the \$2,000 contribution towards the 2018 Lights Up Event on 24 November 2018 250

RECOMMENDATION

That the correspondence be received and noted.

17. MOTIONS ON NOTICE

Nil

18. URGENT MOTIONS WITHOUT NOTICE

Nil

19. ITEMS FOR CONSIDERATION IN CONFIDENCE

- 19.1 Review of Eligible Section 184 – Sale of Properties for Unpaid Rates 253

**GDS20 – 9.24.1
PERMANENT**

[Disclaimer: Please note that the contents of the Council Agenda has yet to be considered by Council and recommendations contained herein may be altered or changed by the Council in the process of formally making decisions of Council.](#)



Wattle Range
COUNCIL

*Confirmation of the
Minutes*

WATTLE RANGE COUNCIL

Minutes of the Ordinary Meeting of Wattle Range Council held in the Council Chambers, Civic Centre, George Street, Millicent on Tuesday 11 December 2018 at 5.00 pm.

1. OPENING OF THE MEETING / CIVIC PRAYER / ACKNOWLEDGEMENT OF COUNTRY

2. PRESENT

His Worship the Mayor D Noll
 Cr D Agnew [arrived at 5.08 pm]
 Cr G Brown
 Cr D Burrow
 Cr S Cox
 Cr J Drew
 Cr P Dunicliff
 Cr K McGrath
 Cr M Neagle
 Cr D Price
 Cr G Slarks

Messrs BJ Gower (Chief Executive Officer)
 PA Duka (Director Corporate Services)
 PE Halton (Director Engineering Services)
 SW Chapple (Director Development Services)
 Ms CP Allen (Executive Assistant)

3. APOLOGIES

Cr R Paltridge

4. DISCLOSURE OF INTERESTS

Cr Neagle disclosed that she has a Perceived Conflict of Interest in regard to Item 17.1 as her husband is a Primary Producer.

5. CONFIRMATION OF THE MINUTES

5.1 Ordinary Meeting of Council – 27 November 2018 (Folio 7981 – Folio 7993)

Cr Drew moved that the minutes be taken as presented and confirmed.

Cr Brown seconded

CARRIED

6. MATTERS ARISING FROM THE MINUTES

Nil

7. ADJOURNMENTS

Nil

8. MAYORAL COMMUNICATIONS

8.1 Mayoral Communications

Cr Neagle moved that Mayoral Communications be received and noted.

Cr Cox seconded

CARRIED

9. DEPUTATIONS

Nil

10. PETITIONS

Nil

11. REPORTS FROM COUNCIL MEMBERS

Cr McGrath drew people's attention to the Stuffed Santa Competition in Penola / Coonawarra.

Cr Dunicliff advised Council of the sad passing of Beachport Boat Ramp Advisory Committee Member Dob Holloway.

12. QUESTIONS WITH NOTICE

Nil

13. QUESTIONS WITHOUT NOTICE

Various questions were asked but there was no resolution that entry be made into the Minutes.

14. REPORTS FROM COUNCIL COMMITTEES

Nil

15. REPORTS FROM COUNCIL OFFICERS

15.1 Chief Executive Officer

[Cr Deb Agnew attended the meeting at 5.08 pm]

15.1.1 Major Project Status Report

Cr Price moved that Council receive and note the report.

Cr McGrath seconded

CARRIED

15.1.2 Council Members Training and Development

Cr Drew moved that Council:

1. Pursuant to Section 80A of the *Local Government Act 1999* adopt Council Members Training & Development policy as amended.
2. Pursuant to Section 80A of the *Local Government Act 1999* adopt the Elected Member Training and Development plan as amended.

Cr Dunicliff seconded

CARRIED

15.2 Director Corporate Services

15.2.1 Monthly Financial Performance Report

Cr Cox moved that Council receive and note the 2018/19 November Financial Performance Report.

Cr Price seconded

CARRIED

15.2.2 Revocation of Community Land Classification – 12 to 14 Bowden Street, Penola

Cr Burrow moved that Council:

1. Pursuant to Section 194 (3)(b) of the *Local Government Act 1999*, revoke the community land classification over land situated at 12-14 Bowden Street, Penola (Allotment 2, D D118378), Hundred of Penola (Certificate of Title Volume 6206 Folio 356); and
2. Authorise the Chief Executive Officer to formally transfer ownership of the land from Council to the National Trust of South Australia.

Cr Neagle seconded

CARRIED

13.2.3 Former Millicent Netball Association Building

Cr Cox moved that Council receive and note the report.

Cr Agnew seconded

CARRIED

Cr Brown moved that Council approve a lease for the former Millicent Netball Association Building (being portion of allotment 5, D89547, North Terrace, Millicent, Hundred of Mount Muirhead) to the Mid-South East Netball Association for a period of 1 year whilst further investigations are carried out into the cost of providing suitable facilities for the Croquet Club or other alternatives on the present site.

Cr Dunicliff seconded

CARRIED

15.3 Director Development Services

15.3.1 Furner Community Town Plan

Cr Burrow moved that Council receive and note the Furner Community Town Plan.

Cr Price seconded

CARRIED

15.3.2 2019 Blades of Glencoe Shearathon – Funding Request

Cr Price moved that Council support The Blades Shearers Heritage Foundation Incorporated Association for the “2019 Blades of Glencoe Shearathon” to the value of \$2,200.

Cr Dunicliff seconded

CARRIED

15.3.3 Itinerant Traders & Mobile Food Vendors

Cr Dunnicliff moved that Council:

1. Adopt the Wattle Range Mobile Food Vendors Location Rules as presented, on a trial basis until 1st June 2019.
2. Amend the Wattle Range Council Fees & Charges Schedule 2018/19 to include the following fees for Section 222 permits: Monthly Permit Fees \$200 and Annual Permit Fee \$2,000 per year.
3. Adopt the amended Mobile Food Vendors Policy as presented.

Cr Cox seconded

CARRIED

15.4 Director Engineering Services

15.4.1 Council Swimming Facilities

Cr Price moved that Council receive and note the report.

Cr Cox seconded

CARRIED

Cr Drew moved that Council develops a long-term plan for the Millicent Swimming Lake without affecting the nature of its current use.

Cr Cox seconded

CARRIED

ADJOURNMENT OF MEETING

Cr Dunnicliff moved that the meeting be adjourned for dinner until 7.10 pm

Cr Neagle seconded

CARRIED

The meeting adjourned at 6.37 pm.

The meeting reconvened at 7.13 pm.

15.4.2 No Stopping Zone – George Street, Millicent

Cr Brown moved that Council:

- (a) Receive and note the “Traffic Impact Statement” prepared by the Director Engineering Services.
- (b) Amend the Parking Register and implements a full time No Stopping Zone from 77.0 metres west of the west side of the intersection of George Street and Short Street, to 83.0 metres west of the west side of the intersection of George Street and Short Street and as shown on drawing WRC Register – Millicent 44A. The No Stopping Zone to become effective immediately upon the installation of signage.

Cr Agnew seconded

CARRIED

15.4.3 Parking Bay Removal – Davenport Street Blackspot Project

Cr Dunnicliff moved that Council commence targeted consultation with adjacent businesses on the proposed removal of the three parking bays in the vicinity of the intersection of Davenport Street and Stuckey Street, as shown on attached 1 “Pedestrian Safety Works Davenport Street Millicent”.

Cr Brown seconded

CARRIED

Cr Brown moved that the proposed protuberances involve some landscaping to ensure Council improves the appearance of the corner.

Cr Agnew seconded

CARRIED

16. CORRESPONDENCE

- 16.1 Letter from Amanda Watson-Tran, A/Manager Safety Strategy, Department of Planning, Transport and Infrastructure re 2018/19 State Government Funding Program – Davenport Street / Glen Street / Stuckey Street, Millicent and Funding Deed

Cr Drew moved that Council authorise the Mayor and Chief Executive Officer to sign and apply the Wattle Range Council Common Seal to the Funding Deed under 2018/19 South Australia State Black Spot Program for Davenport Street / Glen Street / Stuckey Street, Millicent.

Cr Neagle seconded

CARRIED

17. MOTIONS ON NOTICE

- 17.1 Cr Glenn Brown submitted the following Motion on Notice in regard to Millicent Saleyards

Cr Neagle on reflection withdrew her Declaration of a Perceived Conflict of Interest in regard to this matter.

Cr Brown moved that a report be presented to Council at the 15 January 2019 Ordinary Meeting detailing the current financial and activity position of the Millicent Saleyards and public response to the “Millicent Saleyard Review Jan 2018” to assist in determining the future of the facility.

Cr Cox seconded

CARRIED

- 17.2 Cr Kevin McGrath submitted the following in-confidence Motion on Notice in regard to Millicent Community Club

Cr Dunnicliff moved that:

1. Pursuant to Sections 90(2) and 90 (3)(b) and (d) of the *Local Government Act, 1999* the Council orders that the public be excluded from attendance at the part of this meeting relating to 17.2, excepting the following persons:
 - Mr BJ Gower – Chief Executive Officer
 - Mr PA Duka – Director Corporate Services
 - Mr PE Halton – Director Engineering Services
 - Mr SW Chapple – Director Development Services
 - Ms C Allen – Executive Assistant / Minute Taker

to enable the Council to consider Item 17.2 in confidence on the basis the Council considers it necessary and appropriate to act in a meeting closed to the public (excepting those persons listed above) in order to receive, discuss or consider in confidence information relating to Item 17.2:

information the disclosure of which:

- (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct business, or to prejudice the commercial position of the council; and
- (ii) would, on balance be contrary to the public interest;

commercial information of a confidential nature (not being a trade secret) the disclosure of which:

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- (ii) would, on balance, be contrary to the public interest.

Specifically the present matter relates to the Millicent Community Club.

2. Accordingly, on this basis, the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.

Cr Burrow seconded

CARRIED

Mayor Noll stated:

To all members of the gallery, I advise that Council has resolved that this matter is to be considered in confidence pursuant to section 90 of the Local Government Act 1999 because the matter relates to commercial information that could prejudice the commercial position of the Council and could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.

Accordingly I have to ask all members of the public and press to leave the Council Chambers.

Thank you

Cr McGrath moved that:

1. Pursuant to Section 91(7) of the *Local Government Act, 1999*, Council orders **that the following shall be kept confidential**, being document(s) (or part) relating to a matter dealt with by the Council on a confidential basis under Sections 90(2) and 90(3)(b) and (d) of the Act:

- **Minutes of Item 17.2 of 11 December 2018**

On the grounds that the document(s) (or part) is:

information the disclosure of which:

- (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct business, or to prejudice the commercial position of the council; and
- (ii) would, on balance be contrary to the public interest;

commercial information of a confidential nature (not being a trade secret) the disclosure of which:

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- (ii) would, on balance, be contrary to the public interest.

Specifically the present matter relates to the Millicent Community Club.

This order shall operate until **11 December 2019** and will be reviewed at least annually in accordance with the Act.

2. Pursuant to Section 91(9)(c) of the Act, the Council delegates to the Chief Executive Officer the power to revoke this order and must advise the Council of the revocation of this order as soon as possible after such revocation has occurred.

Cr Agnew seconded

CARRIED

18. URGENT MOTIONS WITHOUT NOTICE

Nil

19. ITEMS FOR CONSIDERATION IN CONFIDENCE

19.1 Evaluation of Tenders and Approval of a Contractor for Waste Facility Operation

Cr Price moved that:

1. Pursuant to Sections 90(2) and 90 (3)(k) of the *Local Government Act, 1999* the Council orders that the public be excluded from attendance at the part of this meeting relating to 19.1, excepting the following persons:
 - Mr BJ Gower – Chief Executive Officer
 - Mr PA Duka – Director Corporate Services
 - Mr PE Halton – Director Engineering Services
 - Mr SW Chapple – Director Development Services
 - Ms C Allen – Executive Assistant / Minute Taker

to enable the Council to consider Item 19.1 in confidence on the basis the Council considers it necessary and appropriate to act in a meeting closed to the public (excepting those persons listed above) in order to receive, discuss or consider in confidence the following information or matter relating to Item 19.1 tenders for the supply of goods, the provision of services or the carrying out of works.

Specifically the present matter relates to a tender for the operation of Council's five waste facilities and associated transport of waste.

2. Accordingly, on this basis, the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.

Cr Burrow seconded

CARRIED

Cr Dunnicliff moved that Council delegate the Chief Executive Officer to enter into a contract with Veolia Environmental Services Pty Ltd for the Operation of Council's Waste Facilities, based on a schedule of rates.

Cr Burrow seconded

CARRIED

Cr Dunnicliff moved that Council delegate to the Chief Executive Officer to engage an Environmental Services Officer, commencing in March 2019 and concluding 30 June 2021.

Cr Burrow seconded

AMENDMENT

Cr Brown moved that Council delegate to the Chief Executive Officer to engage an Environmental Services Officer, commencing in March 2019 and concluding 30 June 2020.

Cr Cox seconded

LOST

THE MOTION WAS PUT

DIVISION

Cr Brown called for a division:

The Mayor declared the vote set aside.

Members voting in the affirmative:

Councillors Slarks, Price, Neagle, McGrath, Dunnicliff, Drew, Burrow and Agnew

Members voting in the negative:

Councillors Cox and Brown

The Mayor declared the motion CARRIED

Cr McGrath moved that:

1. Pursuant to Section 91(7) of the *Local Government Act, 1999*, Council orders **that the following document(s) (or part) shall be kept confidential**, being document(s) (or part) relating to a matter dealt with by the Council on a confidential basis under Sections 90(2) and 90(3)(k) of the Act:

- **The Report of Item No. 19.1 of 11 December 2018**

On the grounds that the document(s) (or part) relates to tenders for the supply of goods, the provision of services or the carrying out of works.

Specifically the present matter relates to a tender for the operation of Council's five waste facilities and associated transport of waste.

This order shall operate until **11 December 2019** and will be reviewed at least annually in accordance with the Act.

2. Pursuant to Section 91(9)(c) of the Act, the Council delegates to the Chief Executive Officer the power to revoke this order and must advise the Council of the revocation of this order as soon as possible after such revocation has occurred.

Cr Drew seconded

CARRIED

19.2 2019 Australia Day Awards Nominations

Cr Price moved that:

1. Pursuant to Sections 90(2) and 90(3)(a) of the *Local Government Act 1999*, the Council orders that the public be excluded from attendance at that part of this meeting relating to Item 19.2, excepting the following persons:
 - Mr B J Gower (Chief Executive Officer)
 - Mr P A Duka (Director Corporate Services)
 - Mr P E Halton (Director Engineering Services)
 - Mr S W Chapple (Director Development Services)
 - Ms C P Allen (Executive Assistant)

to enable the Council to consider Item 19.2 in confidence on the basis the Council considers it necessary and appropriate to act in a meeting closed to the public (excepting those persons listed above) in order to receive, discuss or consider in confidence the following information or matter relating to Item 19.2:

- a) Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

Specifically, the present matter relates to information pertaining to the personal affairs of persons nominated for Australia Day Awards.

The disclosure of this information would be unreasonable because the information is sensitive to the people nominated and is not a matter of public knowledge.

2. Accordingly, on this basis, the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.

Cr Neagle seconded

CARRIED

Cr Neagle moved that:

1. Pursuant to Section 91(7) of the *Local Government Act 1999*, the Council orders that the following document(s) (or part) shall be kept confidential, being document(s) (or part) relating to a matter dealt with by the Council on a confidential basis under Sections 90(2) and 90(3)(a) of the Act:
 - **The report of Item 19.2 of 11 December 2018**

on the grounds that the document(s) (or part) is:

- a) Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

Specifically, the present matter relates to information pertaining to the personal affairs of persons nominated for Australia Day Awards.

The disclosure of this information would be unreasonable because the information is sensitive to the people nominated and is not a matter of public knowledge.

This order shall operate for a period **until further order of the Council.**

2. Pursuant to Section 91(9)(c) of the Act, the Council delegates to the Chief Executive Officer the power to revoke this order, and must advise the Council of the revocation of this order as soon as possible after such revocation has occurred.

Cr Slarks seconded

CARRIED

Cr Neagle moved that:

1. Pursuant to Section 91(7) of the *Local Government Act 1999*, the Council orders that the following document(s) (or part) shall be kept confidential, being document(s)(or part) relating to a matter dealt with by the Council on a confidential basis under Sections 90(2) and 90(3)(a) of the Act:

- **The Minutes of Item 19.2 of 11 December 2018**

on the grounds that the document(s) (or part) is:

- a) Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

Specifically, the present matter relates to information pertaining to the personal affairs of persons nominated for Australia Day Awards.

The disclosure of this information would be unreasonable because the information is sensitive to the people nominated and is not a matter of public knowledge.

This order shall operate for a **period until publicly released by the Mayor.**

2. Pursuant to Section 91(9)(c) of the Act, the Council delegates to the Chief Executive Officer the power to revoke this order and must advise the Council of the revocation of this order as soon as possible after such revocation has occurred.

Cr Dunicliff seconded

CARRIED

19.3 Proposed Sale – Council Land at Lots 43 to 45 and Lot 628 March Court, Penola

Cr McGrath moved that:

1. Pursuant to Sections 90(2) and 90 (3)(b) and (d) of the *Local Government Act, 1999* the Council orders that the public be excluded from attendance at the part of this meeting relating to 19.3, excepting the following persons:

- Mr BJ Gower – Chief Executive Officer
- Mr PA Duka – Director Corporate Services
- Mr PE Halton – Director Engineering Services
- Mr SW Chapple – Director Development Services
- Ms C Allen – Executive Assistant / Minute Taker

to enable the Council to consider Item 19.3 in confidence on the basis the Council considers it necessary and appropriate to act in a meeting closed to the public (excepting those persons listed above) in order to receive, discuss or consider in confidence the following information or matter relating to Item 19.3:

information the disclosure of which:

- (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct business, or to prejudice the commercial position of the council; and
- (ii) would, on balance be contrary to the public interest;

commercial information of a confidential nature (not being a trade secret) the disclosure of which:

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- (ii) would, on balance, be contrary to the public interest.

Specifically the present matter relates to the purchase of Council land.

Accordingly, on this basis, the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.

Cr Drew seconded

CARRIED

Cr Burrow moved that:

1. the CEO advise the Ray Scott Group of Companies that Council has deferred a decision on Lots 43, 44 and 45 and Lot 628 March Court until it has had the opportunity to ensure that your proposal is in the best interests of the Penola Community.
2. Council would prefer access to the allotments Lots 43, 44 and 45 and Lot 628 to be from March Crescent in preference to access from the Robe Road across the Council reserve. Council will consider access to Robe Road provided it does not cause any traffic congestion on the Robe Road and there are valid reasons why the March Crescent is not suitable for access to the allotments.

[Cr Price left the meeting at 9.33 pm]

[Cr Price resumed the meeting at 9.35 pm]

THE MOTION LAPSED FOR WANT OF A SECONDER

Cr Neagle moved that:

1. Council authorise the Chief Executive Officer to sell the Council land at Lots 43, 44 and 45 and Lot 628 March Court, Penola to the Ray Scott Group for \$185,000 with the purchasers being responsible for all costs associated with the purchase of the land.
2. Council approve the progression of an easement over Council land on Robe Road for the purpose of access to Lots 43, 44 and 45 and Lot 628 March Court Penola with the purchasers being responsible for all costs associated with the development of the easement.

Cr McGrath seconded

DIVISION

Cr Burrow called for a division:

The Mayor declared the vote set aside.

Members voting in the affirmative:

Councillors Price, Neagle, McGrath, Dunicliff, Drew, Brown and Agnew

Members voting in the negative:

Councillors Slarks, Cox and Burrow

The Mayor declared the motion CARRIED

Cr Neagle moved that:

1. Pursuant to Section 91(7) of the *Local Government Act, 1999*, Council orders **that the following document(s) (or part) shall be kept confidential**, being document(s) (or part) relating to a matter dealt with by the Council on a confidential basis under Sections 90(2) and 90(3)(b) and (d) of the Act:

- **The Report and Attachments of Item No. 19.3 of 11 December 2018**

On the grounds that the document(s) (or part) is:

information the disclosure of which:

- (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct business, or to prejudice the commercial position of the council; and
- (ii) would, on balance be contrary to the public interest;

commercial information of a confidential nature (not being a trade secret) the disclosure of which:

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- (ii) would, on balance, be contrary to the public interest.

Specifically the present matter relates to the purchase of Council land.

This order shall operate until **11 December 2019** and will be reviewed at least annually in accordance with the Act.

- 2. Pursuant to Section 91(9)(c) of the Act, the Council delegates to the Chief Executive Officer the power to revoke this order and must advise the Council of the revocation of this order as soon as possible after such revocation has occurred.

Cr McGrath seconded

CARRIED

Meeting closed at 9.56 pm.

Taken as presented and confirmed.

.....
MAYOR

.....
DATE



Wattle Range
COUNCIL

Adjournments



Wattle Range
COUNCIL

*Mayoral
Communications*

Mayoral Communications

15th January 2019

Attended the LCLGA meeting on 14 December 2018 with Cr Brown and Mr Gower. LGA business conducted along with Strategic Planning Workshop. This meeting was a good networking opportunity, meeting new and re-elected Mayors throughout the Limestone Coast. The charter of the LCLGA certainly lends itself for more pro-active work that can be achieved. A new CEO is to be identified and the recruitment process is in place. I look forward to working with the LCLGA Board.

We were all saddened to hear of the sudden death of former Wattle Range Council Councillor, Rob Thornett. I attended his funeral service at the Coonawarra Hall on Thursday 20 December 2018. We extend our sympathies to Rob's family and friends at this sad time. I did not know Rob, but as a WRC family member he will clearly be missed.

Have attended the following community activities.

- Penola Men's Shed Christmas Lunch.
- MacArthur Kindergarten Christmas Break Up Student Presentation.
- Penola High School Graduation Presentation.
- Penola Lions Club Christmas - Shed Dinner.
- ABC Radio Interview @ Beachport Caravan Park.
- Coonawarra CFS Training Night.
- WRC Visitor Information Centre Volunteer/Staff Christmas Function.
- Wattle Range Suicide Prevention Network Meeting.
- Millicent Christmas Carols - Delivered Christmas Message on behalf of WRC.
- LCLGA Meeting @ Naracoorte.
- Disability Access and Inclusion Plan Workshop.
- Conducted Citizenship Ceremony.
- Various business meetings with WRC CEO.
- Photo/Media release with UniSA regarding funding scholarship partnership.
- Millicent CFS Christmas Function & Training Night.
- Glencoe Community Christmas Party at Glencoe Football Club.
- Penola Christmas Street Party.
- Cooking BBQ with Newbery Park Primary School at KCA Social Club Picnic day.
- Beachport, New Year's Eve Family fireworks display.

Supported, Surf Life Saving SA with the local Vac Swim program at the Millicent Swimming Lake.

Mayor Des Noll

15th January 2019

RECOMMENDATION: that the Mayoral Communications be received and noted.



Wattle Range
COUNCIL

Deputations



Wattle Range
COUNCIL

Petitions



WATTLE RANGE COUNCIL

We, the residents of Tantanoola hereby submit this petition in relation to the nuisance of Little Corellas in our town.






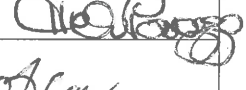
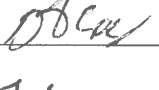
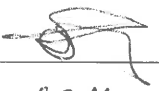

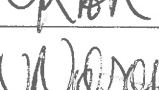
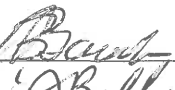


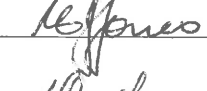
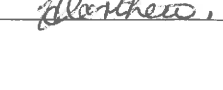
Further to the impact on our environment, Little Corellas have a large impact on the livelihood of residents living within the area. They cause a lot of stress and concern for residents, from the loud screeching noises to the mess they create when stripping bark trees. In addition, large flocks of the Corellas defecate around our public spaces, and private properties causing a potential health risk to the community.




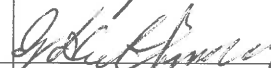



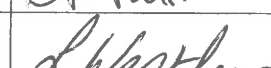
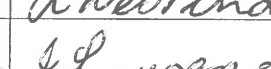



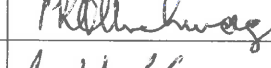







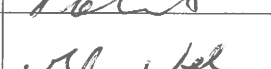
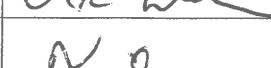
Suggestions are as follows:

- Lethal Shooting / Scaring programs
- The use of birds of prey (falcon)
- Electronic bird scaring devices
- Lethal Trap and gas culling programs
- Revolving lights on vehicles.
- The use of a drone for bird-scaring purposes
- The use of laser lights

LETTER NO: 1/45115		CS2018/446588	
FILE GF/ 5.36.116		REF/	
DATE RCVD	14 DEC 2018		REFER TO
CEO	DCS	DUS	DES
			FILE

“As from 1 July 2017 the *Local Nuisance and Litter Control Act 2016* comes into effect, and all local councils will be responsible for responding to domestic and community complaints, and enquiries regarding local nuisances in your area.”

Name	Address	Signature
B Chipman	Railway Tce Tantanoola	
Zena Lea.	Peters St. Tantanoola	Z. Lea.
Heather Gurney.	335 Tantanoola Road. Tant.	H. Gurney.
Matt Canario	171 Burchard RD	ML
John Butterworth	6 Chant Street Tant.	
Ray W McInyre	20 RAILWAY TCE WEST TANT	
Ian Lines	White Rd Tant	IL
M. Hannan	Edgcombe st	M Hannan
L. WESALL	EAST TCE	
Ryan Hoffmann	4 South Terrace	
Helen Panozzo	6 Railway Tce, West. Tantanoola	
Daniel Gray	7 Peters street Tantanoola	
Trevon Jantz	20 North Tce.	T Jantz
Kis Michelson	31666 Princetown Tantanoola	KM
Jeremy Peters	4 Edgcombe Street Tant	
Ail Hughes	16 South Tce Tantanoola	
Kevin Rainey	14 East Tce Tantanoola	
N Nelson	lane st Tantanoola	N Nelson
B Bowden	16 North Tce TANTANOOLA	
J. Bell	12 EAST TCE TANTANOOLA	J Bell
Catherine Hale	1 Chant St Tantanoola	
Shae Reilly	22 Railway Tce Tantanoola	
Marilyn Jones	4 Randall St Tantanoola	
Heather Leathers	14 Seeborn St Tantanoola, Leathers.	

Name	Address	Signature
Jamie McRostic	P.O Box Tantanoola	
JOHN BARBER	TANTANOOLA	
Deb Bell	Tantanoola	
GARRY HUTCHINSON	TANTANOOLA	
Wendy Johnson	297 Tantanoola Rd TANT	
Sue Langley	Tantanoola	
Alison Pink	9 Kennedy Rd Tantanoola	
Loanne Westland	323 Tantanoola Rd.	
ION. LAWRENCE	6 EAST. TC. TANTANOOLA	
E. R. LEA	1 PETERS ST TANTANOOLA	
MIKE VANDER HEUL	TANTANOOLA Primary School	
PETER ALTSCHWAGER	TANT.	
Joual Holloway	TANTANOOLA	
TIM INGLIS	TANTANOOLA	
Zoe Walker	Tantanoola	
Suzy Gordon	Tantanoola	
PAUL McROSTIC	TANTANOOLA	
JOHN HAINES	TANT	
P. CHART	TANT	
M Webber	TANT	
NO	NO	NO
Dawn Rainey	Tantanoola	
LYNCOON BOULT	Tantanoola	



Wattle Range
COUNCIL

*Reports
from Council
Members*



Wattle Range
COUNCIL

*Questions
with Notice*



Wattle Range
COUNCIL

*Reports from Council
Committees*

LAKE MCINTYRE MANAGEMENT BOARD

Minutes of the Lake McIntyre Management Board Meeting held at the South East Family History Group rooms Tuesday 11th December 2018

1. PRESENT: Deirdre Tiddy, Sheila and Noel Boyle, Rosey and Stewie Pounsett, John Chalmers, and special guest Ann Chalmers

2. APOLOGIES: Brian McIntyre, John Drew

3. CONFIRMATION OF THE MINUTES:

3.1 Lake McIntyre Management Board Meeting 9th October 2018

RECOMMENDATION: That the minutes be taken as presented and confirmed.

Stewie/Sheila

4. MATTERS ARISING FROM THE MINUTES:

4.1 Brochure Updates – Finalised and sent to printer

4.2 Signs – Frog Hollow and Butterfly Rise signs should be up before Christmas. Butterfly and frog signs still ongoing.

4.3 New Board – Need to wait for Council to send nomination forms, so we will not meet until the new Board has been confirmed. Committee Charters are also to be reviewed, so we need to ensure the appropriate changes are made to our charter.

5. CORRESPONDENCE

IN: Ben Gower – Letters concerning Council committees and charters

OUT:

6. FINANCIALS:

20/11/2018	Banner/Mitre10 Leather gloves, sprinkler hand tools	\$68.47
22/11/2018	Absteel Donation Box	\$55.00
20/11/2018	Kemps Machinery Repair/service Ride on mower (volunteers)	\$ 146.15
26/11/2018	Banner/Mitre10 Padlock, goggles, screws, paint – For gate and donation box requirements.	\$113.09

7. GENERAL BUSINESS

- 7.1 Farewell John – After 12 years on the Management Board, John Chalmers will not be seeking re-election. The Board acknowledges John's dedication and expertise in being involved with Lake McIntyre for such a long time. John has, over the last several years, been the BBQ maintenance guru for the lake, ensuring that they have always been in good, clean working order. Thank you, John, for your many years of service to Lake McIntyre.
- 7.2 BBQ Battery Maintenance – Stewie Pounsett has taken on the maintenance of the BBQs and will endeavour to keep up the high standard set by John
- 7.3 BBQ Repair – It has been noted that the door on BBQ #1 has a broken vent. This will need to be looked at and repaired
- 7.4 Car Rally - A few the volunteers had mentioned that a car rally was to wind up at Lake McIntyre for lunch on Sunday 25th November. After obtaining a phone number I contacted the organiser of the event. There seemed to be a bit of a misunderstanding about contacting the Wattle Range Council to book the event. Arrangements were made for two of the BBQ's to be reserved by placing bunting around them. I also spoke to them and advised that two BBQ's were not enough for the numbers they were expecting. I took my large BBQ out for them to use. They had *170 people* turn up and it was a great sight to witness with so many cars and bikes on view. They left the area spotless. I spoke to the organisers and made sure they understood the booking arrangements, and I suggested for the next event they arrange to hire a BBQ for the day. There was also 30 people having a Christmas party at the 3rd BBQ at the same time. (Noel)
- 7.5 Large Tree Limb - On Thursday 22nd of November two large limbs had broken off in the strong winds we had experienced. The she-oak limbs had snapped off at the top but had not fallen completely due to resting on the foliage. Although the limbs seemed stable, it was obvious that the area needed fencing off. Orange fencing was placed around the area because it was on the main walkway near the chain gate. On Thursday with the help of Gavin we cleaned up this area as we realised it was going to be a busy weekend, people wise. A load was taken to the Transfer Station on the Saturday with the rest delivered on the Tuesday. (Noel)
- 7.6 First Aid Kit - On the Monday after receiving a large First Aid kit from the Wattle Range Council we spent time to inspect it. We also discussed snakes and the need to carry bandages with us in case of a bite. Also emphasised try not to move if bitten. Only move to get out of danger. Ant bites were also discussed. We have 3 nurses in our volunteer group, so their input was appreciated. Sunscreen lotion was discussed, and it was decided to have a bottle of it kept in the shipping container, next to the first aid kit - the container is always open whilst working at the lake. Council have now supplied suntan lotion and insect repellent. (Noel)
- 7.7 Donation Tin - For many years we have had a donation tin near a tree stump at the lake. The donation tin has past it's use by date, and the paint had peeled off. With discussions with Leon Miles one day he offered to make a new one. Arrangements were made to order the material from Absteel, and it was collected by Leon. Many thanks to Leon – he has done a great job. This tin has been painted yellow, instead of the dark green that did not stand out. The other collection tin was removed and the new one was placed nearby and cemented in. (Noel)

7.8 Gate - It was suggested by Gavin, one of the volunteers at the lake, that we require a gate in the fence on the Rendelsham Road/ Southern Ports Highway. A few the volunteers were unable to "jump" the fence. This I found to be a safety issue. I managed to obtain a gate from a friend in Glencoe. This was soon installed with a chain to lock the gate. We need to access this area to clean up rubbish, water trees we have planted and weed around them. (Noel)

8 JOBS CARRIED OUT

- Several hours were spent removing slender scotch thistles by hand on the far side of the lake.
- Weeding ongoing
- Opening and closing the gate
- Washing the tables and chairs with hot soapy water.
- Grass cut by Galwey's and volunteers.
- Removed a ute load of Carrot weed, some of which was over 6 feet tall- this area we keep "rustic" to allow insects, lizards and swamp rats to live comfortably.
- Swept bird hide and look outs.
- Liaised with Tourist Info centre regarding new brochure.
- Liaised with Clint Bowering regarding new brochure.
- Liaised with Wattle Range Council regarding bookings for events at Lake McIntyre. We requested it be noted on their notifications in the S.E. Times
- Regular checks of the entire lake area for rubbish.
- Water meter reading.
- Batteries for BBQ's checked. Thanks to John Chalmers.
- Regular checks on weekends of the BBQ areas for cleanliness and usage over this busy period.
- Various emails sent regarding brochures and new signage for the lake.

9 SIGHTINGS

- Virginia Pawsey 1 Snipe
- 2 long necked turtles out of the water near the footpath
- 2? Young Spoonbill

10 GATE ROSTER

Saturday 15 th Dec – Noel & Sheila	Christmas Roster
Saturday 22 nd Dec – Noel & Sheila	Monday 24 th am – Rosey
Saturday 29 th Dec – Rosey & Stewie	pm - Noel
Saturday 5 th January – Noel & Sheila	Tuesday 25 th - Noel
Saturday 12 th January – Deirdre	Wednesday 26 th - Noel
Saturday 19 th January – Rosey & Stewie	
Saturday 26 th January – Rosey & Stewie	

Next Meeting TBA



Wattle Range
COUNCIL

*Reports from
Council Officers*



Wattle Range
COUNCIL

Chief Executive Officer

15.1.1 Major Project Status Report

Purpose of Report	Provide an update on the progress and financial status of Council's capital and operational projects
Director	Chief Executive Officer
Author	Project Manager
Disclosure of Interest	No Council officers or contractors have declared a conflict of interest regarding the matter under consideration.
File Ref	GF/7.73.1/4
Strategic Plan Reference	Theme Five – Organisational Excellence Strategy 5.2 – Govern in a responsible and responsive way
Risk Assessment	Medium
Budget Allocation 2018/19	\$8,995,102
Request for Budget Variation	N/A
Budget Spent to Date	\$2,180,156
Attachments	1. Capital Projects Status Report

Summary

Following the adoption of Budget Review 1 by Council in December 2018, the current total budget for capital and operating projects is \$8,995,102.

As at 8 January 2019 the overall project completion rate was 35% with a financial expenditure rate of 24%.

Broken down further, the completion rate for the 119 capital projects was 39% with a financial expenditure rate of 26%; and the completion rate for the 56 operational projects was 27% with a financial expenditure rate of 10%.

RECOMMENDATION

That Council receive and note the report.

Background & Analysis

In its 2018/19 budget deliberations, Council resolved to fund 175 projects worth \$9.3 million.

As at 8 January 2019 the overall completion rate was 35% with a financial expenditure rate of 26%. The completion rate for the 119 capital projects was 39% with a financial expenditure rate of 26%; and the completion rate for the 56 operational projects was 27% with a financial expenditure rate of 10%

Of the 175 capital and operational projects:

- 40 have been completed
- 15 are in the delivery stage
- 1 is in the approval phase
- 21 are in the procurement phase
- 13 are in the design stage
- 21 are in the planning phase
- 60 have not yet commenced
- 4 have been deferred

Individual project status updates are as follows:

Millicent Domain – Adventure Playground

Toilet facilities for the playground and skate park area have been ordered and arrived pre-Christmas. Installation will begin in January.

Bolton Oval

Drawings have been completed and project has been put out to tender for the complete renovation of the building including a new roof and guttering. The successful tenderer has been appointed with work expected to begin in February.

Storm Water - Arthur Street Penola

Project is well advanced with pipe laying completed to approximately 80% of the Ralston Street/Arthur Street intersection. The Outfall drain in the Abby Lands is approximately 80% completed. Work recommenced on 7 January 2019.



Swimming Facilities

Chlorine Storage upgrade at Millicent Swimming lake is completed.

Nangwarry Pool sails have been installed.



Road Construction

Re-sheeting work has been ongoing with 40% of Wandillo Road completed and Korrine/Mt Burr/Kalangadoo Corner completed.

Kennedy Road widening program has been scoped for start of work with the Special Local Roads Program.

Poole Street curbing has been completed.

Resealing Works will start in February.

Southend Caravan Park Coastal Erosion

Work was completed to restore a safe beachfront near the Southend Caravan Park and fencing to protect caravan park users. There was also a stairway installed from the caravan park to the beachfront. This was successfully completed before the holiday season utilising both internal and external workforce.



Risk Management

Significant delays to community-based projects may lead to a lack of community confidence. The current risk level has been assessed as medium.

Policy Considerations

There are no known policy impacts related to these matters.

Financial Implications

There are no known financial implications related to these matters.

Legislative Implications

There are no known legislative requirements related to these matters.

Environmental/Sustainability Impacts

There are no known environmental or sustainability impacts related to these matters.

Communication & Consultation

A series of media releases have and will continue to be prepared for Capital Works projects to keep the community informed about their progress.



Projects

[+ new item](#)

 My Projects 2017/18 Projects **2018/19 Projects** ...

✓	Project Name	Project Type	Project Category	Project Manager	Project Status	% Complete	18/19 Budget	18/19 Actual Cost	Total Project Cost	Planning Commencement Date	Works Commencement Date	Project Completion Date	
Count= 175						Average= 35%	Sum= \$8,995,102	Sum= \$2,180,156					
Project Category : Capital (119)													
Count= 119						Average= 39%	Sum= \$7,777,102	Sum= \$2,063,491					
	Millicent Pound	...	New	Capital	<input type="checkbox"/> Mark Clifton	Delivery	90%	\$13,093	\$212	\$4,239	1/01/2017	1/08/2018	30/11/2018
	Penola Town Entrance	...	New	Capital	<input type="checkbox"/> Peter Halton	Deferred	40%	\$38,419	\$0	\$3,486	1/07/2017		27/03/2020
	Head Office Plan	...	Upgrade	Capital	<input type="checkbox"/> Paul Duka	Design	90%	\$15,000	\$6,750	\$21,719	1/07/2017		31/12/2017
	Railway Land Development	...	New	Capital	<input type="checkbox"/> Peter Halton	Planning	20%	\$400,000	\$0	\$0	1/07/2017	29/01/2018	30/06/2018
	Willowbank Road	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Deferred	20%	\$2,400	\$0	\$0	1/07/2017	4/02/2019	24/05/2019
	Millicent Swimming Lake Plant Room	...	Upgrade	Capital	<input type="checkbox"/> Lauren Oxlade	Completed	100%	\$45,119	\$28,480	\$42,507	3/07/2017	24/04/2018	30/09/2018
	Bolton Oval	...	Renewal	Capital	<input type="checkbox"/> Peter Halton	Procurement	15%	\$119,800	\$1,550	\$8,012	3/07/2017	11/02/2019	30/06/2019
	Kerb - Mcrostie Street (Millicent)	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Completed	100%	\$10,000	\$0	\$15,762	1/09/2017	29/03/2019	28/06/2019
	SOTP Camp Kitchen	...	New	Capital	<input type="checkbox"/> Roger Babolka	Design	75%	\$12,000	\$1,080	\$1,080	1/10/2017		30/09/2018
	Resheet Wire Paddock Road	...	Renewal	Capital	<input type="checkbox"/> Wayne Thomas	Completed	100%	\$72,000	\$0	\$218,646	6/11/2017	26/02/2018	26/04/2019
	SOTP Solar System	...	Upgrade	Capital	<input type="checkbox"/> Roger Babolka	Procurement	60%	\$45,000	\$0	\$0	1/01/2018		30/09/2018
	Road Traffic School	...	Renewal	Capital	<input type="checkbox"/> David Davis	Completed	100%	\$50,000	\$13,051	\$13,658	1/01/2018		31/10/2018
	Penola Swimming Pool Heating	...	Upgrade	Capital	<input type="checkbox"/> Lauren Oxlade	Completed	100%	\$169,400	\$144,760	\$144,760	1/01/2018	20/08/2018	30/06/2019
	Rendelsham Road Information Bay	...	New	Capital	<input type="checkbox"/> David Davis	Procurement	10%	\$10,000	\$0	\$0	1/01/2018	3/09/2018	28/09/2018
	Greenrise Pump Shed	...	Upgrade	Capital	<input type="checkbox"/> Peter Halton	Procurement	0%	\$15,000	\$100	\$100	1/01/2018	1/11/2018	31/12/2018
	Southend Footbridge Inspection	...	New	Capital	<input type="checkbox"/> Peter Halton	Procurement	50%	\$5,000	\$0	\$0	1/01/2018	1/02/2019	30/06/2019
	Millicent Civic and Arts Centre	...	Upgrade	Capital	<input type="checkbox"/> Paul Duka	Design	90%	\$80,000	\$0	\$0	15/01/2018		31/05/2018
	Resheet Manga Road	...	Renewal	Capital	<input type="checkbox"/> Wayne Thomas	Completed	100%	\$196,830	\$0	\$29,873	15/01/2018	15/01/2018	16/03/2018
	Wandillo Forrest Road	...	Renewal	Capital	<input type="checkbox"/> Wayne Thomas	Completed	100%	\$600,000	\$161,269	\$161,269	15/01/2018	5/03/2018	29/06/2018
	George Street Kalangadoo Footpath	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Completed	100%	\$14,000	\$0	\$0	15/01/2018	14/05/2018	8/06/2018
	Rendelsham public toilets, replace soakage area & new water bore	...	Upgrade	Capital	<input type="checkbox"/> David Davis	Completed	100%	\$15,000	\$20,184	\$20,184	4/02/2018	31/08/2018	30/11/2018
	Beach Road Beachport Footpath	...	New	Capital	<input type="checkbox"/> Graham Knaggs	Delivery	80%	\$32,273	\$7,392	\$30,886	5/02/2018	1/05/2018	30/09/2018
	Davenport Street Footpath	...	Renewal	Capital	<input type="checkbox"/> Kerri Baker	Planning	15%	\$96,610	\$117	\$117	6/02/2018	1/10/2018	31/12/2018
	Beachport Museum Roof	...	Renewal	Capital	<input type="checkbox"/> David Davis	Planning	35%	\$18,472	\$6,250	\$6,250	1/03/2018		30/06/2019
	RSL Hall Kitchen	...	Renewal	Capital	<input type="checkbox"/> David Davis	Completed	100%	\$16,000	\$64,287	\$64,287	1/03/2018	20/10/2018	31/10/2018
	RSL Hall Main Bar	...	Renewal	Capital	<input type="checkbox"/> David Davis	Completed	100%	\$9,000	\$0	\$0	1/03/2018	20/10/2018	31/10/2018
	3D Printer for Millicent Library	...	New	Capital	<input type="checkbox"/> Janice Nitschke	Not Started	0%	\$3,500	\$0	\$0	1/07/2018		1/10/2018
	Millicent Library Furinture	...	Upgrade	Capital	<input type="checkbox"/> Janice Nitschke	Not Started	0%	\$7,500	\$0	\$0	1/07/2018		30/12/2018

✓ Project Name	Project Type	Project Category	Project Manager	Project Status	% Complete	18/19 Budget	18/19 Actual Cost	Total Project Cost	Planning Commencement Date	Works Commencement Date	Project Completion Date
Art Gallery Chair Replacement	Renewal	Capital	Janice Nitschke	Not Started	0%	\$3,500	\$0	\$0	1/07/2018		30/10/2018
Childcare - Blinds and Awnings	Renewal	Capital	Clara Walker	Procurement	20%	\$11,000	\$0	\$0	1/07/2018		30/06/2018
Childcare - Shade Structure & Sandpit upgrade	Upgrade	Capital	Clara Walker	Planning	0%	\$33,000	\$4,705	\$4,705	1/07/2018		30/06/2018
Beachport SOTP, Playground equipment.	Renewal	Capital	Roger Babolka	Procurement	25%	\$24,200	\$0	\$0	1/07/2018		30/11/2018
Computer Replacement	Renewal	Capital	Jamie Sneddon	Not Started	0%	\$22,000	\$21,881	\$21,881	1/07/2018		30/06/2019
Beachport Museum - Fire Safety System upgrade	Renewal	Capital	John Best	Procurement	40%	\$14,300	\$0	\$0	1/07/2018		31/01/2019
Records Storage	New	Capital	Paul Duka	Not Started	0%	\$150,000	\$0	\$0	1/07/2018		30/06/2019
Council Boundary signs	Upgrade	Capital	Steve Chapple	Procurement	50%	\$25,000	\$0	\$0	1/07/2018		31/12/2018
Coonawarra Siding Tourism upgrade	Upgrade	Capital	Roger Babolka	Not Started	0%	\$24,200	\$0	\$0	1/07/2018		31/12/2018
Wooden Flooring Millicent Visitor Information Centre	Renewal	Capital	Tamara North	Not Started	0%	\$7,920	\$0	\$0	1/07/2018		30/11/2018
Fire Danger Sign	New	Capital	Mark Clifton	Not Started	10%	\$60,000	\$0	\$0	1/07/2018		31/03/2019
Depot Oil Storageshed	New	Capital	Tim Whennen	Not Started	0%	\$32,050	\$32,050	\$32,050	1/07/2018		30/06/2019
Penola CWMS Renewals	Renewal	Capital	Lauren Oxlade	Not Started	0%	\$16,000	\$0	\$0	1/07/2018		30/06/2019
Light Vehicle Replacement 18/19	Renewal	Capital	Daryl Sexton	Procurement	30%	\$278,000	\$172,930	\$172,930	1/07/2018	1/07/2018	30/06/2019
Minor Plant	Renewal	Capital	Tim Whennen	Not Started	0%	\$40,000	\$2,398	\$2,398	1/07/2018	1/07/2018	30/06/2019
Road Traffic School	Renewal	Capital	Peter Halton	Completed	100%	\$30,000	\$36,860	\$36,860	1/07/2018	16/07/2018	14/09/2018
Beachport SOTP, new coin operated washing machines	New	Capital	Roger Babolka	Completed	100%	\$10,000	\$9,422	\$19,786	1/07/2018	8/08/2018	30/11/2018
Elected Member Tablets	Renewal	Capital	Jamie Sneddon	Planning	100%	\$9,600	\$0	\$0	1/07/2018	15/08/2018	31/10/2018
Replace shade structure at Nangwarry Pool	Renewal	Capital	Lauren Oxlade	Completed	100%	\$40,000	\$13,359	\$13,359	1/07/2018	3/10/2018	1/11/2018
Stormwater - Arthur Street Penola	New	Capital	Daryl Sexton	Delivery	60%	\$773,894	\$439,781	\$439,781	1/07/2018	5/11/2018	22/02/2019
Millicent Domain - Paths, Signage Entrance Statement and Seating	New	Capital	Peter Halton	Design	0%	\$100,000	\$12,953	\$12,953	1/07/2018	2/02/2019	28/06/2019
Community Hub Millicent, Traffic Management	Upgrade	Capital	Peter Halton	Planning	0%	\$165,000	\$0	\$0	1/07/2018	4/03/2019	28/06/2019
Young Street - Footpath (Penola Primary School)	Renewal	Capital	Peter Wight	Completed	100%	\$5,500	\$7,162	\$35,342	2/07/2018	18/06/2018	24/08/2018
Ladder replacement Millicent Lake	Renewal	Capital	Lauren Oxlade	Completed	100%	\$8,200	\$8,657	\$8,657	2/07/2018	3/09/2018	21/09/2018
Replacement of Cat Loader (Komatsu Loader)	Renewal	Capital	Daryl Sexton	Completed	100%	\$260,000	\$215,300	\$215,300	2/07/2018	18/09/2018	30/11/2018
Replacement of Volvo Primer Mover	Renewal	Capital	Daryl Sexton	Completed	100%	\$230,000	\$198,382	\$198,382	2/07/2018	18/09/2018	2/11/2018
Reseal & Reconstruction - Sealed Roads	Renewal	Capital	Graham Knaggs	Not Started	0%	\$751,000	\$0	\$0	2/07/2018	7/01/2019	26/04/2019
Penola Town Square (Stage 3)	New	Capital	Peter Halton	Design	20%	\$19,102	\$20,060	\$20,060	30/07/2018	30/07/2018	30/03/2019
Greenrise - exercise equipment	New	Capital	Eddy Ros	Not Started	0%	\$15,000	\$0	\$0	30/07/2018	1/10/2018	28/12/2018
Millicent Domain - Adventure Playground	Renewal	Capital	David Wallis	Procurement	10%	\$75,000	\$20,816	\$20,816	30/07/2018	1/10/2018	28/12/2018
McLaughlin Park - Stage 3 internal roads / carparking	New	Capital	Daryl Sexton	Design	0%	\$150,000	\$0	\$0	30/07/2018	1/11/2018	29/03/2019
Beachport Waste Transfer Station	Upgrade	Capital	Lauren Oxlade	Planning	15%	\$10,000	\$0	\$0	1/08/2018	3/09/2018	15/02/2019
Repairs to Eyre St Beach Access at Southend	Renewal	Capital	Lauren Oxlade	Planning	5%	\$11,500	\$0	\$0	1/08/2018	5/11/2018	14/12/2018
Replacement of Mitsubishi Fuso Dual Cab	Renewal	Capital	Daryl Sexton	Not Started	0%	\$75,000	\$0	\$0	6/08/2018		26/10/2018

Project Name	Project Type	Project Category	Project Manager	Project Status	% Complete	18/19 Budget	18/19 Actual Cost	Total Project Cost	Planning Commencement Date	Works Commencement Date	Project Completion Date	
North Terrace - Kerbing	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Completed	100%	\$1,000	\$691	\$691	6/08/2018	6/08/2018	21/09/2018
Peters Street - Kerbing	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Completed	100%	\$27,600	\$6,580	\$6,580	6/08/2018	6/08/2018	21/09/2018
McRostie Street (Tantanolua) - Kerbing	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Completed	100%	\$32,000	\$8,244	\$8,244	6/08/2018	6/08/2018	21/09/2018
Church Street - Footpath	...	New	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$78,000	\$0	\$0	6/08/2018	13/08/2018	23/11/2018
Stormwater Renewals	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$32,000	\$0	\$0	6/08/2018	3/09/2018	29/03/2019
Billy Goat Corner Landscape (cnr Mt Gambier Road & Williams Road)	...	Upgrade	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$44,000	\$0	\$0	6/08/2018	8/10/2018	28/12/2018
New Shoring For Graves.	...	Upgrade	Capital	<input type="checkbox"/> Graham Knaggs	Completed	100%	\$13,200	\$13,813	\$13,813	6/08/2018	8/10/2018	28/12/2018
Millicent Cemetery New Storage Shed	...	Renewal	Capital	<input type="checkbox"/> David Davis	Completed	100%	\$15,000	\$0	\$0	6/08/2018	8/10/2018	30/11/2018
Mount Gambier Road Kerbing - (deferred from 17/18)	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$27,600	\$0	\$0	6/08/2018	4/02/2019	24/05/2019
Queen St Penola kerb and drainage works - Design	...	Renewal	Capital	<input type="checkbox"/> Kerri Baker	Not Started	0%	\$33,000	\$0	\$0	15/08/2018	1/11/2018	30/06/2019
Replacement of John Deere Tractor	...	Renewal	Capital	<input type="checkbox"/> Daryl Sexton	Not Started	0%	\$115,000	\$0	\$0	3/09/2018		30/11/2018
Replacement of Gianni Ferrari Turbo 4 Cruiser	...	Renewal	Capital	<input type="checkbox"/> Daryl Sexton	Not Started	0%	\$65,000	\$0	\$0	3/09/2018		30/11/2018
Bryant Street - Footpath	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Completed	100%	\$9,000	\$2,733	\$2,733	3/09/2018	3/09/2018	21/12/2018
Ireland Street - Footpath	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Completed	100%	\$10,500	\$6,485	\$6,485	3/09/2018	3/09/2018	21/12/2018
Beachport SOTP, Office Garage/Storage Shed - SOTP	...	Renewal	Capital	<input type="checkbox"/> David Davis	Design	20%	\$22,000	\$0	\$0	3/09/2018	3/09/2018	31/01/2019
Beachport Recreational Hall, new roof design	...	Renewal	Capital	<input type="checkbox"/> David Davis	Procurement	90%	\$11,000	\$6,100	\$6,100	3/09/2018	3/09/2018	31/12/2018
Millicent Domain - Lighting & Security	...	New	Capital	<input type="checkbox"/> Peter Halton	Procurement	20%	\$75,000	\$0	\$0	3/09/2018	24/09/2018	28/12/2018
Beachport SOTP, Renovations of A Block	...	Renewal	Capital	<input type="checkbox"/> David Davis	Not Started	0%	\$20,000	\$0	\$0	3/09/2018	3/10/2018	3/11/2018
Agars Road	...	Renewal	Capital	<input type="checkbox"/> Wayne Thomas	Not Started	0%	\$29,250	\$0	\$0	3/09/2018	15/10/2018	28/12/2018
Building Maintenance Officer Vehicle	...	New	Capital	<input type="checkbox"/> Peter Halton	Procurement	20%	\$38,000	\$0	\$0	10/09/2018	10/09/2018	28/09/2018
Alleyn Road	...	New	Capital	<input type="checkbox"/> Wayne Thomas	Not Started	0%	\$20,000	\$0	\$0	10/09/2018	10/09/2018	26/10/2018
Rendelsham Parking Bay	...	New	Capital	<input type="checkbox"/> Wayne Thomas	Not Started	0%	\$30,000	\$0	\$0	10/09/2018	24/09/2018	30/11/2018
Construction & Sealing of Car Park - Southend	...	New	Capital	<input type="checkbox"/> Wayne Thomas	Not Started	0%	\$30,000	\$0	\$0	10/09/2018	1/10/2018	10/12/2018
Koorine / Mount Burr / Kalangadoo Rd Intersection	...	Upgrade	Capital	<input type="checkbox"/> Wayne Thomas	Completed	100%	\$40,000	\$15,736	\$15,736	10/09/2018	1/10/2018	30/11/2018
Aberle Street - Belt Road	...	New	Capital	<input type="checkbox"/> Wayne Thomas	Completed	100%	\$60,000	\$31,632	\$31,632	10/09/2018	15/10/2018	28/12/2018
LDE Road	...	Renewal	Capital	<input type="checkbox"/> Wayne Thomas	Not Started	0%	\$82,800	\$0	\$0	10/09/2018	12/11/2018	22/02/2019
Brooks Road	...	Renewal	Capital	<input type="checkbox"/> Wayne Thomas	Completed	100%	\$56,250	\$66,881	\$66,881	10/09/2018	12/11/2018	28/12/2018
Road Upgrade - Border Road	...	Upgrade	Capital	<input type="checkbox"/> Wayne Thomas	Design	5%	\$13,000	\$0	\$0	10/09/2018	14/01/2019	26/04/2019
Pooles Road	...	Renewal	Capital	<input type="checkbox"/> Wayne Thomas	Completed	100%	\$193,000	\$63,726	\$63,726	10/09/2018	21/01/2019	22/02/2019
St Clair Road	...	Renewal	Capital	<input type="checkbox"/> Wayne Thomas	Completed	100%	\$48,220	\$27,906	\$27,906	10/09/2018	4/02/2019	29/03/2019
Bevilaqua Road	...	Renewal	Capital	<input type="checkbox"/> Wayne Thomas	Completed	100%	\$88,650	\$78,148	\$78,148	10/09/2018	25/02/2019	26/04/2019
Millicent Swimming Lake - Close Circuit Cameras	...	New	Capital	<input type="checkbox"/> David Wallis	Procurement	10%	\$15,000	\$0	\$0	30/09/2018	30/09/2018	30/11/2018
Penola Stadium, new roof design for reroofing of toilets and foyer area	...	Upgrade	Capital	<input type="checkbox"/> David Davis	Design	40%	\$10,000	\$0	\$0	1/10/2018	1/11/2018	1/12/2018
Roads - Dust Suppression	...	Upgrade	Capital	<input type="checkbox"/> Wayne Thomas	Not Started	0%	\$50,000	\$0	\$0	1/10/2018	14/01/2019	29/03/2019

Project Name	Project Type	Project Category	Project Manager	Project Status	% Complete	18/19 Budget	18/19 Actual Cost	Total Project Cost	Planning Commencement Date	Works Commencement Date	Project Completion Date
Southend Signage	...	Upgrade	Capital	<input type="checkbox"/> Peter Halton	Design	0%	\$10,000	\$0 \$0	1/10/2018	28/01/2019	29/03/2019
Kirip Road Bike Lane	...	Upgrade	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$59,150	\$0 \$0	8/10/2018	4/02/2019	29/03/2019
Giles Street - Footpath	...	New	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$25,000	\$0 \$0	8/10/2018	4/02/2019	22/03/2019
Glencoe War Memorial	...	New	Capital	<input type="checkbox"/> Peter Halton	Planning	0%	\$5,000	\$0 \$0	9/10/2018	4/12/2018	29/03/2019
Millicent Entrance - Mt Burr	...	Upgrade	Capital	<input type="checkbox"/> Peter Halton	Planning	0%	\$20,000	\$0 \$0	9/10/2018	4/12/2018	5/02/2019
Replacement of Semi 30,000L Water Tanker	...	Renewal	Capital	<input type="checkbox"/> Daryl Sexton	Not Started	0%	\$50,000	\$0 \$0	22/10/2018		25/01/2019
Replacement of Isuzu Crane Truck	...	Renewal	Capital	<input type="checkbox"/> Daryl Sexton	Not Started	0%	\$75,000	\$0 \$0	29/10/2018		15/01/2019
Road Safety Improvement Williams Road / Stuckey Street and Holzgreffe Street	...	New	Capital	<input type="checkbox"/> Daryl Sexton	Not Started	0%	\$12,100	\$0 \$0	5/11/2018	5/11/2018	22/02/2019
Replacement of Volvo Loader	...	Renewal	Capital	<input type="checkbox"/> Daryl Sexton	Not Started	0%	\$160,000	\$0 \$0	12/11/2018		12/02/2019
Poole Street - Kerbing	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Completed	100%	\$29,900	\$28,810 \$28,810	3/12/2018	4/02/2019	29/03/2019
Mount Gambier Road - Footpath	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Completed	100%	\$23,500	\$6,489 \$6,489	3/12/2018	29/03/2019	28/06/2019
Belt Road - Kerbing	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$5,700	\$0 \$0	3/12/2018	29/03/2019	28/06/2019
Stark Avenue - Kerbing	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$10,200	\$0 \$0	3/12/2018	29/03/2019	28/06/2019
McCourt Street - Kerbing	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$5,200	\$0 \$0	3/12/2018	29/03/2019	28/06/2019
Playford Street - Kerbing	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$5,500	\$0 \$0	3/12/2018	29/03/2019	28/06/2019
Brooks Street - Kerbing	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$5,500	\$0 \$0	3/12/2018	29/03/2019	28/06/2019
Mount Gambier Road - Kerbing	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$8,900	\$0 \$0	3/12/2018	29/03/2019	28/06/2019
Williams Road - Kerbing	...	Renewal	Capital	<input type="checkbox"/> Peter Wight	Not Started	0%	\$5,500	\$356 \$356	3/12/2018	29/03/2019	28/06/2019
Rymill Hall Disabled Toilets	...	Upgrade	Capital	<input type="checkbox"/> David Davis	Design	25%	\$150,000	\$0 \$0	3/01/2019	3/02/2019	30/06/2019
Nangwarry Playground Toilet	...	New	Capital	<input type="checkbox"/> David Davis	Procurement	40%	\$30,000	\$26,964 \$26,964	4/02/2019	1/02/2019	31/03/2019
Millicent Civic Hall - Glass safety rail for the Hall balcony area.	...	Renewal	Capital	<input type="checkbox"/> David Davis	Procurement	10%	\$20,000	\$0 \$0	4/03/2019	4/04/2019	4/06/2019
Beachport Museum, connecting canopy (additional funds)	...	Upgrade	Capital	<input type="checkbox"/> David Davis	Procurement	30%	\$19,500	\$0 \$0	4/03/2019	4/04/2019	4/06/2019
Caltex Service Station - Replace Flooring	...	Renewal	Capital	<input type="checkbox"/> David Davis	Planning	0%	\$15,000	\$0 \$0	4/03/2019	4/04/2019	4/05/2019

Project Category : Operational (56)

Count= 56						Average= 27%	Sum= \$1,218,000	Sum= \$116,665				
Volunteer Matching	...	New	Operational	<input type="checkbox"/> Sarah Marzec	Completed	100%	\$3,000	\$0 \$0	1/07/2018		30/06/2019	
Elected Members Training	...	Renewal	Operational	<input type="checkbox"/> Paul Duka	Not Started	0%	\$15,000	\$0 \$0	1/07/2018		30/06/2019	
Info Council	...	Renewal	Operational	<input type="checkbox"/> Paul Duka	Not Started	0%	\$20,000	\$0 \$0	1/07/2018		30/06/2019	
Aerial Imagery	...	Renewal	Operational	<input type="checkbox"/> Steve Chapple	Not Started	0%	\$20,000	\$0 \$0	1/07/2018		30/06/2019	
Road Asset Management Plan	...	Renewal	Operational	<input type="checkbox"/> Daryl Sexton	Not Started	0%	\$40,000	\$0 \$0	1/07/2018		30/06/2019	
Asbestos Removal	...	Renewal	Operational	<input type="checkbox"/> David Davis	Completed	100%	\$8,000	\$4,900 \$4,900	1/07/2018		30/06/2019	
Master Key System	...	New	Operational	<input type="checkbox"/> Daryl Sexton	Delivery	10%	\$48,000	\$0 \$0	1/07/2018		30/06/2019	
Rendelsham Hall Painting	...	New	Operational	<input type="checkbox"/> David Davis	Procurement	10%	\$15,000	\$0 \$0	1/07/2018		30/06/2019	
Glencoe Hall Tiling	...	New	Operational	<input type="checkbox"/> Daryl Sexton	Completed	100%	\$5,000	\$2,134 \$2,134	1/07/2018		30/06/2019	
Tantanoola Hall	...	New	Operational	<input type="checkbox"/> Daryl Sexton	Not Started	0%	\$7,000	\$0 \$0	1/07/2018		30/06/2019	
Tantanoola Post Office	...	New	Operational	<input type="checkbox"/> Daryl Sexton	Not Started	0%	\$12,000	\$0 \$0	1/07/2018		30/06/2019	

✓ Project Name	Project Type	Project Category	Project Manager	Project Status	% Complete	18/19 Budget	18/19 Actual Cost	Total Project Cost	Planning Commencement Date	Works Commencement Date	Project Completion Date
Southend Dune Rehabilitation	...	Renewal	Operational	<input type="checkbox"/> Lauren Oxlade	Not Started	0%	\$15,000	\$0	\$0	1/07/2018	30/06/2019
Beachport Metocean Data	...	New	Operational	<input type="checkbox"/> Lauren Oxlade	Not Started	0%	\$29,000	\$0	\$0	1/07/2018	31/03/2018
Procurement Software	...	Renewal	Operational	<input type="checkbox"/> Paul Duka	Planning	0%	\$20,000	\$0	\$0	1/07/2018	30/06/2019
Cloud Based Software Systems	...	Renewal	Operational	<input type="checkbox"/> Jamie Sneddon	Delivery	50%	\$7,000	\$0	\$0	1/07/2018	30/06/2019
Online Inductions	...	Upgrade	Operational	<input type="checkbox"/> Claire O'Loughlin	Design	0%	\$30,000	\$0	\$0	1/07/2018	30/06/2019
Risk Management System	...	Upgrade	Operational	<input type="checkbox"/> Claire O'Loughlin	Design	10%	\$5,000	\$0	\$0	1/07/2018	30/06/2019
Electronic Records	...	Upgrade	Operational	<input type="checkbox"/> Paul Duka	Planning	0%	\$10,000	\$0	\$0	1/07/2018	30/06/2019
Gladys Smith Lighting	...	Renewal	Operational	<input type="checkbox"/> David Davis	Not Started	0%	\$1,000	\$0	\$0	1/07/2018	30/06/2019
Gladys Smith Painting	...	Renewal	Operational	<input type="checkbox"/> David Davis	Planning	10%	\$25,000	\$0	\$0	1/07/2018	30/06/2019
Millicent Heritage Plan	...	Upgrade	Operational	<input type="checkbox"/> John Best	Deferred	0%	\$20,000	\$0	\$0	1/07/2018	30/06/2019
Council Assessment Panel IT Equipment	...	New	Operational	<input type="checkbox"/> Jamie Sneddon	Not Started	0%	\$4,000	\$0	\$0	1/07/2018	30/06/2019
Beachport Heritage Plan	...	Renewal	Operational	<input type="checkbox"/> John Best	Deferred	100%	\$15,000	\$0	\$0	1/07/2018	30/06/2019
Fire Prevention	...	Renewal	Operational	<input type="checkbox"/> Mark Clifton	Not Started	0%	\$43,000	\$0	\$0	1/07/2018	30/06/2019
Library Roof	...	Renewal	Operational	<input type="checkbox"/> David Davis	Not Started	0%	\$12,000	\$0	\$0	1/07/2018	30/06/2019
Nangwarry Forrestry and Logging Museum	...	Renewal	Operational	<input type="checkbox"/> Steve Chapple	Completed	100%	\$1,000	\$1,000	\$1,000	1/07/2018	30/06/2019
Southern Ocean tourist Park Review	...	Renewal	Operational	<input type="checkbox"/> Steve Chapple	Delivery	75%	\$11,000	\$0	\$0	1/07/2018	30/06/2019
Southend Caravan Park Review	...	Renewal	Operational	<input type="checkbox"/> Steve Chapple	Delivery	75%	\$7,000	\$5,000	\$5,000	1/07/2018	30/06/2019
Kalangadoo Netball Club Changerooms	...	Upgrade	Operational	<input type="checkbox"/> Paul Duka	Not Started	0%	\$65,000	\$0	\$0	1/07/2018	30/06/2019
Seniors Week	...	Renewal	Operational	<input type="checkbox"/> Sarah Marzec	Delivery	100%	\$3,000	\$0	\$0	1/07/2018	30/06/2019
Cultural Arts	...	Renewal	Operational	<input type="checkbox"/> Steve Chapple	Planning	10%	\$10,000	\$0	\$0	1/07/2018	30/06/2019
Glencoe Woolshed Disabled Access	...	Renewal	Operational	<input type="checkbox"/> Steve Chapple	Delivery	90%	\$3,500	\$0	\$0	1/07/2018	30/06/2019
Millicent Soccer Club Irrigation	...	Upgrade	Operational	<input type="checkbox"/> Paul Duka	Not Started	0%	\$20,000	\$0	\$0	1/07/2018	30/06/2019
Glencoe Tennis Club	...	Upgrade	Operational	<input type="checkbox"/> Paul Duka	Not Started	0%	\$25,000	\$0	\$0	1/07/2018	30/06/2019
Parklett Design	...	New	Operational	<input type="checkbox"/> Steve Chapple	Completed	100%	\$5,000	\$0	\$0	1/07/2018	30/06/2019
Economic Investment Initiatives	...	Renewal	Operational	<input type="checkbox"/> Steve Chapple	Delivery	30%	\$10,000	\$0	\$0	1/07/2018	30/06/2019
Caravan Parking Signs	...	New	Operational	<input type="checkbox"/> Steve Chapple	Not Started	0%	\$10,000	\$0	\$0	1/07/2018	30/06/2019
Coonawarra Signage	...	New	Operational	<input type="checkbox"/> Steve Chapple	Planning	15%	\$15,000	\$0	\$0	1/07/2018	30/06/2019
Admella Discovery Trail	...	New	Operational	<input type="checkbox"/> Roger Babolka	Approvals	50%	\$1,000	\$0	\$0	1/07/2018	30/06/2019
Snuggery Food Precinct	...	New	Operational	<input type="checkbox"/> Steve Chapple	Planning	10%	\$35,000	\$60	\$60	1/07/2018	30/06/2019
Millicent Railway Lands	...	New	Operational	<input type="checkbox"/> Steve Chapple	Planning	35%	\$32,000	\$5,544	\$5,544	1/07/2018	30/06/2019
Television Advertising Campaign	...	New	Operational	<input type="checkbox"/> Steve Chapple	Planning	15%	\$33,000	\$0	\$0	1/07/2018	30/06/2019
VIC Security Cameras	...	New	Operational	<input type="checkbox"/> David Wallis	Procurement	10%	\$3,500	\$0	\$0	1/07/2018	30/06/2019
Millicent VIC Painting	...	Renewal	Operational	<input type="checkbox"/> David Davis	Not Started	0%	\$9,000	\$615	\$615	1/07/2018	30/06/2019
Social Media Signage	...	New	Operational	<input type="checkbox"/> Steve Chapple	Design	25%	\$10,000	\$0	\$0	1/07/2018	30/06/2019
VIC Front Counter Doors	...	New	Operational	<input type="checkbox"/> David Davis	Procurement	10%	\$20,000	\$0	\$0	1/07/2018	30/06/2019
VIC Review	...	Renewal	Operational	<input type="checkbox"/> Roger Babolka	Planning	10%	\$30,000	\$0	\$0	1/07/2018	30/06/2019
Kalangadoo Institute Maintenance	...	Renewal	Operational	<input type="checkbox"/> David Davis	Completed	100%	\$15,000	\$0	\$0	1/07/2018	30/06/2019
Beachport Boat Ramp Sand Management	...	Renewal	Operational	<input type="checkbox"/> Lauren Oxlade	Delivery	50%	\$150,000	\$96,278	\$96,278	1/07/2018	30/06/2019

✓ Project Name	Project Type	Project Category	Project Manager	Project Status	% Complete	18/19 Budget	18/19 Actual Cost	Total Project Cost	Planning Commencement Date	Works Commencement Date	Project Completion Date
Coastal Access Plan	...	Renewal	Operational	<input type="checkbox"/> Lauren Oxlade	Not Started	0%	\$5,000	\$0 \$0	1/07/2018		30/06/2019
Biodiversity Project Funding	...	New	Operational	<input type="checkbox"/> Lauren Oxlade	Not Started	0%	\$5,000	\$0 \$0	1/07/2018		30/06/2019
Beachport Boatramp Modelling	...	New	Operational	<input type="checkbox"/> Lauren Oxlade	Not Started	0%	\$55,000	\$0 \$0	1/07/2018		30/06/2019
Penola Memorial Park Basketball Ring	...	New	Operational	<input type="checkbox"/> David Davis	Delivery	20%	\$5,000	\$0 \$0	1/07/2018		30/06/2019
Millicent Shopping Precinct Rejuvenation	...	Renewal	Operational	<input type="checkbox"/> Steve Chapple	Planning	10%	\$100,000	\$522 \$522	1/07/2018		30/06/2019
Council Elections	...	New	Operational	<input type="checkbox"/> Ben Gower	Delivery	80%	\$45,000	\$612 \$612	1/07/2018	1/08/2018	30/11/2018
McCorquindale Park Female Change Facility	...	Upgrade	Operational	<input type="checkbox"/> Peter Halton	Delivery	10%	\$50,000	\$0 \$0	1/07/2018	12/11/2018	28/06/2019

15.1.2 Millicent Railway Lands

Purpose of Report	To provide an update on Council's expression of interest to procure the Millicent Railway Lands from the Crown for residential development.
Director	Chief Executive Officer
Author	Chief Executive Officer
Disclosure of Interest	No Council officers or contractors have declared a conflict of interest regarding the matter under consideration.
File Ref	GF/16.85.1/3; GF/16.65.1/10; GF/16.85.1/4
Strategic Plan Reference	Theme Two – Economic Prosperity Strategy 2.1 – Support and advocate for improved infrastructure that enhances and creates economic and business opportunities.
Risk Assessment	High
Budget Allocation 2018/19	\$ 400,000
Request for Budget Variation	\$ 0
Budget Spent to Date	\$45,500
Attachments	<ol style="list-style-type: none"> 1. Letter from the Hon Stephan Knoll dated 2 January 2019 2. Letter from the Hon Stephan Knoll dated 27 July 2018 3. Letter from Mayor Gandolfi to the Hon Stephan Knoll MP dated 13 June 2018 – Attachments: Letters from Mayor Gandolfi to the Hon Ian Hunter MP and Hon Stephen Mullighan MP dated 3 May 2017 4. Letter from Ian Hunter MLC dated 7 July 2017 5. Council report on Millicent Railways Lands dated 13 December 2016 which was released from being confidential and put on website on 28 March 2018

Summary

Preliminary discussions with representatives from both DPTI and DEWNR in December 2016 indicated that the Crown may dispose of the land commonly referred to as the Millicent Railway Lands should Council consider it to be surplus to requirements as community park lands.

Discussions also highlighted the benefits of developing the entire site as a single contiguous project, rather than developing each of the adjoining sites separately. As such, it was recommended that Council consider the procurement of both parcels of land from the respective State Government departments to facilitate a single contiguous residential development project.

Council resolved to do so at its December 2016 meeting and formal expressions of interest were sent to both Ministers accordingly. An initial allocation of \$1,150,000 was adopted in the 2017/18 budget to procure and repatriate the land. Despite repeated requests for status updates, Council has received little correspondence from the Department of Transport in the intervening period.

During the intervening period, Council conducted preliminary investigations into contamination levels associated with the land based on DPTI provided data via specialist private consultants.

Initial advice suggests that the costs associated with repatriating the DPTI land would be significant

and the ongoing risks associated with contaminated ground water would most likely transfer to Council with the land. The advice also suggests that the extent of surface and ground water contamination levels may preclude residential development along the former rail corridor.

The repatriation costs and risks associated with the DEWNR land appears to be minimal as it was predominantly used for community sport and recreational purposes.

The consultant's advice also recommends that an additional \$70,000 be spent on a detailed site investigation that would involve soil and ground water sampling across both sites, as the data provided by DPTI was inconclusive. The costs associated with this site investigation are roughly divided into \$30,000 for the DEWNR land and \$40,000 for the DPTI land. Without this information, it will be difficult to determine what the associated risk levels and potential repatriation costs would be should Council wish to acquire any or all of the land.

On 2 January 2019, the current Minister for Transport, Infrastructure, Local Government and Planning advised Council that the land would now be offered via an open market process in competition with the private sector. This decision may defeat the original purpose of Council's expression of interest, as it will enable developers to individually procure the prime DEWNR land while avoiding the contaminated DPTI land.

Given this latest advice, it is recommended that Council review any further financial commitment to the next phase of this project involving the proposed site inspections.

RECOMMENDATION 1

That Council receive and note the report.

RECOMMENDATION 2

That Council commit to the proposed site inspections of both the DEWNR and DPTI land at an approximate cost of \$70,000 in order to get a more accurate estimate of contamination risks and repatriation costs for both parcels of land.

OR

RECOMMENDATION 2

That Council commit to the proposed site inspections of just the DEWNR land at an approximate cost of \$30,000 in order to get a more accurate estimate of contamination risks and repatriation costs for this parcel of land.

OR

RECOMMENDATION 2

That Council cancel the Millicent Railway Lands project and divert any residual funds to other projects.



Risk Management

Risk	Consequence	Likelihood	Rating	Mitigating Action
Inability to develop the Railway Lands due to lack of accurate remediation costing estimates or lack of an interested developer	Major	Minor	High	Conduct detailed contamination audits and obtained accurate remediation cost estimates prior to making a decision to acquire the land from the State Government

Policy Considerations

There are no known policy considerations related to these matters.

Financial Considerations

Of the original \$1,150,000 allocated to the 2017/18 budget, only \$400,000 was carried over into the 2018/19 financial year, of which \$45,500 has been spent to date on consultancy fees.

Legislative Implications

There are no known legislative considerations related to these matters.

Environmental / Sustainability Impacts

There are considerable environmental and sustainability impacts associated with this project which will be subsequently detailed in the consultant’s final report.

#13405014



**Government
of South Australia**

The Hon Stephan Knoll MP

Mr Des Noll
Mayor
Wattle Range Council
PO Box 37
Millicent SA 5280

Dear Des

I refer to previous correspondence with Wattle Range Council regarding the Millicent Railway and Crown Land.

As previously advised, all surplus government land is to be disposed of in accordance with Premier and Cabinet Circular 114 (PCC114). PCC114 requires Councils wanting to purchase surplus government land, for purposes other than community use, to bid for the land in an open market process with the private sector.

The merits of the Wattle Range Council proposal and condition of the land, including its environmental status as non-operational rail corridor has required an appropriate level of due diligence prior to consideration being given to the merit of the proposal as it is currently presented.

Whilst valuation investigations have taken place, the outcome of the valuation will appropriately be held as commercial in confidence as the State has now elected to progress Council's ambition with participation from the open market, in accordance with PCC114.

The Department of Planning, Transport and Infrastructure will seek to appoint a sales agent to progress the site to the market as soon as possible, where Council will have the opportunity to bid to secure the Millicent Railway site.

I understand the Department for Environment and Water will be in contact with you to further discuss the Crown Land adjacent the railway site.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephan Knoll', written over a large, faint circular watermark.

**HON STEPHAN KNOLL MP
MINISTER FOR TRANSPORT, INFRASTRUCTURE AND LOCAL GOVERNMENT
MINISTER FOR PLANNING**

2 January 2019

**Minister for Transport, Infrastructure and Local Government
Minister for Planning**

Roma Mitchell House Adelaide SA 5001 | GPO Box 1533 Adelaide SA 5001 DX 171
Tel 08 7109 8430 | Email ministerknoll@sa.gov.au





Government
of South Australia

The Hon Stephan Knoll MP
Member for Schubert

18MPL0316

Mr Peter Gandolfi
Mayor
Wattle Range Council
Po Box 37
MILLICENT SA 5280


Dear Mayor

Thank you for your letter dated 13 June 2018, regarding the Millicent Railway and Crown land.

I am advised by the Department of Planning, Transport and Infrastructure that it has been working with the Wattle Range Council, the Department of Environment and Water, and the Office of the State Coordinator-General to ascertain the requirements for transfer of the land.

I understand that a market valuation for the former rail land and Crown land is being undertaken to determine the value of the site and improvements for the purposes of disposal.

While I appreciate your frustration, all surplus government land must be disposed of in accordance with Premier and Cabinet Circular 114 - *Government Real Property Management* (PCC114). PCC114 requires councils wanting to purchase surplus government land for purposes other than community use, to bid for the land in an open process with the private sector.

However, I am pleased to advise that consideration is being given to waiving the requirements under PCC114 and I will write to you further following deliberations.

Thank you for taking the time to contact me and I trust this information is of assistance.

Yours sincerely


HON STEPHAN KNOLL MP
MINISTER FOR TRANSPORT, INFRASTRUCTURE AND LOCAL GOVERNMENT
MINISTER FOR PLANNING

 27 July 2018

Minister for Transport, Infrastructure and Local Government
Minister for Planning

Roma Mitchell House Adelaide SA 5000 | GPO Box 1533 Adelaide SA 5001 DX 171
Tel 08 7109 8430 | Email ministerknoll@sa.gov.au



Office of the Mayor

Our Ref: 16.65.1/10
 coulet mayor railway and crown land Minister Knoll 130618



PO Box 27, Millicent SA 5280
 www.wattlerange.sa.gov.au

13 June 2018

Hon Stephan Knoll MP
 Minister for Transport, Infrastructure and Local Government
 Level 12
 136 North Terrace
 ADELAIDE SA 5000

ministerknoll@sa.gov.au

Dear Minister *Stephan*

Millicent Railway and Crown Land

I write to update you on an initiative of Council's to create economic development within the township of Millicent.

For many years Council has been attempting to develop Millicent's disused railway and adjacent Crown land commonly known as the former soccer field (map attached). In pursuing the development of this land there has been much frustration in dealing with the State Government.

Currently, I would estimate that only four to six blocks are available for new housing developments near the Millicent CBD. Local builders have raised concerns about the lack of land in close proximity to the town's CBD. The former railway and soccer field land is adjacent to the CBD and has been an industrial wasteland in the township for more than 20 years.

As you may be aware, the former railway land is substantially contaminated, and the former soccer field has minimal contamination. Last year, Council was advised that State Government departments declared the above-mentioned land as surplus to requirements. This we believe was a consequence of Council declaring an interest in the land in previous correspondence.

In recent times we have been informed by Renewal SA that Council had not formally declared an interest in the land. We found this advice both perplexing and frustrating as it was our initial correspondence that commenced this whole process. We have subsequently declared an interest in the land, however note that the declaration request from Renewal SA was limited to the former railway land and did not include the soccer field component for which we also have an interest.

In the current financial year, Council allocated \$1.1 million towards the development of this land with the belief that the transfer was imminent. The intent behind this allocation was to undertake due diligence with preparation of a detailed contamination audit and commencement of decontamination and development works. This work would bring the site up to a standard to then allow a mixture of open space and residential uses across the entire site, allowing the private sector to progress with the development.

Office of the Mayor

It is not Council's intention nor expectation to profit from the transfer of the land rather, Council's main intent is to bring the land up to a standard where development can occur which will support investment and provide an economic stimulus for the area.

While Council is fully supportive of a transparent disposal process of Government owned land and private sector involvement in developing it, there are several matters that should be considered in the disposal.

Of concern for Council is the level of contamination on the railway land in comparison to the former soccer field and the fear that 'cherry picking' or ad-hoc development may occur through private sector development. As a result, uniformity and consistency of the development could be compromised. It is Council's view that the entire land should be developed in unison. In doing so, contamination could also be appropriately managed on-site.

In the interest of the broader Millicent community, Council would like to acquire, repatriate and develop the land as per our original intent that was agreed in principle with State Government officers and declared via formal correspondence to both Ministers in May 2017 (letters attached). Alternatively, if the State Government intends to place the land on the open market through expressions of interest, we request that it does so in an expedient manner with conditions placed on the sale that both the former railway and soccer field be remediated in unison.

In summary, I recommend that the State Government transfer the land to Council as it is best placed to manage the contamination, remediation and allow the development to proceed in the interest of the wider community. This would include comprehensive public consultation on the development including the revocation of the Community Land where the soccer field once existed.

I am available to travel to Adelaide to meet with you to discuss this matter in further detail.

Yours sincerely



Peter Gandolfi
MAYOR

Telephone: (08) 8733 0900
Email: mayor@wattlerange.sa.gov.au

Office of the Mayor



Office of the Mayor

Our Ref: GF 10.85.1/1
coulet mayor millicent railway lands 030517



Wattle Range
COUNCIL

3 May 2017

PO Box 27, Millicent SA 5280
www.wattlerange.sa.gov.au

Hon Ian Hunter MP
Minister for Sustainability, Environment and Conservation
GPO Box 1047
ADELAIDE SA 5000

minister.hunter@sa.gov.au

Dear Minister

Millicent Railway Lands

Wattle Range Council would like to register an interest in acquiring the Millicent railway lands (as shown on the map included below) from the State Government for future residential development.

As background, over the past few years Wattle Range Council has facilitated a number of economic development projects near Millicent that have a high probability of maturing in the next 12 months. These projects are estimated to generate more than 300 jobs.

As our current unemployment rate is relatively low (~4.5%), Council anticipates that there will be additional people attracted to the region to fill the jobs created by these projects. In general, our community infrastructure and services have the capacity to cope with an influx of new residents with the exception of new residential developments to compliment the projected job growth.

The Millicent railway lands are an unused collection of adjoining State Government properties in the heart of the Millicent Township that are currently under Council's care and control as community parklands. The lands have not been used for their original railway purposes for more than 20 years since the train service to the town ceased. Millicent has an abundance of open space parkland in close proximity, and as such the railway lands are not being used by the community and are deemed to be surplus to requirements as parklands.

The railways lands are walking distance to the Millicent high school, hospital and main street, and are therefore ideally suited as a potential residential development site.

With this in mind, Council has begun discussions with the State Co-ordinator General's Office following advice from the Premier during his recent visit to the Millicent area to officially open the facilities of a new employer, Blue Lake Dairy.

Preliminary discussions have also been held with the Department of Planning, Transport and Infrastructure and the Department of Environment, Water and Natural Resources. They have both proposed that the titles be transferred to Wattle Range Council to develop the various titles as one consolidated site rather than developing each title through each individual Department. Council supports this proposal.

While Council has not yet developed any formal plans for the site, a preliminary internal assessment indicates that there is an opportunity to develop between 35 and 40 residential blocks.

The section that is owned by the Department of Planning, Transport and Infrastructure was the former site of the Millicent Railway Station and holding yards. It contains a considerable amount of contamination that will need to be repatriated before it can be considered for residential development.

Office of the Mayor

Council is aware of the contamination issues, but considers remediation and development of the site as a long term investment in our local infrastructure and as being strategically significant to our future economic development aspirations.

In line with this, at a recent meeting, Council resolved to formally advise you that Section 1058 Certificate of Title Volume 6146 Folio 577, Section 1032 Certificate of Title Volume 672 Folio 564, Section 1074 Certificate of Title Volume 5696 Folio 545 and Section 1075 Certificate of Title Volume 5696 Folio 546 in the Hundred of Mt Muirhead (commonly referred to as the Millicent Railway Lands) is surplus to our requirements for community park lands as defined on the below map.

Council would also be grateful for your support in its wish to acquire the above land at market value after taking into consideration the associated contamination and remediation costs.

During recent discussions with both Departments it has been further suggested that some additional State Government land adjacent to the above Titles may also be considered for transfer to Council. While there is no formal Council resolution to consider any additional land for development at this point in time, I believe that it is prudent to keep all options open. As such, Council is happy to consider the transfer of any additional land that the Department may wish to offer.

Should you or your officers wish to discuss this matter further I can be contacted directly on 0419 155 447.

Yours sincerely

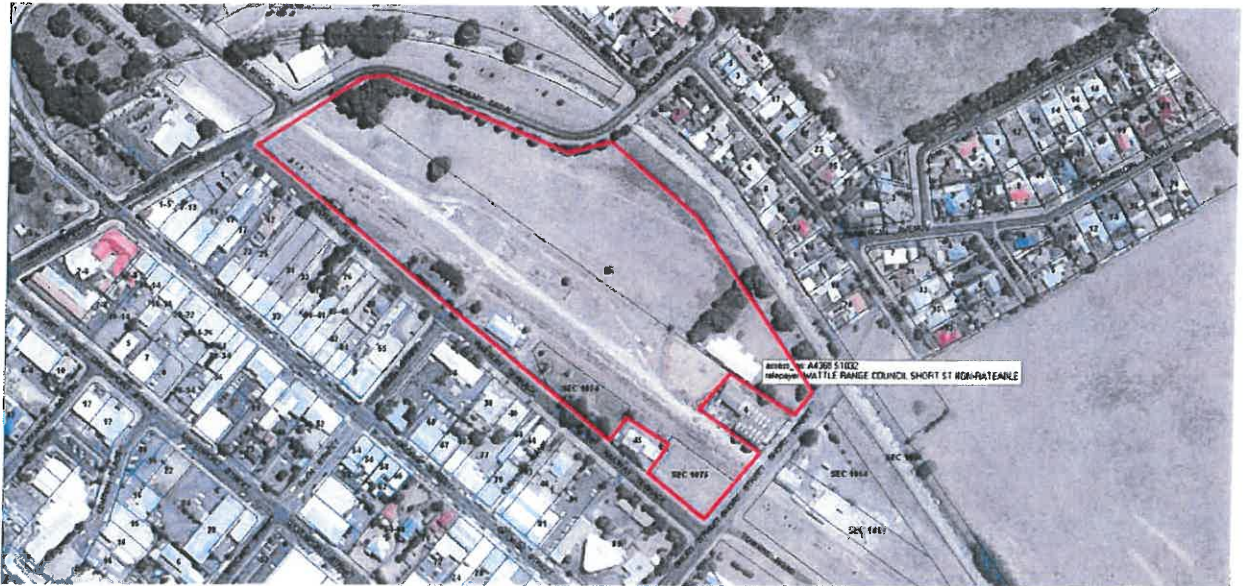


Peter Gandolfi
MAYOR

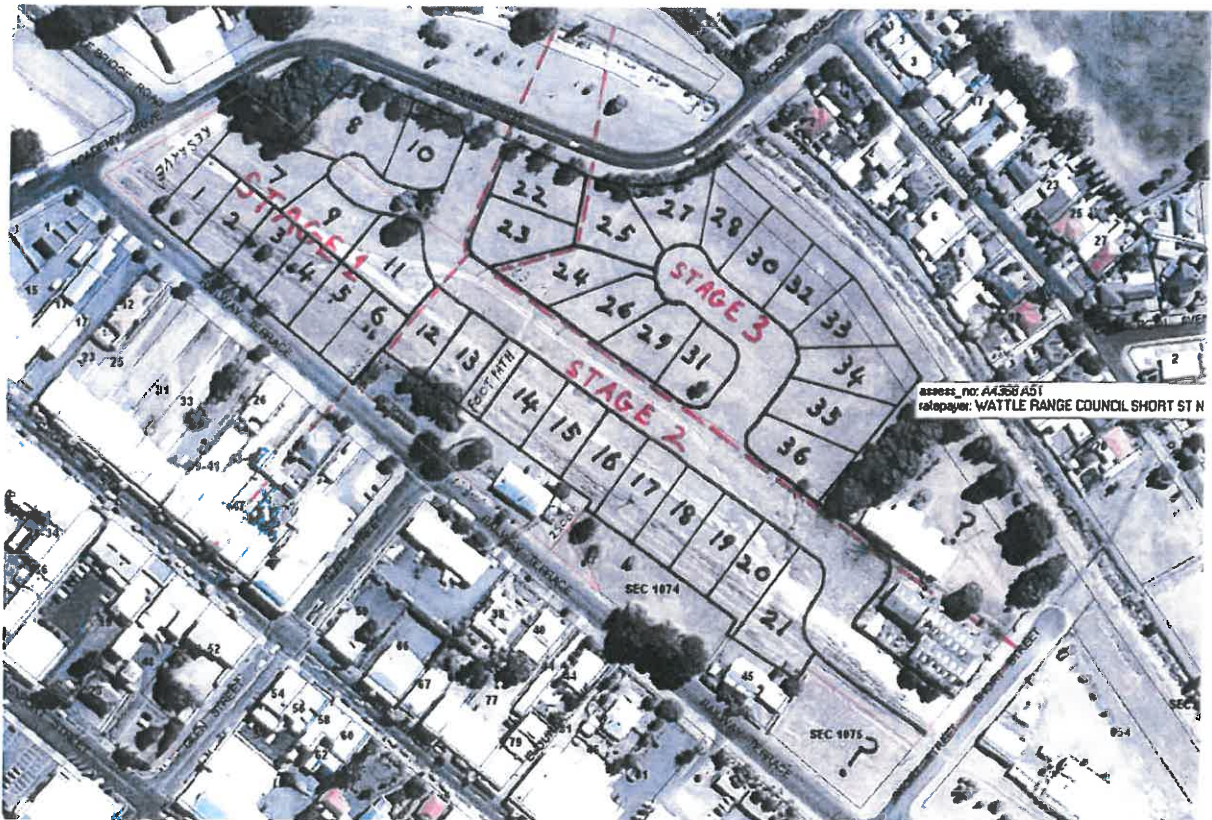
Telephone: (08) 8733 0900
Email: mayor@wattlerange.sa.gov.au

Office of the Mayor

Attachment 1 – Millicent Rail Lands Map



Attachment 2 – Preliminary Concept Plan



Office of the Mayor

Our Ref: GF 10.85.1/1
coulet mayor millicent railway lands 030517



Wattle Range
COUNCIL

3 May 2017

PO Box 27, Millicent SA 5280
www.wattlerange.sa.gov.au

Hon Stephen Mullighan MP
Minister for Transport and Infrastructure
GPO Box 1533
ADELAIDE SA 5000

MinisterMullighan@sa.gov.au

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While Council has not yet developed any formal plans for the site, a preliminary internal assessment indicates that there is an opportunity to develop between 35 and 40 residential blocks.

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Office of the Mayor

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Should you or your officers wish to discuss this matter further I can be contacted directly on 0419 155 447.

Yours sincerely



Peter Gandolfi
MAYOR

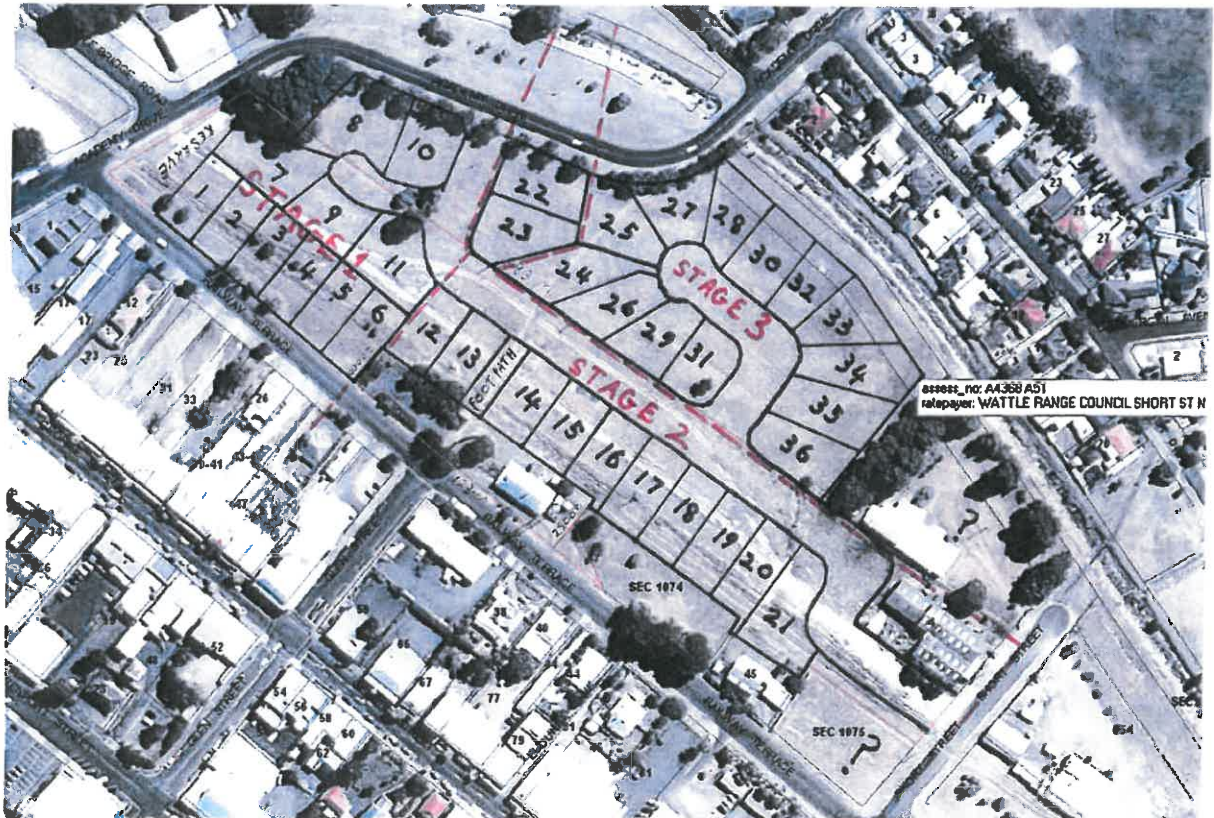
Telephone: (08) 8733 0900
Email: mayor@wattlerange.sa.gov.au

Office of the Mayor

Attachment 1 – Millicent Rail Lands Map



Attachment 2 – Preliminary Concept Plan





Government
of South Australia

17SEC811325

The Hon Ian Hunter MLC

E12017/118350					
LETTER NO: 1/124940					
FILE GF/ 16.85.1/4 PF/					
DATE RCVD		12 JUL 2017		REFER TO:	
CEO ✓	DCS	DDS	DES		FILE

Mayor Peter Gandolfi
Wattle Range Council
PO Box 27
MILLICENT SA 5280

Peter

Dear Mayor

Thank you for your letter regarding the Wattle Range Council's (the Council's) interest in acquiring the former railway land at Millicent. I apologise for the delay in my response.

I am advised by the Department of Environment, Water and Natural Resources (DEWNR) that it has been working with the Department of Planning, Transport and Infrastructure (DPTI) to consider the Council's purchase of the land to enable a residential development. A project manager from DPTI has been appointed to handle your request on behalf of both State Government agencies.

I understand that you have also written to the Minister for Transport and Infrastructure, Hon Stephen Mullighan MP, about the land managed by DPTI and that the Minister will be providing you with a response.

I am advised that a preliminary site contamination investigation for the Crown land has been undertaken and that it is being reviewed by DEWNR staff. I am told that the results of the investigation may impact the disposal of the land. The results will be forwarded to the Council once the review has been completed.

DEWNR has advised that while the Council has not yet indicated its interest in Allotment 51, it is adjacent to Section 1032, and the Preliminary Concept Plan provided appears to show blocks 28 to 34 being partially located on this allotment. As such, I recommend that you consider purchasing Allotment 51. Should the Council not seek to purchase Allotment 51, the current dedication of this land to the Council will remain.

Minister for Sustainability, Environment and Conservation
Minister for Water and the River Murray
Minister for Climate Change

Level 10, 81-95 Waymouth Street, Adelaide SA 5000 | GPO Box 1047 Adelaide SA 5001
Tel 08 8463 5680 | Fax 08 8463 5681 | Email minister.hunter@sa.gov.au | www.premier.sa.gov.au



Prior to formalising any approvals, I request that the Council undertakes a community consultation process to seek the removal of the community land status over the Crown land. I invite the Council to notify DPTI of the outcome of this process.

DEWNR and DPTI will continue to work together to further your proposal and I look forward to the outcome of the community consultation.

Should you require any further information, you can contact Ms Marianne Wierda, Case and Strategy Manager, DPTI, on 8343 2099 or marianne.wierda@sa.gov.au.

Thank you for taking the time to write to me and I trust that the above information is of assistance.

Yours sincerely



IAN HUNTER MLC

Minister for Sustainability, Environment and Conservation

7/8/2017

cc: Hon Stephen Mullighan MP, Minister for Transport and Infrastructure

17.6 Millicent Railway Lands

Purpose of Report	To seek in principle support for the purchase of the Millicent Railway Lands from the Departments of Planning Transport and Infrastructure and Environment Water and Natural Resources for residential development.
Director	Chief Executive Officer
Author	Chief Executive Officer
Disclosure of Interest	No Council officers or contractors have declared a conflict of interest regarding the matter under consideration.
File Ref	GF/16.85.1/4
Community Plan Reference	Community Land Development
Risk Assessment	Low
Budget Allocation 2016/17	\$ 0
Request for Budget Variation	\$ 0
Budget Spent to Date	\$ 0
Attachments	Nil

Summary

Preliminary discussions with representatives from both the Department of Planning, Transport and Infrastructure and the Department of Environment, Water and Natural Resources indicate that the Crown may dispose of the land commonly referred to as the Millicent Railway Lands should Council consider it to be surplus to requirements as community park lands.

The Millicent Railway Lands are ideally located in the heart of the town within a short walking distance of the main shopping precinct, the hospital and the high school. If the Crown were to dispose of the land, it would create an ideal opportunity for a future residential development project.

Discussions with the Crown also highlighted the benefits of developing the entire site as a single contiguous project, rather than developing each of the adjoining titles separately. As such, it was recommended that Council consider the procurement of both titles from the respective State Government Departments in order to facilitate a single contiguous residential development project.

RECOMMENDATION

That:

1. Pursuant to Sections 90(2) and 90 (3)(b) of the *Local Government Act, 1999* the Council orders that the public be excluded from attendance at the part of this meeting relating to Item 17.6, excepting the following persons:
 - Mr BJ Gower – Chief Executive Officer
 - Mr PA Duka – Director Corporate Services
 - Mr PE Halton – Director Engineering Services
 - Mr SW Chapple – Director Development Services
 - Ms C Allen – Executive Assistant / Minute Taker

to enable the Council to consider Item 17.6 in confidence on the basis the Council considers it necessary and appropriate to act in a meeting closed to the public (excepting those persons listed above) in order to receive, discuss or consider in confidence the following information or matter relating to Item 17.6 information the disclosure of which:

- (i) Could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct business, or to prejudice the commercial position of the Council; and
- (ii) Would on balance be contrary to the public interests.

Specifically the present matter relates to the possible disposal of the Millicent Railway Lands by the Department of Planning, Transport and Infrastructure and the Department of Environment, Water and Natural Resources should Council consider it to be surplus to its requirements as community park lands.

2. Accordingly, on this basis, the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.

RECOMMENDATION

1. That Council write to both the Department of Planning, Transport and Infrastructure and the Department of Environment, Water and Natural Resources and advise them that Section 1058 Certificate of Title Volume 6146 Folio 577 and Section 1032 Certificate of Title Volume 672 Folio 564 in the Hundred of Mt Muirhead (commonly referred to as the Millicent Railway Lands) is surplus to our requirements for community park lands with the exception of the area around the Italian Club as defined on the attached map.
2. That Council register an interest in acquiring the land from the Crown for future residential development.

RECOMMENDATION

That Council:

1. Pursuant to Section 91(7) of the *Local Government Act, 1999*, Council orders **that the following document(s) (or part) shall be kept confidential**, being document(s) (or part) relating to a matter dealt with by the Council on a confidential basis under Sections 90(2) and 90(3)(b) of the Act:

- **The Report of Item No. 17.6 of 13 December 2016**

On the grounds that the document(s) (or part):

- (iii) Could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct business, or to prejudice the commercial position of the Council; and
- (iv) Would on balance be contrary to the public interests.

Specifically the present matter relates to the possible disposal of the Millicent Railway Lands by the Department of Planning, Transport and Infrastructure and the Department of Environment, Water and Natural Resources should Council consider it to be surplus to its requirements as community park lands.

This order shall operate until **further order of the Council** and will be reviewed at least

annually in accordance with the Act.

2. Pursuant to Section 91 (9)(c) of the Act, the Council delegates to the Chief Executive Officer the power to revoke this order and must advise the Council of the revocation of this order as soon as possible after such revocation has occurred.

Background & Analysis



The area of land commonly referred to as the Millicent Railway Lands is currently owned by the State Government. The area is predominantly open park land under the care and control of Council. It is ideally situated within easy walking distance of Millicent's main street and shopping precinct, the hospital and the high school. It is largely underutilised, and given the abundance of community park lands within the broader Millicent Township it is surplus to current and future community needs as a park land.

The area consists of two adjoining titles which are owned by different State Government Departments. The first, Section 1058 Certificate of Title Volume 6146 Folio 577, is owned by the Department of Planning, Transport and Infrastructure. It covers a section of the former Millicent railway line, yards and station which have not been used for transportation purposes since 1995 when the main line between Adelaide and Melbourne was converted to standard gauge. The railway station is currently leased and occupied by Radio 5 The FM. The remaining area is community park land. The land contains an unquantified level of contamination associated with its former use as a rail yard that will need to be assessed and addressed prior to any development activity taking place. This land has been deemed surplus to the Department's requirements and during preliminary discussions it has indicated a willingness to dispose of it. It is approximately half a hectare in size and has a current capital value of \$76,000.

The second title, Section 1032 Certificate of Title Volume 672 Folio 564, is owned by the Department of Environment, Water and Natural Resources. It covers the former site of the Millicent Soccer Club field which has subsequently moved to the joint user sporting facility at McLaughlin Park. This land is currently dedicated to Council as Crown Reserve. It has not been assessed for contamination, however the likelihood of discovering and therefore having to repatriate contaminants is significantly lower than the other site due to its historical use as a soccer field. If Council were to determine that it is surplus to its needs as community park land, the Department has indicated that it would be prepared to revoke and dispose of this land. It is also approximately half a hectare in size and has a current capital value of \$50,000.

Over the next 12 months, it is likely that a number of medium sized economic development projects will start to come on line. These projects should generate a significant number of new employment opportunities within a 25 km radius of Millicent. While Millicent has the capacity to accommodate additional population growth within its existing and affordable housing stock, in reality it has experienced a decline in population over the past decade and as a result, that stock has not been adequately refreshed.

The Millicent Railway Lands present an ideal opportunity for a residential development project based on its relative size, location, access to power, water and other essential services and its proximity to health, education and retail services within the Millicent Township.

The most significant risk to development is the potential cost of repatriating contamination that is known to be in the vicinity of the former railway yard. While preliminary site inspections have identified contaminants in a number of locations, the full extent of the contamination issue and the costs associated with repatriating the land for residential development have not yet been quantified.

The Department of Planning, Transport and Infrastructure is currently responsible for the contamination and therefore any repatriation costs if it were to develop the site. That said, it is unlikely that there will be any short to medium term commitment or funding from the Department to clean up the site while there is no legislated requirement to do so. Council will need to undertake a cost benefit analysis prior to acquiring and developing the land. In doing so it will need to take into account the level of contamination and anticipated repatriation costs; the likely return on investment; and the benefit to the township.

Should Council acquire the land, it is further recommended that it be developed as a single contiguous residential development to ensure a planned, staged development across the entire site rather than a commercial short-term approach that may not adequately address contaminated areas within the site.

Risk Management

Low risks have been identified and will be addressed at an operational level.

Policy Considerations

There are no known policy considerations related to these matters.

Legislative Implications

There are no known legislative considerations related to these matters.

Environmental / Sustainability Impacts

As detailed in the Report.



Wattle Range
COUNCIL

Director Corporate Services



15.2.1 Monthly Financial Performance Report

Purpose of Report	Council consideration of the Monthly Financial Performance Report
Director	Corporate Services
Author	Manager Financial Services
Disclosure of Interest	No Council officers or contractors have declared a conflict of interest regarding the matter under consideration.
File Ref	GF/7.73.1/4
Strategic Plan Reference	Theme Five – Organisational Excellence Strategy 5.2 – Govern in a responsible and responsive way
Risk Assessment	N/A
Budget Allocation 2018/19	N/A
Request for Budget Variation	N/A
Budget Spent to Date	N/A
Attachments	2018/19 December Monthly Financial Performance Report

Summary

The attached Financial Performance report for the year to 31 December 2018 shows that Council is currently within its approved 2018/19 budget based on current expenditure and income trends.

RECOMMENDATION

That Council receive and note the 2018/19 December Financial Performance Report.

Background & Analysis

The attached 2018/19 Financial Performance Report provides a snapshot of Council's financial performance for the year to 31 December 2018. The report compares year to date actual expenditure and income, both operating and capital, for the financial year against the 2018/19 original budget adopted by Council. Key financial indicators used to measure Council's Financial Sustainability are also included.

Operating Expenditure and Revenue

The attached Income Statement shows that after the completion of six (6) months of the 2018/19 financial year, Council is within its overall budget parameters and is expected to remain so at year end when accounts are completed.

Capital Expenditure

Council's current capital budget is \$7.777M of which \$2.8M has been spent and/or committed for expenditure.

Balance Sheet

Council did not budget to borrow any funds in 2018/19. Repayment of existing loans is scheduled for various times throughout 2018/19. Council's current loan principal is \$5.9M.

Rates Debtors

Aged Rates Debtors constitute 5.29% (\$0.799M) of total rates raised in 2018/2019. It should be noted that the number of properties with rates outstanding more than three years is 18 at this point in time. The amount outstanding is expected to decrease in January due to outstanding amounts from 18/19 second quarter instalment being paid.

Risk Management

N/A

Policy Considerations

Information reflected in this report forms part of Council's 2018/19 Annual Business Plan and Budget, which is required to be reviewed periodically by Council, in accordance with the *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Financial Implications

The financial implications are as detailed in the attached budget papers.

Legislative Implications

There are no known legislative requirements related to these matters.

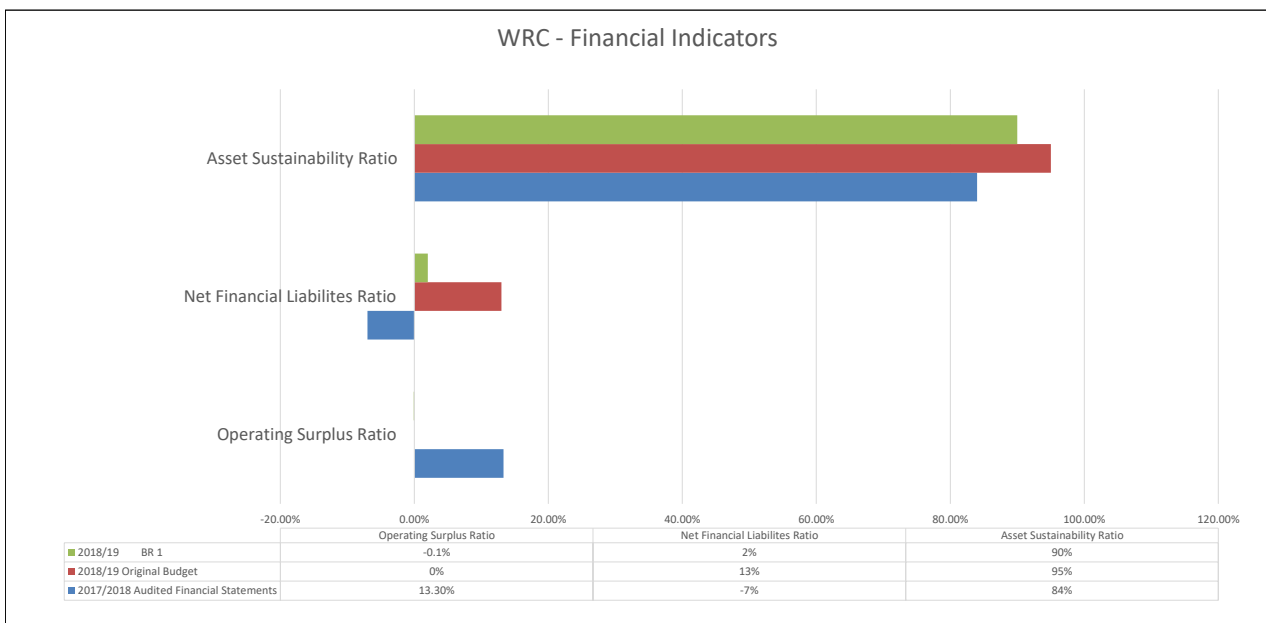
Environmental/Sustainability Impacts

There are no known environmental or sustainability impacts related to these matters.

**WATTLE RANGE COUNCIL
2018/19 MONTHLY BUDGET REPORT
AS AT
31-December-2018**

OPERATING ACTIVITIES

Adopted 2018/2019 BUDGET \$'000		YTD 2018/2019 BUDGET \$'000	BR 1 2018/2019 BUDGET \$'000	YTD 2018/2019 ACTUAL \$'000	YTD 2018/2019 VARIANCE \$'000	YTD 2018/2019 VARIANCE %	
OPERATING INCOME							
18,557	Rates	18,638	18,592	18,604	34	0.2%	
250	Statutory Charges	125	250	156	(31)	-25.1%	1
1,948	User Charges	995	1,952	844	150	15.1%	2
3,290	Grants Subsidies and Contributions	1,699	3,403	1,436	263	15.5%	3
95	Investment Income	47	95	102	(55)	-115.7%	4
444	Other	259	481	327	(68)	-26.1%	5
24,583	Total Operating Income	21,763	24,773	21,469	294	1.4%	
OPERATING EXPENSES							
9,105	Wages and Salaries	4,648	9,061	4,464	(184)	-3.9%	
10,600	Materials, contracts & other expenses	5,181	10,944	3,655	(1,526)	-29.4%	6
424	Finance Costs	212	424	166	(46)	-21.9%	7
4,505	Depreciation, amortisation & impairment	2,252	4,505	2,345	93	4.1%	
24,634	Total Operating Expenses	12,293	24,934	10,631	(1,663)	-13.5%	
OPERATING SURPLUS/(DEFICIT)							
(51)	A BEFORE CAPITAL AMOUNTS	9,470	(161)	10,839	(1,369)	-14.46%	
CAPITAL ACTIVITIES							
Net Outlays in Existing Assets							
4,589	Capital Expenditure on renewal and replacement of Existing Assets	1,513	4,482	1,290	(223)	-14.7%	8
(4,505)	Depreciation, Amortisation and Impairment	(2,252)	(4,505)	(2,345)	(93)	4.1%	11
(191)	B Proceeds from Sale of Replaced Assets	(64)	(191)	(66)	(2)	3.7%	
(107)		(803)	(214)	(1,121)	318	-39.6%	
Net Outlays on New and Upgraded Assets							
3,285	C Capital Expenditure on New and Upgraded Assets	725	3,295	838	113	15.6%	8
(828)	D Amounts received specifically for New and Upgraded Assets	(241)	(453)	(301)	(60)	24.8%	9
-	Proceeds from Sale of Surplus Assets	-	-	(104)	(104)	100%	10
2,458		484	2,842	433	50	10.4%	
(2,401)	Net Lending / (Borrowing) for Financial Year (A-B-C)	9,789	(2,789)	11,527	1,737	17.7%	
Net Operating Surplus / Deficit (A+B+C+D)		9,890	2,490	11,310	1,420	-14%	



WATTLE RANGE COUNCIL
2018/19 MONTHLY BUDGET REPORT
AS AT
31-December-2018

NOTES

#	Description	Status	Action Required
1	Dog Registration income received from Daco		No Action Required
2	Peak season for Southern Ocean Caravan Park yet to commence		No Action Required
3	Grants Commission income less than anticipated at this time		No Action Required
4	Interest income greater than anticipated at this time		Adjust at BR 2
5	Insurance claim received but not originally budgeted for		Adjust at BR 2
6	Other expenses lower than budgeted for at this time		No Action Required
7	Accrued interest		No Action Required
8	Timing issue, projects may be completed however the job may not have been invoiced		No Action Required
9	Grants yet to be received (Ag Bureau Drive, Fire Danger Signs)		No Action Required
10	Sale of assets not originally budgeted for		Adjust at BR 2
11	Depreciation costs greater than originally budgeted for.		Adjust at BR 2

15.2.2 Wattle Range Youth Development Foundation

Purpose of Report	Consider applications for financial assistance through the Wattle Range Youth Development Foundation
Director	Director Corporate Services
Author	Manager Administration
Disclosure of Interest	No Council officers or contractors have declared a conflict of interest regarding the matter under consideration.
File Ref	GF/7.41.3/1
Strategic Plan Reference	Theme One – Community Vibrancy & Presentation Strategy 1.6 – Promote and support the establishment of strong, sustainable clubs and volunteer organisations throughout the Wattle Range Area
Risk Assessment	N/A
Budget Allocation 2018/19	\$5,000
Request for Budget Variation	\$0
Budget Spent to Date	\$2,000
Attachments	1. Wattle Range Youth Development Foundation Charter 2. Wattle Range Youth Foundation Applications

Summary

Council is in receipt of four (4) applications for financial assistance through the Wattle Range Youth Development Foundation. All applications relate to the provision of assistance with costs to attend and compete in a national or international event.

Georgia Winter, Jack Haggett and Jackson Bowden have been selected to attend and compete in the 2019 Australian Junior Basketball Cup from 12-19 January 2019 in Albury NSW.

Samuel Linton has been selected to participate as a Coach at the Christian Football Australia National Academy Australian National Under 19 Mens squad travelling to Valencia Spain from 6 – 24 January 2019.

All applications have been evaluated in accordance with the criteria in the Wattle Range Youth Development Foundation Charter (refer attached).

RECOMMENDATION

That Council provide financial assistance of:

1. \$200 to Georgia Winter, Jack Haggett and Jackson Bowden to assist with costs to attend and compete in the 2019 Australian Junior Basketball Cup in Albury NSW from 12-19 January 2019; and
2. \$400 to Samuel Linton to assist with costs to attend the Christian Football Australia National Academy Australian National Under 19 Men's Tour in Valencia Spain from 6 – 24 January 2019.

Background & Analysis

Council has established the Wattle Range Youth Development Foundation to provide assistance to youth within the Wattle Range Council area who have been selected from locally based community, educational and sporting organisations to participate in an officially accredited event at the State, State Country or National level.

Any financial assistance provided is to assist with expenses incurred in travelling, accommodation, equipment and training towards the principle event.

Council provides an annual allocation of \$5,000 to the Wattle Range Youth Development Foundation to assist with the operation of the Foundation.

Applications have been received from Georgia Winter, Jack Haggett and Jackson Bowden who have been selected in their respective underage teams to compete in the 2019 Australian Junior Basketball Country Cup from 12-19 January 2019 in Albury, NSW.

A further application has been received from Samuel Linton who has been selected as a Coach of the Christian Football Australia National Academy Australian National Under 19 Men's squad travelling to Valencia, Spain from 6–24 January 2019. The current guidelines do not restrict applications to being received from players/athletes, rather than team officials.

In reviewing the information provided, all applications meet the eligibility of the Youth Development Foundation as detailed in the Charter. It is recommended that the provision of financial assistance be granted to the two applicants.

Risk Management

N/A

Policy Considerations

There are no known policy requirements related to these matters. Applications has been assessed in line with the Wattle Range Youth Development Foundation Charter.

Financial Implications

	2018/2019 Approved Budget (ex GST) \$	2018/2019 Budget Spent (ex-GST) \$	This Proposal (ex GST) \$	2018/19 Total (Ex GST) \$	Variance to Approved Budget (ex GST) \$
Revenue	\$-	\$0	\$0	\$0	
Expense	\$5,000	\$2,000	\$1,000	\$3,000	
Net Result	\$5,000	\$2,000	\$1,000	\$3,000	

Legislative Implications

There are no known legislative requirements related to these matters.

Environmental/Sustainability Impacts

There are no known environmental or sustainability impacts related to these matters.

Communication & Consultation

A cheque presentation following advice to the applicant will be arranged at a mutually convenient time with details distributed to the local media.

CHARTER

WATTLE RANGE YOUTH DEVELOPMENT FOUNDATION

1. Name

The name of the Authority shall be the Wattle Range Youth Development Foundation, (hereinafter called 'the Committee').

2. Establishment

2.1 The Committee is a controlling authority established by the Wattle Range Council (hereinafter called 'the Council') pursuant to Section 199 of the Local Government Act, 1934 on 8th September 1997 (Refer to Folio 129, Item 6.1.4.10).

2.2 The Committee was further reviewed by the Council pursuant to Section 41 of the Local Government Act, 1999 (hereinafter referred to as 'the Act') on 8th November 2005 (Refer to Folio 3569; Item 1.38).

2.3 The Committee was further reviewed by the Council pursuant to Section 41 of the Local Government Act, 1999 (hereinafter referred to as 'the Act') on 13th November 2007 (Refer to Folio 3942; Item 11.2.3).

2.4 The Committee was further reviewed by the Council pursuant to Section 41 of the Local Government Act, 1999 (hereinafter referred to as 'the Act') on 12th June 2012 (Refer to Folio 4766; Item 11.1.2).

3. Purpose

The Wattle Range Youth Development Foundation is established to provide assistance to youth within the Wattle Range Council area who have been selected from locally based Community, Educational and Sporting Organisations to participate in an officially accredited event at the State, State Country or National level.

4. Functions

4.1 To enquire into and report to Council on the possible provision of financial assistance that shall be rendered to youth who have been selected from locally based Community, Educational or Sporting Organisations, association, clubs or leagues etc. (or selected on Individual merit) to represent the State of South Australia (including State Country or Country South Australia) in an officially accredited/recognised state, national or international event, and a statement to that effect is provided by that event's State Administrator (herein referred to as a selected youth).

The financial assistance may be in the form of a cash contribution from the Council towards the expenses involved in travelling, accommodation, equipment and training. It is not envisaged that the Council would pay all expenses but would pay a contribution to defray some of the expenses involved.

4.2 To receive, consider, process and approve applications that shall be rendered to such selected youth.

5. Applications

- 5.1 All applications for financial assistance to any selected youth shall be made in writing using the application form provided by Council, by that youth's local Organisation, association, school, club or league (or in the case of an individual person, by the individual person concerned), and demonstrate that the selected person has:-
- (i) been selected to participate or train in an official team/squad specifically chosen as a state country, state, national or international team;
 - (ii) been selected in a state country, state, national or international team which will compete within Australia or overseas;
 - (iii) the desire to compete in a state country, state, national or international event and has the ability to perform to the standards expected in such championship;
 - (iv) unless the context otherwise requires the terms "state country, state, national or international team" or "state, national or international event" in the foregoing sub-paragraphs means teams or events that have been officially accredited/recognised as being "national or international teams or events" and a statement to that effect is provided by that event's State Administrator.
- 5.2 In the case of an individual youth, the individual youth concerned shall also provide evidence to the Committee that the individual youth cannot be represented by an existing local Organisation, association, school, club or league and that no other avenues are available for that individual youth to make application for financial assistance other than as an individual youth.
- 5.3 All applications as required by clause 5.1 above shall:-
- (i) provide complete details as to the name, residential address and age of the selected youth, and if the youth is under the age of eighteen (18) years, shall be authorised by a parent or guardian of the said youth.
 - (ii) provide complete details as to the event(s) to be competed in by that youth (including proposed or intended dates of practice and training sessions leading up to the principal event); the location of the principal event or practice and training sessions, estimated costs to be incurred in attending such events or sessions, details of other assistance that is or could be available to the selected youth.
 - (iii) provide complete details of all other relevant matters which may assist the Committee in assessing the application.
 - (iv) provide full details of all expenses that could be incurred in the following areas:-
 - (a) Travel costs;
 - (b) Accommodation/meals;
 - (c) Equipment/training.
 - (v) be accompanied by the prescribed non-refundable application fee of an amount determined by the Council on an annual basis.

- 5.4 The Committee will examine all applications and each application will be treated individually and upon its merits. The Committee will inform the Council as to the amount to be paid (if any) which it feels is appropriate to the application, taking into consideration any circumstances.
- 5.5 An application that has been approved by the Committee in one instance may not necessarily be approved in another. A youth who has received assistance from the Committee will be eligible for further assistance, but the decision of the amount to be allocated a second time, if any, will be at the discretion of the Committee.
- 5.6 The Committee will not consider any application for assistance for a past event.

6. **Membership of the Committee**

The Committee shall be the Members of Council.

7. **Meetings of the Committee**

- 7.1 The Committee shall meet as and when determined by the Chairman.
- 7.2 At all meetings of the Committee, one half of members, plus one shall constitute a quorum. If within thirty minutes after the time appointed for any meeting a quorum shall not be present then such meeting shall not be present then such meeting shall be adjourned until such time as may then be determined by the members present. If at any meeting so adjourned a quorum shall not be present the members then present shall be deemed to form a quorum.
- 7.3 In the absence of the Chairman at any meeting, another member of the Committee shall be elected as Chairman and shall preside. The Chairman and Acting Chairman shall be entitled to a casting vote only.
- 7.4 The Committee may act notwithstanding any vacancy in their body.
- 7.5 In addition to the provisions of Clause 7.1, a meeting of the Committee shall be convened at such other time or times upon a request in writing signed by not less than three members being delivered to the Chairman and upon receipt of and such request the Chairman shall call the Committee to hold formal meetings for the purpose of resolving any matter of urgency provided however that any decision taken otherwise than at a formal meeting shall be confirmed and ratified at the meeting of the Committee next ensuring after such decision is taken.
- 7.6 Minutes of all resolutions and proceedings at meetings of the Committee shall be kept for all meetings of the Committee.

8. **Funding**

- 8.1 The Council shall include an amount of money in its annual budget to meet the cost of providing financial assistance to selected persons as approved by the Committee.

- 8.2 All applications for financial assistance must be accompanied by a non refundable application fee, set by Council each Financial Year, which will be used toward funding of financial assistance provided to selected youth.
- 8.3 Council will maintain a Wattle Range Youth Development Foundation investment reserve account into which any unallocated budget amounts for a Financial Year will be credited (net of application fees received).
- 8.4 In the case of Council exceeding the budgeted amount for the provision of financial assistance in a Financial Year (net of application fees received), additional funding will be drawn from the Wattle Range Youth Development Foundation investment reserve account.

9. Sponsorship

- 9.1 The Council may seek out and obtain sponsorship, donations and/or assistance from any other individual, group or company which may wish to contribute to the operation of the Foundation upon such terms and conditions agreed upon the Council and the other individual, group or company.
- 9.2 The cash proceeds from any such sponsorship, donations and/or assistance shall be paid to the credit of the investment reserve by Council but Council is not obliged to make a contribution to the investment reserve of an amount equal to the value of the sponsorship, donations and/or assistance.

10. Powers

The Council, pursuant to Section 44 (1)(b) of the Act, delegates to the Committee, for the purpose of achieving its Purpose and Functions, and subject always to the provisions of the Act, the following powers ;

- 10.1 Expend funds for the purpose of awarding financial assistance within the limits of the annual Wattle Range Youth Development Foundation budget and the investment reserve.
- 10.2 Establish, alter or amend any fees and charges associated with the operation of the Wattle Range Youth Development Foundation.

11. Definitions

"The Committee" means the Committee which has the name "Wattle Range Youth Development Foundation".

"A selected youth" means a youth who has been selected from locally based Community, Educational or Sporting Organisations, association, clubs or leagues, or who has been selected on Individual merits (and is unable to be affiliated with any locally based Organisations), to represent the State of South Australia or the country of Australia in an officially accredited/recognised national or international event (as the case may require) and a statement to that effect is provided by that event's State Administrator. A selected youth must be a resident of the area of Wattle Range Council to qualify for financial assistance from the Wattle Range Youth Development Foundation.

"Individual Youth" means a youth who is resident of the area of Wattle Range Council.

"Youth" means any individual aged between the age 5 years to 25 years.

"In singular" means the plural.

"The Council" means the Wattle Range Council.

"The Chairman" means the Chairman of the Committee.

"Member" means a member of the Committee and includes the Chairman.

"The Secretary" means the Secretary of the Committee.

"Financial Year" means the period of twelve months ending on 30th day of June.

The masculine gender shall include reference to the feminine.

12. **Amendments, Alterations and Additions to the Rules**

These rules may be amended, altered or added to by a resolution of the Council made pursuant to Schedule 2 clause 3(5) of the Local Government Act, 1999.



Wattle Range
COUNCIL

Director Development Services



15.3.1 Millicent Saleyards Review

Purpose of Report	To provide Council with a review of the Millicent Saleyards with consideration given to the future operations and financial sustainability of the facilities.
Director	Director Development Services
Author	Director Development Services
Disclosure of Interest	No Council officers or contractors have declared a conflict of interest regarding the matter under consideration.
File Ref	GF/7.81.4/75
Strategic Plan Reference	Theme Two – Economic Prosperity Strategy 2.1 – Support and Advocate for improved infrastructure that enhances and creates economic and business opportunities Theme Four – Infrastructure and Asset Sustainability Strategy 4.1 – Create a sustainable stock of assets, with appropriate long term asset planning and optimal use. Theme Five – Organisational Excellence Strategy 5.4 - Optimise Council operation of businesses and assets, to ensure value for money is returned to the community
Risk Assessment	Almost Certain / Moderate – High
Budget Allocation 2018/19	\$ 159,083.97
Request for Budget Variation	\$ 0
Budget Spent to Date	\$ 69,833.45
Attachments	1. Millicent Saleyards Review – January 2018 2. Letter K Sullivan 3. Letter to the Editor – Copping

Summary

Staff prepared a report for Council in April 2018 regarding the outcomes of a review of the Millicent Saleyards. Council resolved at that time to receive and note the report.

The review and report were made public in 2018 and copies distributed through Council's main office, the Saleyards complex and on line. Two letters of response were received by Council regarding the review and they were also printed in the South Eastern Times newspaper. These letters are attached to this report.

The Council engaged SED Advisory to undertake an independent review of the Saleyards giving regard to the financial sustainability and future of operations.

The review included examination of the current infrastructure with respect to future investment, suitability for purpose and need for ongoing upkeep, and an assessment of the industry as a whole. The review also examined the current competitive environment from other regional saleyards and alternate sales methods now being employed by producers and buyers.

Council has managed the saleyards at its current location since 1976. Over time there has been an increase in the requirement for Council to financially support the operations.

Throughput has fallen significantly across most saleyards complexes in the past six years with more marketing options available to producers with Millicent's cattle volumes and value of sale being lower than other regional saleyards at Mount Gambier and Naracoorte.

The review also examined the annual extended economic contribution of the saleyards to the local economy beyond just the sale of stock. This was estimated at \$1.2M per annum and took into account the operations of the saleyards themselves, the indirect expenditures arising from the use of local suppliers, induced retail expenditure from users of the saleyards and the value revived from stock agents who utilize the facility.

SED Advisory made a number of recommendations ranging from the continued operation of the saleyards to maintain the associated economic benefit to the immediate or staged closure of the facilities to remove the financial liability of maintaining the yards.

RECOMMENDATION

That Council receive and notes the report and attachments.

Background & Analysis

Council has operated the Millicent saleyards since its establishment on the current site in 1976.

Council selected SED Regional Advisory to undertake a review of the Saleyards operations with regard to the following:

- An assessment of the current infrastructure, with respect to future investment, its current suitability for purpose, age and ongoing upkeep.
- An assessment of the industry, including the current competitive environment from other regional saleyards and alternative sale methods and/or selling systems to understand current throughput and likely throughput scenarios.
- An assessment of any alternative management structures and/or uses, or funding sources including classes of livestock sold and a review of fees and charges, that may potentially increase viability of operations at the site.
- Site specific information relating to current activities and possible alternative uses within planning guidelines.

The Millicent Saleyards sits on an area of about 60 hectares much of which is fenced paddocks. There are 28 cattle holding pens, 116 cattle sale pens with two NLIS tag reading and weighing stations. There are also 298 sheep pens with associated loading ramps that have not been utilised for normal sheep sales for over ten years. Buildings include a weighing room, two storey brick building with offices and canteen area, a workshop shed, hay shed and general storage shedding. The site also has a three bay AVdata truck wash facility.

Regular cattle sales are held every alternate Thursday with weekly sales often occurring between October and January, dependent upon numbers of cattle available. There are four agents accredited to operate at the site and they maintain offices in the main building complex. They are Elders, Landmark, John Chay and Co and PPHS.

The SA Department of Planning, Transport and Infrastructure lease an area on the western side of the main cattle yards and run irregular motor cycle training days from that site.

A table of fees and charges is included in the report and these fees are comparable to other saleyards in the region.

Council employs a full time Saleyards Manager and a Sales Clerk who manages administration and data entry on sale days, averaging about seven hours of work per sale. Council is also utilising a government sponsored work position for a period of twenty six weeks. This provides the opportunity for practical work experience for an unemployed local resident and Council recoups most costs associated with this position from the Government funded program.

On any sale day there are nine contract staff employed at the site who are paid by the agents. Seven of these staff work 4 – 5 hours on a sale day and two work about 10 hours before and during each sale.

A canteen service is provided by a local business each sale day.

Key findings from the review include:

Changes to the industry means saleyards are servicing less large producers. These producers often sell through other buying systems (outlined in the report).

Millicent is generally servicing smaller producers who favour saleyards that provide for greater aggregation of lots.

The region is also serviced by saleyards at Naracoorte and Mount Gambier with new Mortlake Victoria saleyards being established with projections of up to 180,000 head of cattle to be moved through these new yards annually.

Millicent Saleyards has seen a steady decline in throughput from around 28,000 head in early 2000 to 8,408 in 2017 and 8,679 in 2018. Gross sales of the throughput for the 17/18 financial year was \$10,077,668.95.

Millicent's throughput is about 10% of the animal volume and value of Naracoorte and Mount Gambier saleyards and therefore struggles to deliver scale and benefits to buyers or sellers. From

an operating model perspective, volume/throughput are underlying drivers of profitability, where saleyards are essentially a volume business for most stakeholders.

Average prices received for stock sold over the past three years indicates that Millicent receives 3% less than Mount Gambier and 4% below Naracoorte.

Losses for the Millicent Saleyards over the six years to 2016/17 totalled \$681,000 at an average of about \$113,000 per annum. The Saleyards loss for the 2017/18 financial year was \$208,300. The annual losses would potentially be greater if not for annual income of about \$24,000 achieved through the buying and selling of stock by the Saleyards Manager on behalf of Council. Millicent Saleyards currently have 39 head of cattle running at the Saleyards with an estimated value of \$46,800.

The Wattle Range Council employ a fulltime Saleyards Manager and a Sales Clerk to manage sale day administration and data entry, an average of 7 hours per sale day. During the 2017/2018 financial year, a participant in a Government sponsored work program through Axis Employment was employed as a Saleyard Hand for a 26 week period. This participant has gone on to find fulltime employment.

Income statements included in the review show a continued deterioration in the financial performance of the saleyards over a six year period. During that time revenues have at no time exceeded expenses. The total revenue (commission and other) needed to breakeven, under the current cost structure is \$362,000 around 2.3 times the current income levels.

Minimal investment into infrastructure at the saleyards has occurred in the last 5 – 10 years. Infrastructure investment is likely to be \$200,000 to bring the saleyards up to regional standards with potential compliance and competitive infrastructure development to be in the vicinity of \$1M if legislative or environmental standards are altered. Council is required to install new irrigation equipment in 2019 to meet EPA requirements and this has been costed at \$8,500.

Excluding infrastructure investments losses for the next five years are likely to be \$625,000 to \$750,000.

Site options

The site does have development potential due to its location, scale of size and existing infrastructure. Council staff have continued discussions with a number of potential clients for use of the Saleyards lands.

Economic Impact

The review also examined the annual extended economic contribution of the saleyards to the local economy beyond just the sale of stock. This was estimated at \$1.2M per annum and took into account the operations of the saleyards themselves, the indirect expenditures arising from the use of local suppliers, induced retail expenditure from users of the saleyards and the value revived from stock agents who utilize the facility. An extensive review of the economic benefits to the region, producers and other associated industry/business is included in the report.

A number of options have been considered by the reviewers.

- Continue operations. With losses to be funded by Council. Five year costs estimated at between \$625,000 and \$750,000 assuming no major investment requirements.
- Increased fees and charges which would have a small impact on overall annual losses at the Saleyards.
- Change of operational responsibilities back to a board of management to include agents and producers.
- Sell or lease the Saleyards to be operated by a third party. It has been identified that finding a buyer or lease operator given the current losses, changes to the industry and throughput would be difficult.
- Maintain the Saleyards operations whilst partially developing other areas of the site.
- A staged closure or immediate closure of the saleyards and either sell or redevelop the site.

Risk Management

Risks	Likelihood	Consequence	Rating	Mitigating Action
Ongoing annual financial losses	Almost certain	High	Moderate	Improved income streams or closure or sale of the saleyards
Legislative changes requiring substantial infrastructure development	Likely	High	Moderate	Closure or sale of the saleyards

Policy Considerations

There are no known policy requirements related to these matters.

Financial Implications

Ongoing financial losses of about \$120,000 per annum are projected over the next five years if operating income and expenses remain at existing levels.

There are unknown potential impacts if legislative changes occur requiring upgraded facilities for animal management, (roof covers, soft flooring) and environmental site management.

	2018/19 Approved Budget (ex GST) \$	2018/19 YTD Expenditure (ex GST) \$	This Proposal (ex GST) \$	Variance to Approved Budget (ex GST) \$
Revenue	\$146,696.00	\$60,205.37		
Expense	-\$305,779.97	-\$138,044.39		
Net Result	-\$159,083.97	-\$77,839.02		

Legislative Implications

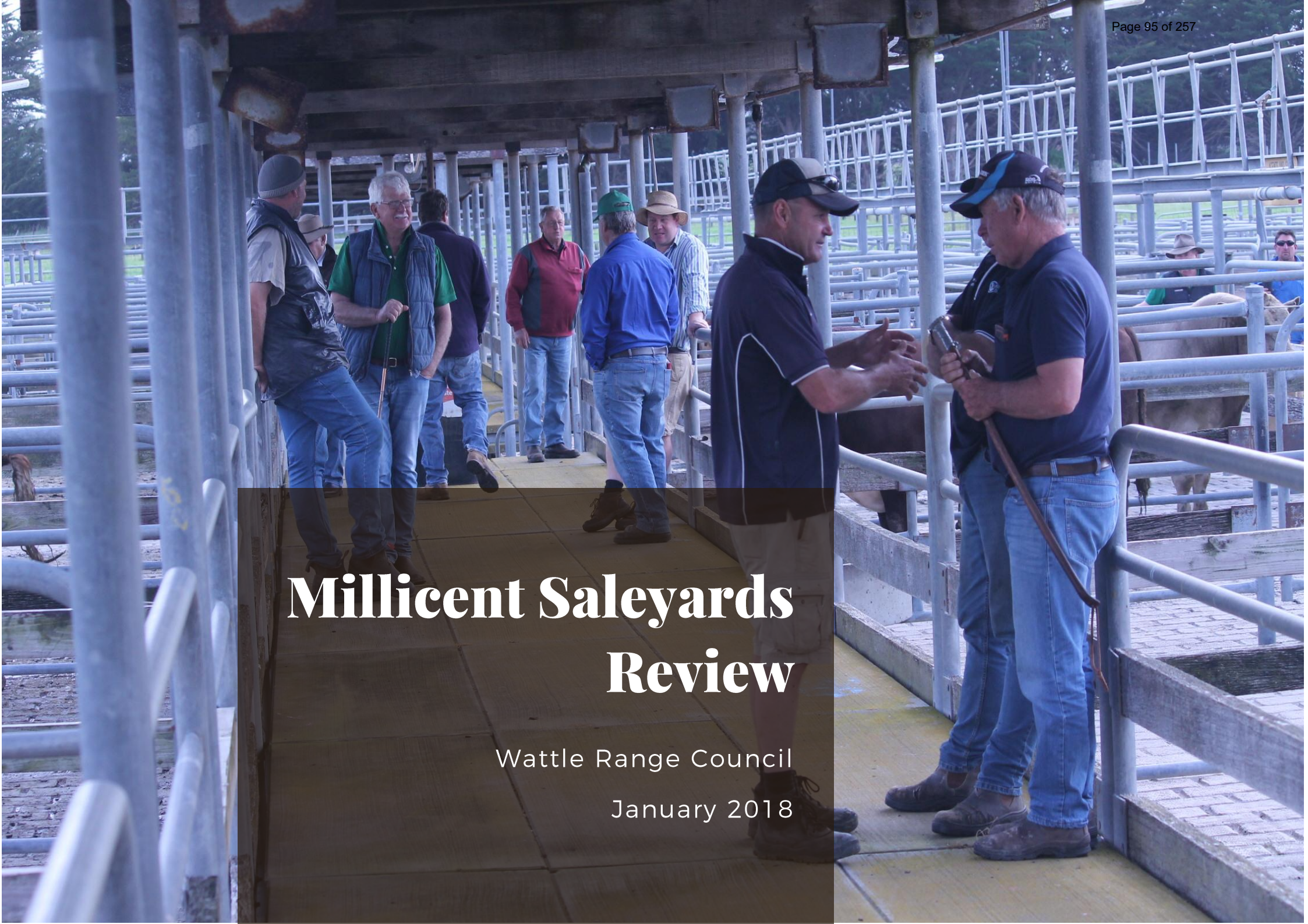
There are no known legislative requirements related to these matters.

Environmental/Sustainability Impacts

Ongoing management of the site has required changes to irrigation and waste management procedures. There indications that further improvements may be required as legislative and testing regimes change.

Communication & Consultation

Copies of the report and review were provided to at the Saleyards complex, on Council's website and were made available at Council's main office. Two letters regarding the review were received.



Millicent Saleyards Review

Wattle Range Council

January 2018



Report statement

The Millicent Saleyards Review has been prepared specifically for Wattle Range Council as the client. The Millicent Saleyards Review and its contents are not to be referred to, quoted or used by any party in any statement or application, other than by Wattle Range Council without written approval from SED. This report contains material provided on a commercial -in-confidence basis and therefore requires SED's approval prior to public disclosure.

The information contained in this document has been gained from anecdotal evidence and research. It has been prepared in good faith and in conjunction with Wattle Range Council. Neither SED, nor its servants, consultants, agents or staff shall be responsible in any way whatsoever to any person in respect to the report, including errors or omission therein, however caused.

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Final draft - commercial in confidence

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Summary of key findings

- Throughput numbers held around 20,000 head annually or above until 2010/11. There has been a sharp and declining trend until, for the first time, numbers fell below 10,000 in 2016/17. While numbers have been trending down generally across the wider industry over this period, this is not sufficient to explain the magnitude of the decline through the Millicent Saleyards. The fact that it hasn't been necessary to hold weekly sales during the peak season in recent times is another indication of declining patronage.
- For a saleyard operation to be successful requires the support of all the principal parties involved; vendors, agents and buyers. While there has been adequate agent and buyer support over the journey, the same can't be said for local producers, particularly larger landholders who are increasingly selling direct or using Naracoorte and Mount Gambier yards
- Industry trends are impacting so that larger producers have more marketing options than smaller producers and they understand the financial imperative of receiving the best price they can for their product.
- In many cases larger producers have refined their production systems to meet the requirements of the supermarket feedlots or to processors OTH and, by doing so they, have effectively integrated their operations into the value chain. The Millicent Saleyard is therefore largely patronised by smaller operators with fewer marketing options and limited linkages to larger and global supply chains
- Average sale prices received at Millicent over the past 3 years are 4% below Naracoorte and 3% below Mt Gambier
- Millicent is around 10% the size of Naracoorte and Mt Gambier yards based on both cattle volumes and value of sale meaning scale benefits are not created for either buyers or sellers – the market provides some convenience benefits for users; principally servicing smaller producers and selling smaller animal lots. Millicent has a limited, or narrow audience, in that it;
 - only conducts a prime cattle sale, usually fortnightly
 - no longer holds sheep sales
 - does not hold any store cattle sales
- Competitive tensions between regional saleyards (Mt Gambier and Naracoorte) are becoming more evident. as there is an increasing trend for Naracoorte to run consecutive sales on the same day. While Millicent have, as the junior partner, accommodated in the past by starting the sale early, the signs are that this may prove an insufficient compromise and in future buyers and agents alike may be forced to make a choice about where they attend.
- Location, aggregation, alternate land use, changing market trends, and regionalisation of saleyards are all impacting the throughput of the Millicent saleyards. These trends are resulting in declining throughput and the ongoing diminishing financial performance of the saleyards.
- The buyers, particularly of young stock, have traditionally generally supported Millicent because, like Mount Gambier, 'they know what they will get' in the way of carcass yield that is not always the case in other yards. However, the continued decline in numbers make it difficult for them to justify a regular presence, particularly in periods

where numbers are low and/or variable, that has the potential to further impact the ongoing competitiveness of future markets.

- The indications from senior management of some of the processors indicate that Millicent doesn't register as a part of their supply chain, meaning future buyer interest may come from commission agents as opposed 'salaried buyers' that could further impact price competitiveness of the yards.
 - Given these reasons, all of which are beyond Council's ability to effectively influence, it has been left to Council to cover the operating losses generated from the Saleyards continued operation which are currently running at around \$125,000 - \$150,000 per annum.
 - The previous and ongoing lack of investment at Millicent leads us to form the view that its relative competitive position against other regional yards will continue to erode and operational expenses are likely to increase over time as a result.
 - There has been minimal investment in the saleyards, in contrast other yards which have been upgraded in recent years. The investment required at Millicent to remain compliant and competitive is likely to be at least \$200,000 to remain compliant and could be considerably higher than this to remain competitive
 - Maintaining a business as usual approach will result in 5-year operating losses of \$625,000 and \$750,000, with likely infrastructure investment costs exceeding \$200,000
 - To achieve breakeven financial position before considering additional infrastructure investment needs requires an increase in throughput of 2.3 - 3 times existing levels to around 41,000 - 48,000 cattle per annum.
- Given industry trends and increasing competition between yards, it is highly unlikely Millicent can achieve these levels
- We believe the current operating loss situation is unlikely to significantly improve in future, particularly considering the highlighted and unlikely increase in throughput required to achieve a breakeven scenario and the likely need for future infrastructure investment required for compliance and / or competitiveness reasons
 - Should it be determined that the yards are no longer viable, then there are alternate land use opportunities that may provide other, perhaps greater, economic benefit to the community.
 - Many local producers currently access services at Naracoorte and Mt Gambier. The proximity of these yards to Wattle Range Council makes accessing these services largely cost neutral, considering transport costs and likely higher cattle prices sellers would receive.
 - The annual economic contribution of the saleyards to the local economy is estimated to be \$1.2m. This arises from:
 - The operations of the saleyards themselves
 - Indirect expenditures arising from the use of local suppliers
 - Induced retail expenditure from users of the yards
 - The value derived from stock agents locating in the Shire, because the yards are in the Shire
 - In the long term, it is highly likely the yards will close whether because operational losses continue to increase and become unpalatable, or the costs associated with infrastructure investment also make the yards financially unviable.

Recommendations

- A range of future options have been considered, costed and assessed business as usual, sale, investment, altered operating models, immediate closure, and staged closure.
- The critical issue is that current users have alternative locations to source the buying and selling services provided at the yards. If this were not the case, it is likely our conclusions would be different.
- The operating losses at the yards over the next 5 years are forecast to be in the order of \$625,000 - \$750,000, there are potential investment risks facing Council and in the in the long term it is highly likely the yards will close due to operational losses arising from reduced throughput and / or costs associated with infrastructure investment. Unless there is a compelling argument to continue to fund the forecast losses and expose Council to the potential investment risks, we see no other option but to recommend closure of the yards.
- We would recommend the yards are closed in a managed fashion as this approach best utilises Council resources, while minimising the impact and disruption to any associated commercial activity that a closure would create.
- We would recommend that closure not be immediate, however continue under notification of closure until, say, June 30, 2019 in order to;
 - Allow sufficient time for vendors, agents and buyers to make alternative arrangements
 - June is when the seasonal sales cycle is at an ebb, that should further assist any transitional arrangements
- Provide an end date for Council to withdrawal from various obligations and to negotiate, mitigate and ameliorate future compliance and financial risk associated with continued operations
- Use the intervening period to develop a land use activation strategy and commence market testing for potential developers
- This option is likely to save Council in the order of \$500,000 - \$700,000 over 5 years compared to business as usual, it reduces Council's investment risk profile and in our view provides for an orderly and minimally disruptive strategy.

1. Report background and purpose

The saleyards review is part of a wider governance initiative of Wattle Range Council to undertake a review of all its business units to ensure the financial sustainability of its future operations in an environment of increasingly constricted budgetary circumstance.

Council has successfully managed the saleyards since it moved to the current site in 1976 for the economic benefit of the industry and the wider local community, however there has been an ongoing and increasing requirement for Council's financial support to continue to maintain operations.

As such, Council wish to seek an independent review of the financial viability and sustainability of ongoing operations of the Millicent Saleyards. This review includes:

- An assessment of current infrastructure, with respect to future investment, its current suitability for purpose, age and ongoing upkeep.
- An assessment of the industry, including the current competitive environment from other regional saleyards and alternative sale methods and/or selling systems to understand current throughput and likely throughput scenarios.
- An assessment of any alternative management structures and/or uses, or funding sources; including classes of livestock sold and a review of fees & charges, that may potentially increase viability of operations at the site.
- Site specific information relating to current activities and possible alternative uses within planning guidelines.



Figure 1 - Aerial view of the Millicent Saleyards



Figure 2 - Truck loading / unloading apron

2. Current operations

2.1 Brief History

The original saleyard site was said to be located closer to the centre of town. There is mention of Council approval having been given in 1954 to;

*"erect up-to-date saleyards to accommodate approximately 10,000 sheep and 700 cattle on portion of the land recently purchased and described as sections 504, 505, 506 and 510, hundred of Mount Muirhead"*¹

The above-mentioned proposal wasn't Council's initiative, rather the proponents; Bennet & Fisher, Dalgety & Co., Elder Smith & Co., Goldsbrough Mort & Co. and S.A.F.U., were the parties seeking Council approval.

It would appear that Council assumed responsibility for saleyard operations at the time it was relocated to the present site in 1976 on Saleyards Road, 3.5 kilometres from the Millicent town centre.

2.2 Site Description

2.2.1 Land

An area of around 60 hectares comprising the saleyards and ancillary buildings as well as a number of fenced paddocks, two of which are currently able to be irrigated. The property is bisected by a bitumen access road that generally follows a South-East to North-West direction. It also accommodates the Council Waste Transfer Station, situated in the most Eastern corner of the property.

¹ South Eastern Times (Friday May 7, 1954) 'Saleyards at Millicent North Approved'
[<https://trove.nla.gov.au/newspaper/page/22456424?downloadScope=page>]

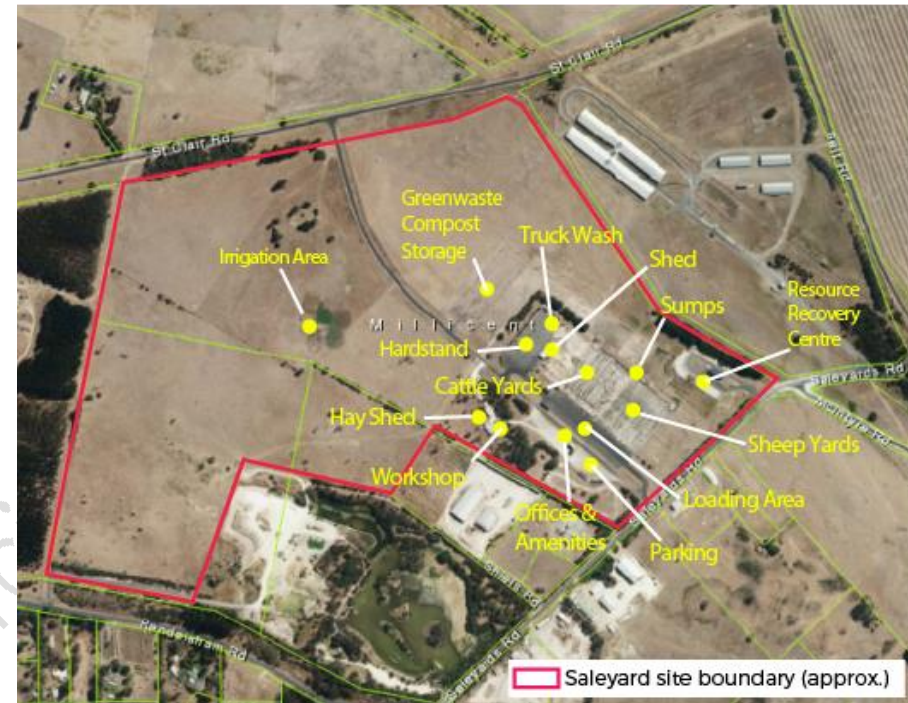


Figure 3 - Saleyard Site Plan

2.2.2 Fixed Infrastructure

Cattle Yards; Are comprised of 28 cattle holding pens, 116 cattle sale pens multiple receival points, service access lanes & pens, handling facilities, 2 x NLIS tag reading and weighing stations and office, two adjustable loading ramps and include raised walkways and covered public viewing platforms to facilitate the auction process.



Figure 4 - Cattle yards on a sale day

Sheep Yards - Are comprised of 298 pens of differing dimensions, access lanes and six adjustable loading ramps to load and unload stock. The yards are open (no cover) with semi-raised walkways for the use of auctioneers and agents during the sales process.

Sumps - Both the cattle and sheep yards have concrete sumps at the Northern end to collect run-off from rain events, cleaning activities and truck wash.

Roads - The site is well-serviced by sealed roads and extensive apron areas.

Buildings: Apart from the yard weighing office, there is;

- A two-storey brick building with an office for the saleyard manager and canteen upstairs with agents' offices and amenities below.
- A shed housing a workshop and equipment storage
- A hay shed
- A general storage shed.

Plant & Equipment Plant and equipment on site includes:

- Computers, associated software and electronic equipment to allow the identification of animals and recording of weights as required by industry and regulatory standards
- A three-bay Avdata truck wash
- A travelling irrigator, various pumps, filters meters and pipe system - used for wastewater management
- Sundry plant & equipment and workshop used for upkeep of the site and facilities

Amenities - There are adequate toilet and shower facilities situated in the main administration building.

2.3 Operations

Sales -Regular cattle sales are normally held from 9:00am every alternate Thursday, sometimes weekly between October and January, depending on numbers. All cattle are weighed post sale and sales data recorded in accordance with NLIS regulations.

There are four agents that are accredited to operate and maintain on-site offices; Elders, Landmark, John Chay & Co., and PPHS,

Apart from restockers and commission buyers in attendance, the main processors represented include; Teys Bros. (Naracoorte), Midfield (Warrnambool), Woodward's (Swan Hill), Westside Meats (Bacchus Marsh), TFI (Murray Bridge), and JBS (Brooklyn).

Transit - Facilities for transiting both sheep and cattle are available to local landholders and transport operators, however are usually arranged by local livestock agents.

Leases - The SA Dept. of Planning, Transport & Industry (DPTI) lease an area West of the cattle yards where they intermittently conduct 'Rider-Safe' motorcycle training on non-sale days.

Trading - Limited cattle trading is undertaken at the Saleyard Manager's discretion to assist in meeting the running costs of the facility.

2017/18 Fees & Charges

Description	Amount
Yard Fees (per animal)	
Cattle	\$ 8.80
Bulls	\$ 8.80
Bobby Calves	\$ 4.00
Out of Market Weighing: Cattle (per animal - minimum number 30)	\$ 8.80
Sheep/Lambs	\$ 0.80
Transit Fees (per animal)	
Cattle	\$ 3.30
Sheep/lambs/pigs	\$ 0.80
Disposal of Dead Stock (per animal)	
Cattle	\$ 156.00
Sheep/lambs/pigs	\$ 36.40
Truck Wash	
Use of truck wash facilities & wash down bays - flag fall	\$ 3.00
Use of truck wash facility & wash down bays - per minute	\$ 0.50
Truck wash facility & wash down bay - purchase of key	\$ 25.00
Agent Fees	
Livestock Agent Annual License	\$ 624.00
Livestock Agent Annual Office Rental	\$ 312.00

Table 1 - 2017/18 Fees & Charges

These fees and charges are comparable to other yards and industry practice.

Staff - Wattle Range employ a full-time Saleyards Manager and a Sales Clerk to manage sale day administration and data entry, an average of around 7 hours each sale. The Saleyards Manager is currently being assisted for a 26-week period by a participant in a Government sponsored work program hired through Axis Employment.

There are also 9 contract staff employed prior to and during each sale. 7 of the staff work around 4 - 5 hours and 2 work around 10 hours per week or fortnight according to sale schedule. The cost of contract labour is borne by the agents.

Truck wash - There is a 3-bay Avdata (automatic billing provider) truck wash.

Canteen - A canteen service provided by a local business on sale days.



Figure 5 - Main office and amenities building

3. Operational Assessment

3.1 Infrastructure

Roads and access - The site has excellent ingress and egress via sealed roads in two directions that are near both the Princes and Southern Ports Highways. There is sufficient parking and generous sealed aprons adequate for all related stock and other transport movements. Grounds and verges are well-maintained.

Land - The site is well positioned amongst allied industry activities and maintains sufficient buffer zones consistent with current planning requirements.

Paddocks are well-fenced and of an appropriate size for grazing and wastewater reticulation activities.

There remains the possibility of future conflict with the management committee responsible for Lake McIntyre wildlife reserve, a reclaimed quarry adjacent to the Saleyards site, around possible nutrient flows from wastewater reticulation.

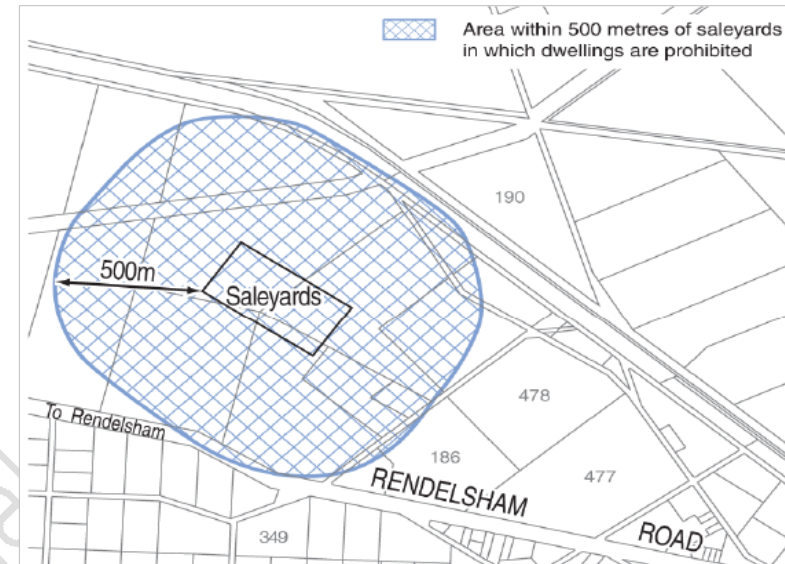


Figure 6 - Development Plan buffer provisions for the saleyards

Fixed Infrastructure - The cattle yards are generally fit-for-purpose and well maintained within budgetary constraints. Their presentation and cleanliness is excellent.

The general layout appears to allow cattle to move through the yards relatively effectively and safely. Auctioneer and covered public viewing platforms appear adequate. Rails are replaced on an as-needs basis (i.e. as they break).



Figure 7 - Rails replaced as required

While cattle holding pens have dirt floors, sale pens are concrete without any soft-fill and not regarded as industry best-practice. We understand this is largely due to the inability of the wastewater sump/pump and reticulation system to cope with the additional solid waste generated.

From historical data, regular sheep sales between the months of October and March ceased in 2006/07 with only one November sale the following year. There appear to have been sporadic odd-lot sales in 2012/13, however none have been recorded since.

As a result, the sheep yards are largely unused, except for the purposes of transiting of livestock. While they remain largely functional, apart from five of the six loading ramps being taken out of service, they are unlikely to be utilised to any major extent in the future.

In addition, the EPA have mandated run-off from the yards be segregated from the active wastewater system and the sheep sump is required to be reticulated separately to the cattle yards, in effect requiring an amendment to the EPA licence for them to be used for their original purpose.

As such, they are regarded as surplus to requirements and Council is actively considering proposals for the removal of steel panels and sections from site.

There is no truck weighbridge available on-site, a disadvantage compared to alternate saleyards, however there is a public weighbridge situated at a private business around a kilometre away.

Buildings are generally adequate for their required use. The hay shed is nearly-new having been replaced under the Council insurance policy after recent storm damage.

Plant & Equipment - Much of the equipment used for the maintenance and upkeep of the saleyards site is drawn from the Council pool of equipment held at a nearby depot that is generally well maintained and designed for the purpose at hand.

Other agricultural equipment, specific to paddock operations, is limited and often has to be accessed from various third parties by the Saleyards Manager.

3.2 Management

The Saleyards Manager is responsible for operations and the maintenance of the site. He is an experienced, capable and resourceful ex-farmer who largely operates the facility semi-autonomously on behalf of Council.

This contrasts with most other similar saleyard management structures that have appointed advisory committees to oversee both financial control and management operations with defined roles and responsibilities clearly articulated. By comparison, the Millicent Saleyards are relatively under-resourced with respect to both its management capacity and capability.

This is not a criticism of the current appointee who appears to have a good rapport with most stakeholders and manages the facility well with resources at hand. There may however be some inherent risk to Council

related to communications and compliance of a key member of staff, given his single worker status and the type of work he undertakes in the normal course of his duties as well as succession related risks to Council,

The advisory committee management structures adopted by other council saleyard operators have some key advantages;

- They provide guidance, planning and management support, particularly around financial, administrative and compliance matters that appear lacking in the current Millicent Saleyard structure.
- While the facility remains in the control of the relevant council, they in effect place the saleyards' operations at 'arm's length' and involve all stakeholders in day-to-day management issues.

While this may appear a superficial distinction, it does place responsibility on all parties, not just Council, to affect a sustainable business model. It also communicates the challenges of such facilities and the industry in general to the wider community, so it doesn't, by default, just become 'a Council problem'.

A material example of the benefit of such a structure can be found in the Naracoorte Regional Livestock Exchange (NRLE) Strategic Plan 2012-2022, where it states;

"The Naracoorte Regional Livestock Exchange will be managed as a business unit of the Naracoorte Lucindale Council. It is intended the NRLE operates as a sustainable entity; it is not intended to be able to draw on Naracoorte Lucindale Council general revenue."

We understand Millicent did operate a similar structure and that the current structure was a decision by Council in response to a previous report and reflects the circumstances the saleyards found themselves in and 'the need to cut one's cloth accordingly'. This said, it is our view that the planning and investment that has been absent at the yards, due to no formal governance structure being in place, has contributed to a continuing deterioration in the competitive position of the Millicent yards compared to alternate local council operated facilities.

3.3 Accreditations and Compliance

Compliance: We have been unable to establish that either the current saleyard Work, Health and Safety (WHS) & Quality Accreditation (QA) systems / manuals are adequately maintained or sufficiently verifiable should they be audited. Although we are advised that the QA manual will be up-to-date in time for the February audit, we make no comment as to whether sufficient procedures, policies and records are in place in relation to the ongoing maintenance and content of these systems and manuals.

This, along with difficulty locating various other records and details around the saleyard's operations, leads us to form the view that timely verification and recording activities and procedures required by most mandated authorities are possibly lacking.

To a large extent, given the intermittent and occasional nature of their operation, smaller council saleyards have traditionally 'flown under the radar' with respect to various regulatory and compliance activity, however there is a growing external expectation around the transport industry, WHS, the environment and animal welfare that will surely continue to impact operations into the future.

An example is a recent amendment by the EPA to WRC's licence requiring the saleyards to implement a Wastewater Irrigation Management Plan (WIMP) with increased reporting and a capital works component. Current cost estimate is around \$15,000 for consultancy fees (including water monitoring) and a further \$8,000 for reticulation costs. Another example, although not relevant to Millicent, is Victoria's decision to mandate sheep and goat identification recording in saleyards, requiring saleyard to make significant further investments in relatively untested technology.

As further 'state-of-the-art' facilities are established by private operators, and incumbent regional saleyards continue to invest to maintain their attractiveness to vendors and buyers alike, it could be expected that current 'best practice' may in time become 'mandatory items' to remain competitive or are included in future codes of practice.

Future provisions (and indicative investment requirements) could relate to items, among others, such as:

- While the EPA currently require a WIMP, a storage lagoon for winter storage remains a future possibility should the WIMP prove ineffective in balancing wastewater nutrient loadings (Est. \$30,000+).
- Responsibility entity ('load managers') for transport chain of responsibility (Training Expense, say \$5,000)
- Mandatory 'soft flooring' (Mount Gambier recently received a quote of \$1,360 per selling pen to remove current rubber matting and a further \$1,170 excluding labour to replace it) (Est. \$135,000 for Millicent).
- A requirement that people and livestock remain separated during saleyard operations. The recent deaths, sadly, of a regular Millicent buyer at a property South of Dunkeld and another experienced agent at Talangatta just before Christmas, bringing to a total of three deaths since last August in on-farm stockyard incidents, is likely to increase scrutiny of all yard practices and require additional investments of saleyard operators

As an example, these industry trends are demonstrated by the developers promoting the new Ballarat Saleyards, or Central Victorian Livestock Exchange (CVLX)²:

The CVLX project will provide a new, modern facility to replace the Ballarat saleyards. It will accommodate annual throughput of 70,000 cattle and 1.6 million sheep and will improve the safe movement and handling of livestock on sale days. Features of CVLX will include:

- *An efficient layout which will improve the process of livestock penning, identification and classification to ensure sale days are conducted safely and efficiently.*

- *A safe working environment for stock agents, buyers and others working at the facility, including better separation of livestock from people.*
- *Modern infrastructure to reduce injury to animals and optimise animal comfort, including soft flooring, additional feeding facilities, low-bruise panelling, and undercover cattle and sheep yards.*
- *Quality environmental improvements including rainwater harvesting, waste water recycling and low energy lighting.*
- *High quality infrastructure for users and patrons including offices, hygiene services, on-site cafeteria, dedicated parking, vehicle wash facilities, and efficient loading bays.*

It is likely that the Saleyards will require investment to maintain compliance with industry standards. While we cannot determine, at this stage, what investment will be required, we are of the view that it will be at least \$200,000, and based off the level of investment made at competing yards, and could be considerably higher.

Accreditations -The Millicent Saleyards are National Saleyard Quality Assurance (NSQA) Accredited. They are also Meat Standards Australia (MSA) licenced. However, unlike other competing regional saleyards, they are not EUCAS (European Union Cattle Accredited Scheme) accredited.

Information from NRLE³ would indicate around 17% of total cattle sales were sold as EUCAS compliant. Mount Gambier are also EUCAS compliant. Even Casterton Saleyards, that have no regular sales and only hold 8 - 10 store sales annually, are EUCAS accredited.

EU accreditation was cited as a reason by at least one vendor for selling their stock at alternate saleyards.

² CVLX Website: <http://saleyardsrelocation.com.au/about/>

³ NRLE 2017/18 Fees & Charges indicate a EUCAS charge of \$2.00/head. NRLE 2016/17 Fin. Statements indicate EUCAS revenue at \$25,226 from a throughput of 75,543 head.

4. Industry environment

*"The cattle and beef industry is diverse, complex, and fragmented. There are multiple activities and a variety of channels through which cattle may be grown-out, sold, processed and reach an end market. Production and sales decisions are influenced by a number of factors, including location, climate and size of operation."*⁴

4.1 Seasonal factors

All agricultural produce, often referred to as 'soft commodities' similar to other commodities, must deal with the commodity 'cycle' as prices react to various supply and demand fluctuations. What makes soft commodities more volatile is 'seasonal variance' where climatic conditions alternate between 'a good', ideal growing conditions and 'a bad' season, where production may be impacted usually by drought, or, tempest, floods, extended cold, wet and frosty conditions etc. The wider impact of the event, the deeper the impact on production.

Often overlooked, is the importance of red meat production to the nation's productive capacity. Ruminants, principally sheep and cattle, are efficient grazers of 'rangeland pastures' and utilise roughly 54%⁵ national land resource, 45% of which is of natural (unimproved) pastures that may not otherwise have any productive use.

As such, the severity and long-term nature of adverse weather events have on the industry are usually exaggerated. Cereal crops are sown annually, if one crop fails it may be re-sown the following year. Intensive meat production, mainly poultry and pigs, are housed and have their feed supplied to them, hence are largely shielded from the severity of climatic events.

⁴ Bezzi, M., (ACCC), (March 2017), *Cattle & Sheep Market Study - Final Report* p.7.

⁵ Australian Collaborative Land Use & Management Program (ACLUMP), 2016 *Land_use_in_Australia_at_a_glance_2016* [<http://www.agriculture.gov.au/abares/aclump>]

As a rangeland animal, ruminants are generally poor converters of protein by comparison to monogastric animals and have relatively low fecundity, in the case of cattle, producing only one offspring per cow in-calf each year. This may mean that it could take a period of years to replace numbers lost during a drought or other severe climatic event.

As a result, livestock markets are often said to be 'grass markets' where the amount of feed available is often reflected in price as producers have more options open to them;

*"In extreme events, fluctuations in supply can have a significant effect on prices. A drought in Queensland, the Northern Territory and parts of New South Wales and Victoria resulted in a significant increase in cattle supply as producers rapidly destocked properties throughout 2013 and 2014. The drought also negatively affected the condition and weight of cattle offered for sale and reduced the number of restocker buyers participating in the market, reflecting a lack of feed to support purchases. The combination of these factors led to a significant decline in cattle prices. Despite the sharp decline in prices, producers in drought affected areas were unable to respond by withholding cattle from markets because pastures could not support existing stocking levels."*⁶

Similarly, processors can also encounter prolonged commodity cycles where availability and cost can test long-term profitability and operational sustainability, however these usually run countercyclical to producers fortunes as was witnessed by record slaughter production during 2014 where stock were plentiful and available at relatively low prices.

*"Australian cattle processors slaughtered just over 10 million cattle and calves in 2014-15, producing around 2.7 million tonnes of beef and veal. This was a record number of cattle slaughtered, and largely reflected increased turn off by drought affected producers and strong demand from export markets."*⁷

⁶ Bezzi, M., (ACCC), (March 2017), *Cattle & Sheep Market Study - Final Report* p.46.

⁷ Ibid. p.35.

Of relevance to this report is the need to interpret the degree to which seasonal factors have impacted saleyard throughputs, i.e., while throughput at Millicent has declined over the past 2-3 years, it is a general trend across the whole industry.

4.2 Competition between different marketing systems

There are several different systems available to producers to market their livestock. These include:

- **Open (English) auction;** as commonly practiced at most saleyards. Stock on offer are usually sold to the highest bidder, bids may be cents per kilogram or dollars per head for either prime or store stock. Vendors normally arrange transport to the saleyards and the new owner, often a processor in the case of prime sales, organise ongoing transport to a nominated facility.
- **Direct or paddock sales;** where stock are inspected, and a price agreed per head in the paddock, although such arrangements usually call for a weight to be established prior to delivery. Change of ownership and transport arrangements are as agreed between buyer and seller at the time of sale.
- **Over-the-hooks (OTH);** where livestock are sold and ownership is transferred according to a specification and the trimmed 'hot carcass weight' of the animal after slaughter. The price is often determined using a reference grid that includes measurement of a number of carcass characteristics.
- **Forward sales contracts** where there is a contractual agreement between a producer and buyer to supply a given amount of product (No. head) at a given time in the future for a given price. Contract terms determine pricing mechanisms (per head, or price grid) change of ownership and transport costs.

- **AuctionsPlus;** previously known as CALM (Computer Aided Livestock Marketing) an on-line auction system. The service provides livestreaming of saleyards, store or paddock sales.
- **Alliances;** whereby different participants in the value chain provide branded product to the market, for example, where producers service kill their animals and market directly to consumers.

4.3 Competition between systems / Market share

As there are number systems available, the sales method chosen by producers to market their livestock, while always price related, they can be complex and are often dependent on multiple factors.

4.3.1 Geography

*"In general, cattle producers use the sales channel they believe will maximise the return on their livestock. However, their ability to do this is influenced by access to the selling method, the sale process, market specifications and buyer preferences."*⁸

This can be illustrated by the comparative different preferences exhibited by Northern and Southern livestock producers. In the North 'tyranny of distance' or relative location between the producer's property and the nearest saleyard, abattoir or port and the associated freight cost, is usually the primary consideration defining a destination that then determines the associated market system. There no point sending cattle to a saleyard when there may be processing plant hundreds of kilometres closer.

Furthermore, as much of Northern production is cattle grazing natural pastures, producers have less flexibility in holding cattle in periods of drought. It is also normal that cattle are turned off at an earlier age for finishing elsewhere. In the respect the export trade for feeder cattle is far more evident in the North than in the South providing an alternate channel to market. In Southern Australia, where infrastructure has been

⁸ Bezzi, M., (ACCC), (March 2017), *Cattle & Sheep Market Study - Final Report*, p.33.

traditionally more accessible, saleyards still account for almost two-thirds of beef cattle sales. The different characteristics are shown in Figure 8 and Figure 9⁹.

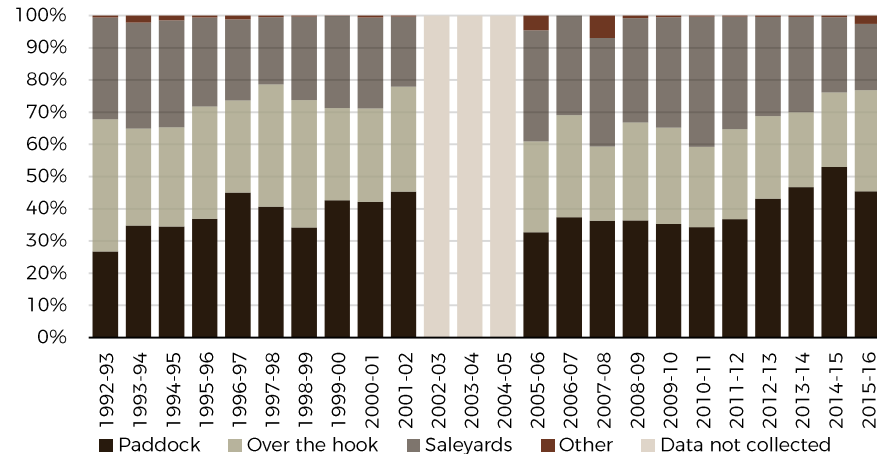


Figure 8 - Preferred method of selling cattle - Northern Australia¹⁰

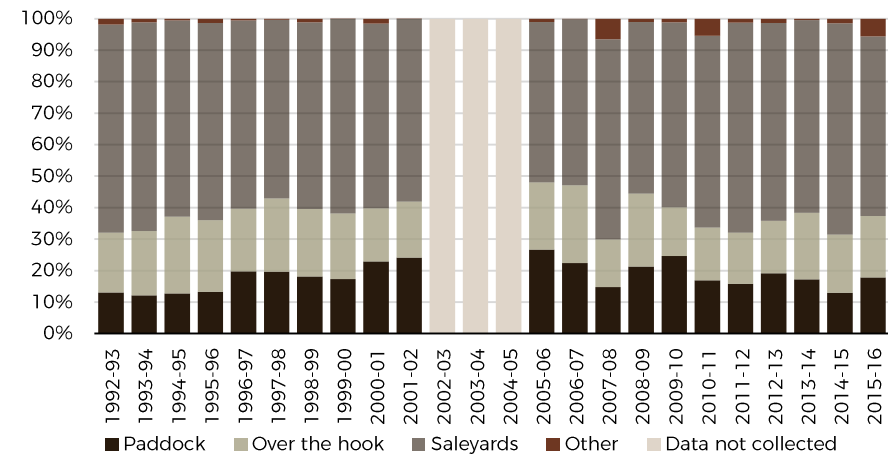


Figure 9 - Preferred method of selling cattle - Southern Australia¹¹

In southern markets, such as Millicent saleyards play a more significant role than in northern markets, with around 55% of sales being effected through this channel. The need for producers and buyers to be able to access yards is critical. The issue of note is many users of the yards from Wattle Range Council can and do access yards in Mt Gambier and Naracoorte.

4.4 Herd size

Another significant geographic distinction between North and South, is herd size:

" In northern Australia average herd size is 1576 head per farm, with the majority of cattle held on a relatively small number of very large properties. For southern Australia, a large number of relatively small-scale farms results in average herd size of 412 head per farm."¹²

⁹ Graphs include both store and prime sales cattle, therefore it overstates the significance of saleyards for the sale of prime (slaughter ready) cattle

¹⁰ Source: (ABARES), *Farm survey data for beef, slaughter lambs & sheep industries*.

¹¹ Source: (ABARES), *Farm survey data for beef, slaughter lambs & sheep industries*

¹² Bezzi, M., (ACCC), (March 2017), *Cattle & Sheep Market Study - Final Report* p.46.

"..... in southern Australia..... more than 90 per cent of the region's farms had herds consisting of between 100 and 800 head, with these farms accounting for almost two thirds of the region's cattle population.

In contrast, the majority of cattle in the northern region are held on a relatively small number of very large properties. In the three years ending 2014-15, around 40 per cent of northern beef farms had herds consisting of more than 800 head, accounting for around 85 per cent of the region's cattle population."¹³

Relative herd size also impacts profitability and the choice of sale method available to the producer;

"Herd size is also linked to profitability, with larger herds generally associated with greater profit. Small-scale farms, with herds of between 100 and 200 head, had an average annual rate of return (excluding capital appreciation) of -0.5 per cent per annum in the 15 years to 2014-15, compared with an average return of 3.6 per cent per annum for farms with more than 5400 head. On average, farms with more than 400 head of cattle had a positive return on capital over the last 15 years."¹⁴

Due to their relatively low herd sizes and inability to access scale related benefits such as transport inefficiencies small producers are less likely to be able to access OTH or forward sales contracts. As such, saleyards provide the opportunity to aggregate small lots and are likely the most efficient method of sale for small producers.

"Small farms are more likely to use auctions because they are generally located close to saleyards, (minimising freight costs) and these producers usually trade a relatively small number of multiple cattle types for store and prime markets."¹⁵

"The saleyard system enables buyers to secure efficient numbers of slaughter livestock by purchasing multiple small lots and combining these into efficient consignments for transport and processing."¹⁶

¹³ Ibid. p.30.

¹⁴ Ibid., p.8

¹⁵ Martin P. (ABARES), 2015, *Financial performance of beef cattle producing farms, 2012-13 to 2014-15*.

With many producers operating in and around the Millicent area having small herds, the saleyard plays an important role in enabling the sale of animals by these local producers.

4.5 Buyer's preference

Buyers will have a preferred method of purchase according to what best suits their production systems;

- **Restockers** - may buy stock using multiple purchase methods including; paddock sales, AuctionPlus as well as on-farm or saleyard store sales. Freight is often a key criterion as it may impact their margins at the time of sale.
- **Exporters** - will generally buy direct from the paddock. They are usually purchased subject to the animal meeting the health protocols of the importing country and bought in sufficient numbers in advance meet quarantine requirement and shipment date.
- **Supermarkets** - involve themselves through the value chain by buying direct from producers into feedlots and then have them contract killed by various processors. By doing so they believe they can better control production inputs and provide a more consistent quality product to their customers. Forward contracts are the preferred method of sourcing cattle, so they can lock in future supply at a known price.
- **Processors** - on the other hand, who own the slaughter capacity, prefer to tie their purchases to carcass yield, hence OTH contracts are their preference as that is a key factor to their profitability. It is not so important to them when they provide a service-kill to third parties as they the service is usually provided on a price per head basis.

Another advantage exporters, supermarkets and processors have when using their preferred purchase method, is that as the transaction is directly with the source supplier, there is no cost associated with double-handling

¹⁶ Bezzi, M., (ACCC), (March 2017), *Cattle & Sheep Market Study - Final Report p.33*.

through saleyards from a cost or quality (curfews and potential bruising) point of view.

Similarly, from a larger producers' perspective, direct sales may be affected without the use or cost of an agent.

4.6 Market mechanisms

As with all commodity trades, most participants with significant investments within the industry, from producers through to processors, will seek advantage to arbitrage between markets, whether it be to secure a better average price, or, hedge a sales or supply contract.

Processors and Supermarkets need to shore-up supply arrangements in often volatile markets to meet ongoing supply commitments. It makes perfect sense for them to do so, however the price paid at the time of contracting may be significantly different than the prevailing price at the time of delivery.

As a result, most will lock in a proportion to guarantee supply and then also operate in the 'spot market' to average out the price they pay for their stock, their major cost variable. The success or otherwise of these covering strategies are often a major determinant of individual success.

In the case of beef markets, the spot market usually equates to ongoing saleyard auctions or their indices. The Millicent saleyard has traditionally fulfilled a role in this top up market mechanism.

4.7 Saleyards

Saleyard auctions have been the traditional method of selling livestock throughout Southern Australia including the South-East and Western Victoria. While a number of alternate marketing systems have been developed over recent years, forecasts of the demise of the saleyard system appear premature, although may continue in an altered form.

4.7.1 Regionalisation, rationalisation and privatisation

Historically there were many saleyards at a number of towns and larger centres throughout regional SA and Victoria that reflected the nature of the local established livestock industries of the area. These were generally council owned infrastructure that were viewed as community assets often supported by regional abattoirs. Over time as processors (principal buyers of prime stock) have consolidated, transport links have improved, and animal numbers have decreased.

Due to the longevity of many saleyards, particularly in larger regional centres, urban growth and changing land-use has meant current sites are subject to increasing operational restrictions that lead to them becoming increasingly untenable for their original purpose. Similarly, the long tenure of some saleyard operations has meant the cost of the land they occupied had significantly increased in value that could be realised for alternate purposes.

Recent events at centres such as Geelong, Ballarat and Warrnambool would suggest that, as regional centres become cities, the economic relevance of their saleyards becomes more tenuous unless significant investments are made, and operating models are revitalised.

This has led to the rationalisation of many saleyards, one of the most significant being the closure of Newmarket in after 100 years of operation in 1985, from which Ballarat was one of the principal beneficiaries. Similarly, in SA;

'Sale of the Gepps Cross cattle saleyard and abattoir facilities, by the government in 1997, was a difficult time, which eventually resulted in new private saleyard facilities being established at Dublin.'

Gepps Cross has traditionally been the main cattle saleyard in SA, using the sale ring and later with open yard selling. However, the increase in cattle numbers in the South East plus regional abattoirs both in SA and the eastern States saw the

*development of significant regional saleyards at Naracoorte, Mt Gambier and Millicent."*¹⁷

It has been estimated that up to half of all regional saleyards have closed in Australia over the past 20-years, mainly owned by small rural councils, sometimes referred to as 'legacy yards'. This has been largely due to falling numbers, old and outdated facilities, on-going maintenance costs, increasing compliance and the traditionally risk-averse nature of their owners.

Recognising much of the legacy infrastructure was aging and the limited capacity of councils to reinvest, private operators have identified an opportunity for economies of scale and have designed, constructed and commissioned new larger purpose-built facilities that meet higher levels of accreditation than is the case with many traditional legacy facilities. This has led to a trend toward regionalisation of saleyards by both the establishment of larger private facilities and improvements made by some incumbent council saleyards as they look to shore-up market their share.

"A shift toward fewer and larger saleyards is already occurring. There were approximately 190 saleyards holding regular sales (of both cattle and sheep) around Australia in 2006¹⁸; a number which fell to approximately 160 saleyards by 2016.¹⁹ Of these 160, a number are completely new, or significantly renovated and modernised. In addition to a more modern design, newer saleyards tend to have a larger capacity. These design features are more attractive to both buyers and sellers, as they offer both better animal welfare outcomes and may be safer and more comfortable for those working at or attending the sale."²⁰

¹⁷SA Dept. Primary Industries and Regions (PIRSA) Website: (cited January 2018)

[http://www.pir.sa.gov.au/aghistor/industries/livestock/beef/markets_and_marketing/stock_agents_and_saleyards]

¹⁸Hassal & Associates Pty Ltd. (Undated) A Review and Analysis of Saleyard Marketing in Australia, final report.

¹⁹The ACCC researched whether saleyards from 2006 were still operating and identified newly opened saleyards.

²⁰ Bezzi, M., (ACCC), (March 2017), *Cattle & Sheep Market Study - Final Report* p.104.

4.7.2 Fee-for-service and competitive tension

There does however appear to remain a significant difference in the two (Council owned and privately owned) related business models. On one hand council operated facilities are still viewed as essentially community infrastructure, the operation of which provides a net economic benefit to the region and, when considering fee structures, cost recovery is usually sufficient while profit isn't necessarily the primary driver. Fees are generally around \$10 - \$14/ head. The capital invested in the yards is much more patient, with long term returns more acceptable.

On the other hand, the private operators use a full fee-for-service model that is required to provide a commercial return on investment to the equity holders. As a result private operators look for a return anywhere from around \$15 - \$22/head, although the increased fees may also reflect the size and age of their investment and the need to recover investments in a timeframe acceptable to investors, that is the investment capital is less patient for returns.

In some instances the higher fees also reflect a higher level of service through sale cattle being mouthed to confirm age and better process infrastructure affording an increased level of drafting of sale lots than would otherwise be the case.

The first of the private investors were Victorian Livestock Exchange (VLE) that opened their first 'Livestock Exchange' at Pakenham in 1999. They also operate facilities at Sale and Leongatha. The largest operator is Regional Infrastructure Pty Ltd (RIPL) that manages saleyard facilities in the Central Tablelands (CTLX), Wodonga (NVLX), Gracemere (CQLX), Tamworth (TRLX) and Inverell (IRLX) on behalf of the owners, Palisade Investment Partners who provide institutional investors with access to Australian infrastructure projects. They are also currently constructing an exchange at Ballarat (CVLX). Finally, there is a third operator, recently in the news, that manages facilities at Yass (SELX) and the more recently completed Mortlake (WVLX).

Interestingly, there is an important distinction when it comes to private investment in saleyards; they only appear to invest in cattle saleyards as they can't make the same business model work for sheep, generally sold for a fee of less than a dollar per head.

Obviously for producers selling large numbers, these differences in yard fees can be significant. So why would they pay a higher tariff? As with the choice of selling method, choosing which saleyard to sell your cattle is also more complex.

In previous times, producers, many of who were, and still are, influenced by their agent, sold their livestock through their local yards for convenience, there was also a social aspect to the activity, the agent would have accredited access and it was where their transport costs will be cheapest, hence producers often accept the local fees levied without question.

Similarly, most buyers also factor in their transport costs when determining the price they pay, particularly processors operating in a margin environment who are acutely aware of cost.



Figure 10 – View of Mortlake Saleyard under construction

When the livestock is sold, the producer will normally receive an account for various costs such as transport, Government and industry levies and a number of fees and charges including yard fees, often around a third of the total, with the agent's commission is usually the largest item. However, cost alone will not necessarily determine whether a producer maximises his margin.

Private operators and managers of large throughput facilities would argue that their a fee-for-service model, due to the capital expenditure they have invested, will allow livestock to be processed more efficiently and with less stress and, because of the increased throughput required to make these facilities viable, they will attract increased buyer interest as opposed to lower capacity facilities that, depending on throughput, have been referred to as 'give away yards' as the price may be lower as they do not attract the same level of buyer interest.



Figure 11 – View of Mortlake Saleyard under construction

While it is difficult to determine the degree to which buyer tension increases prices, it is generally accepted that larger markets are more efficient and less open to price manipulation whether it be systemic or otherwise. As such, the importance of attracting as many buyers as possible as regularly as possible is paramount in this regard. It makes sense that buyers will prioritise sales where they can more readily fill their order book.

If throughput, economies of scale and levels of accreditation become the benchmarks for sustainability, it could be expected that the owners, both council and private, that have the catchments and are prepared to invest in their facilities will be the ones most likely remain viable.

4.8 Processors

Processors are generally key to supporting any prime livestock market or sale. Without the processors the ability to 'make a market' prices received by producers would be considerably diminished.

*'Australian cattle processors slaughtered a record high 10 million cattle in 2014–15, producing around 2.7 million tonnes of beef and veal. Queensland is the largest processing state, contributing 43 per cent of total slaughter, followed by Victoria, New South Wales, South Australia, Western Australia and Tasmania.'*²¹

The fortunes of producers and processors tend to be countercyclical and, while 'the market power of the processors' is often quoted as an industry issue, they often 'do it tough' when 'the boot is on the other foot' as in present circumstances where seasonal conditions provide producers with more options and there are relatively less cattle are coming on to the market. Processors face a unique set of challenges compared to most other businesses, not the least being the capacity to 'ride the cycle' until things turn back in their favour.

The ACCC in their recent 'Cattle and Beef Study' recognised some of the challenges they face;

There are a number of barriers to entry in the processing sector:

- *the requirement for economies of scale*
- *high capital and sunk costs*
- *uncertain and fluctuating cattle supply, and*
- *regulatory requirements and costs.*

..... Studies suggest that the minimum efficient scale of a new abattoir is the capacity to process a minimum of 400 head of cattle per day.²² A new plant of this scale would cost between \$33 million and \$49 million.²³

²¹ Bezzi, M., (ACCC), (March 2017), *Cattle & Sheep Market Study - Final Report* p.8.

²² Rural Industries Research and Development Corporation, 2010, *Feasibility of establishing a northern Western Australian beef abattoir*, November 2010, p. 47.

..... High capital costs are not necessarily a barrier to entry. However, the proportion of the capital and other costs which are sunk costs, and uncertainty about cash flows (arising from fluctuations in market conditions) can increase the cost and risk of entry.²⁴

There is a reason that, in most cases, those that perform well in 'a tough' industry tend to be the most resilient. The ACCC report also notes;

*"Close competition for the acquisition of prime cattle typically takes place within regional areas of approximately 400 km from a point of sale. The ACCC found approximately 80 per cent of cattle acquired for processing travelled less than 400 km to reach an abattoir after purchase. However, the ACCC acknowledges that some portion of cattle will be transported further than 400 km and considers this finding to be a starting point rather than a strict rule for future competition analysis."*²⁵

4.9 Implications for Millicent Saleyards

These industry trends help to understand why there is a lack of patronage by the larger producers in the Millicent area and the more subtle shift away from prime vealer production, a traditional strength of the Millicent Saleyards towards feeder cattle production suitable for the supermarket trade, while finished bullocks are often consigned to Mount Gambier, a yard with a similar reputation for carcass yield, however the higher sale numbers are thought to attract more 'buyer tension', or competition.

²³ Ibid. p. 48.

²⁴ Bezzi, M. (ACCC), (March 2017). *Cattle & Sheep Market Study - Final Report* p.59.

²⁵ Ibid. p.10

5. Regional environment

5.1 Regional Saleyards Status

The three largest saleyards in the region are Naracoorte, Mount Gambier and Warrnambool, each with around 18 -19% of turnover.

Location	Status
Naracoorte	Has invested \$5.5m on a new roof, weighbridge and effluent system in 2012 and a further \$500,000 on new loading and unloading facilities. It is relatively modern and meets most 'best practice' criteria with a further \$2.8m of capital expenditure earmarked for the upgrade of their cattle selling facilities in coming years
Mount Gambier	Has a relatively modern facility that is also being upgraded over time, however it has not had the same recent investment as Naracoorte. Around \$800,000 was recently spent on elevated walkways and access roads. There is a capital works program of around \$500,000 planned over the next few years
Warrnambool	Again, while the yards are serviceable, they are in need of significant upgrade if they are to remain competitive and, similar to Ballarat, are situated in a location that will increasingly come under pressure from competing residential and industrial development. The saleyards have been subject to ongoing speculation as Council has prevaricated around where they should be situated, in the end leaving them where they were
Mortlake (WVLX)	Since, or perhaps because of the decision not to relocate Warrnambool, the same private investors who constructed a greenfield facility at Yass (SELX), have constructed another purpose-built facility at Mortlake at a cost of around \$15 -16m. While there has been negative press associated with the alleged activities of one of the principals, the facility has been completed and held its first sale on Monday the 22nd of January 2018. The proponents have predicted a turnover of 175,000 in the first year of operation and then 200,000 each year thereafter
Camperdown	Similar to Warrnambool, the yards, while serviceable, are in need of significant capital expenditure in order to remain competitive. Council were looking to join with Warrnambool in promoting a new development in recognition of the state both legacy facilities on condition the new facility was built within the shire, before Warrnambool reversed its decision to move

Location	Status
Hamilton	Has completed a \$4.5m upgrade including roofing their sheep pens and increasing their yard capacity from 18,000 to 28,000 head. Hamilton is one of the top 3 sheep saleyards in Victoria and the South-East with a turnover of around 990,000 - 100,000 head per annum. The yards do support a weekly cattle market, however numbers are relatively low, although there are a number of store and weaner cattle sales held during the year
Colac	The saleyards have enjoyed strong Council support and have recently upgraded their facility with a 7,300 square metre roof at a cost of around \$1.5m in 2014. They made a pitch to be the preferred destination to relocate Geelong's capacity, however many believe the location is unsuitable
Casterton	Do not hold prime sales, however hold 8 - 10 store and stud stock sales per year
Geelong	Held its final sale on the 31st of August 2017 after 146 years of operation. Lack of investment in the facility, encroaching development and reduced throughput were the reasons given for closing the facility
Ballarat (CVLX)	Construction has begun on new 'state-of-the-art' facility at Miners' Rest outside away from the city. The old site will be redeveloped in line with the City Masterplan. Although situated outside of the regional area its redevelopment and likely catchment area is likely to affect the region, particularly areas to the East

Table 2 - Regional Saleyards Status

5.2 Regional Cattle Nos. and Saleyard Throughputs

According to MLA data cattle numbers in the region are as indicated in Table 3. Schematic representations of the data sets may be found in Appendix C. The data sets relevant to catchments within the region include the South-East, Wimmera, Glenelg Hopkins and Corrangamite.

Region	As at June 2015	As at June 2016	% Change
South-East SA	700,163	607,038	-13%
Wimmera Vic.	78,064	36,850	-53%
Glenelg Hopkins Vic.	896,104	800,448	-11%
Corrangamite Vic	444,785	414,894	-7%
Total:	2,119,116	1,859,230	-12%

Table 3 - Regional cattle numbers²⁶

[Note to the above table: The ABS have changed their collection method for the 2015-16 Agricultural Census, excluding businesses with an Estimated Value of Agricultural Operations of less than \$40,000.]

5.2.1 Relative Turnovers between Regional Yards

Table 4 indicates the relative turnover of livestock as well as the market value of stock sold for each of the periods indicated.

Financial Year		2014/15	2015/16	2016/17
Millicent - Cattle	Nos.	13,080	10,487	9,243
	Value	\$10,212,122	\$12,887,018	\$13,230,033
Naracoorte - Cattle	Nos.	110,744	92,523	75,543
	Value	\$87,389,410	\$106,751,368	\$105,693,834
Naracoorte - Sheep	Nos.	414,761	327,411	382,844
	Value	\$40,195,023	\$35,622,227	\$52,166,182
Naracoote Total	Value:	\$127,584,433	\$142,373,595	\$157,860,016
Mt. Gambier - Cattle	Nos.	104,985	92,297	78,787
	Value	N/A	\$112,218,143	\$112,822,531
Mt. Gambier - Sheep	Nos.	163,922	143,825	165,058
	Value	N/A	\$16,504,780	\$21,822,531
Mt. Gambier Total	Value:	N/A	\$128,722,923	\$134,645,062

Table 4 - Regional animal throughput by Saleyard

Compared to the other regional yards, Millicent has significantly lower cattle throughput (12%) and value (around 8% - 10%) of the other yards. The Millicent yards are considerably smaller and would not generate scale benefits of either Naracoorte or Mt Gambier.

Current saleyards throughput at regional yards is shown spatially in Figure 12.

Worth noting this the catchment areas of the various yards. Overlaps indicate areas where producers and buyers have an effective choice as to which yard they use to complete the buying and selling of livestock. Millicent is within both the immediate Naracoorte and Mt Gambier catchments.

²⁶Source: MLA Data sets (cited January 2018); [https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/trends--analysis/fast-facts--maps/mla_cattle-numbers-map-2016-17_rev1.pdf] [<https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/trends--analysis/fast-facts--maps/australian-cattle-numbers-map-2014-15.pdf>]

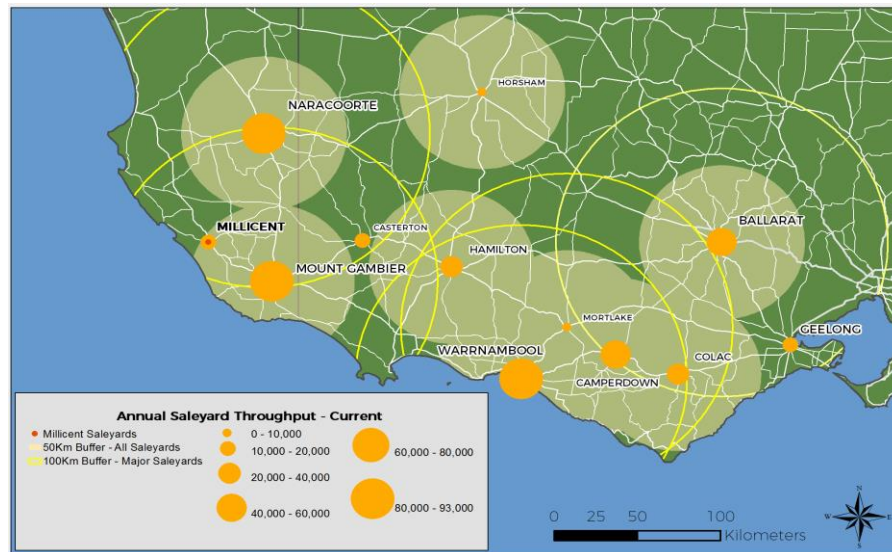


Figure 12 - Schematic representing current saleyard throughputs.

Understanding overall regional cattle numbers, it is interesting to see how these translate into past and predicted future turnover through the regions saleyards. This analysis is shown in Table 5 and Figure 13.

Notes to Table 5:

1. Estimated - Nos haven't been published since RIPL assumed management
2. Figures for 15/16 & 16/17 were provided by Saleyards Manager.
3. Geelong continued to operate in 16/17, however at a reduced capacity
4. Based on owners estimate of turnover (175,000 first year, 200,000 thereafter).
5. All other figures sourced from *Livestock Saleyards Association of Victoria (LSAV)*

Saleyard	14/15	15/16	16/17	Current Scenario		Future Scenario	
				3-yr Ave.	%	5 yrs +	%
CVLX (Ballarat) ¹	50,000	50,000	50,000	50,000	10%	50,000	11%
Colac	45,540	40,892	29,186	38,539	8%	38,539	8%
Horsham	1,510	952	80	847	0%	-	-
Warrnambool ²	98,590	85,000	75,000	86,197	18%	-	-
Camperdown	52,912	49,564	35,579	46,018	10%	-	-
Casterton	10,251	11,570	9,504	10,442	2%	10,442	2%
Geelong ³	11,372	8,839		10,106	2%	-	-
Naracoorte	110,744	92,523	75,543	92,937	19%	92,937	20%
Hamilton	47,396	38,982	29,986	38,788	8%	-	-
Mt Gambier	104,985	92,297	78,787	92,023	19%	92,023	19%
Millicent	13,080	10,486	9,243	10,936	2%	10,936	2%
WVLX (Mortlake) ⁴						180,000	38%
Totals:	546,380	481,105	392,908	476,833	100%	474,877	100%

Table 5 - Scenario throughputs of regional saleyards

The decline in throughput from 2012/13 is largely attributed to the following:

- Destocking occurred due to drought in the Eastern States
- A previous drought in the US, that peaked in 2012, affected world supply driving up prices that local producers have taken advantage of
- Numbers for sale have declined as the national herd enters a rebuilding phase.
- The three major regions that account for most of the cattle in the sample, are strong dairy regions and recent dairy industry events may have also played a role

The numbers in Table 5 are consistent with the decline in the overall cattle population, however appear to show (in the Table 6) that saleyards retain their importance as a channel that producers use to market their livestock, albeit from a narrow sample (2 consecutive years).

	14/15	15/16
Total Regional Cattle Turnover through Saleyards	546,380	481,105
Total Regional Cattle Population	2,119,116	1,859,230
Saleyard turnover as a % of Regional Cattle Population	26%	26%

Table 6 - Regional saleyard turnover

What is currently unknown is the effect that the new facility at Mortlake will have on regional saleyard use patterns and catchments. While the numbers predicted by the proponents are yet to be realised, their investment of \$15m+ is significant.

What we have shown is that there is only a finite number of stock available within the region to process and sell through the regions saleyards. We have schematically represented the current throughput levels and what it may look like in the future as outlined in Figure 13 if Mortlake is successful in attaining its predicted turnover.

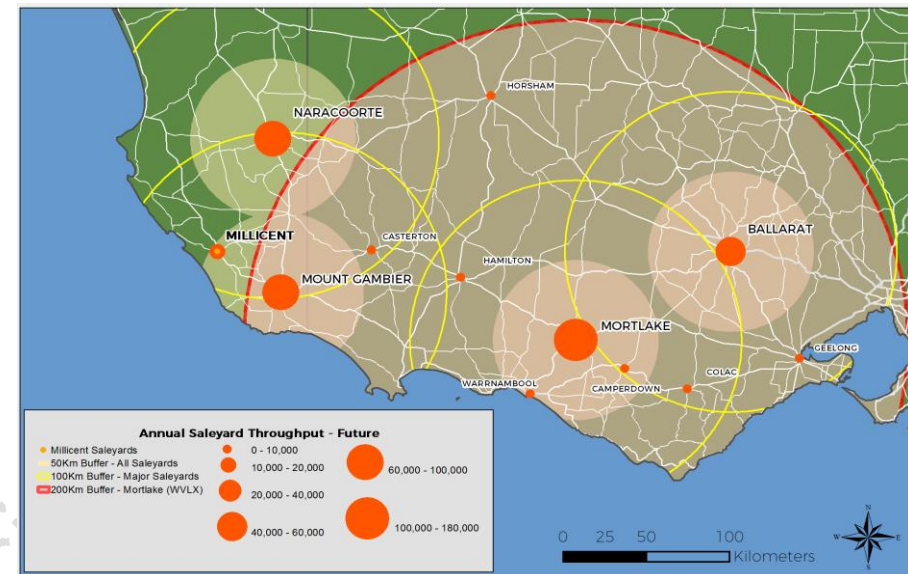


Figure 13 - Likely future saleyard throughputs.

The likely future scenario would see the Warrnambool and Camperdown yards close and regular cattle sales at Hamilton would likely cease, although store sales, like Casterton may continue.

Mortlake could also affect Mount Gambier's catchment leading to a reduced cattle throughput there. Mortlake and the new Ballarat facility could also affect Colac's long-term viability.

The regional yards with the most sustainable operating models would appear likely to be Mortlake, even if there is a change of ownership, Naracoorte, Ballarat, and Hamilton (sheep).

5.3 Regional Processor Interest

Using the ACCC report finding that processors procure 80% of their supply within 400 kilometres of their production plants as a basis and anecdotal advice of regional buyer interest, the following company, or 'salaried' as opposed to 'commission' buyers are the most likely to operate within the region.

Company	Facility Location	Cattle Process Capacity
Teys	Naracoorte	800 head / day
Midfield Meat	Warrnambool	1,200 head / day
Thomas Food Int'l (TFI)	Murray Bridge	1,000 head / day
JBS	Brooklyn	1,400 head / day
M.C. Herd	Geelong	600 head / day
Westside Meat	Bacchus Marsh	240 head / day
Woodwards	Swan Hill	220 head / day
Hardwicks	Kyenton	600 head / day

Table 7 - Likely active regional processors

6. Millicent Saleyards

Saleyard performance is basically a numbers game, where receipts are primarily determined by the fees that are received per head of stock sold.

As a result, due to the high correlation between throughput and financial performance, understanding recent trends associated to the Millicent Saleyard's throughput, will assist to understand the current financial circumstances of the Saleyards as a business proposition.

Figure 14 indicates that there has been an accelerating decline in the rate of cattle numbers processed through the saleyards over the last 20-years and, using rolling averages to reduce seasonal and other affects, indicate that it has nearly halved (-40%) over the last two periods.

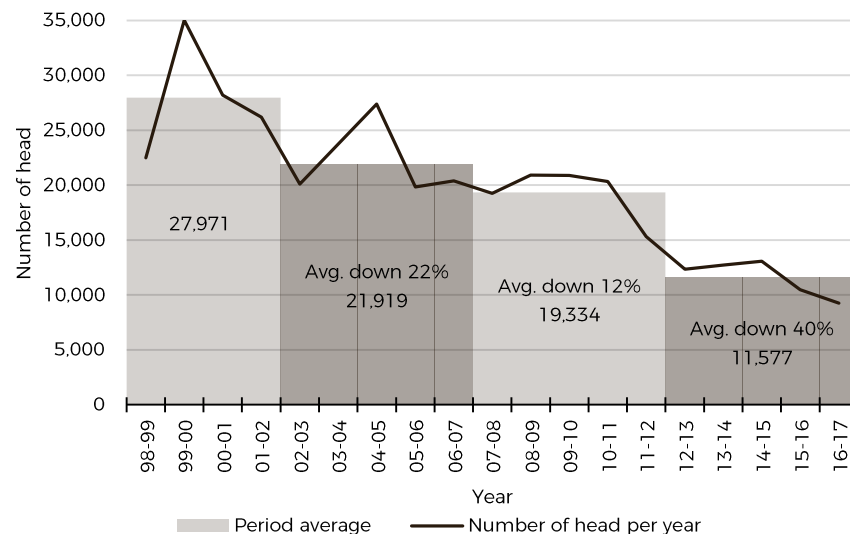


Figure 14 – Changes in throughput over time using rolling averages

6.1 The reasons behind the decline

There are several contributing factors that have assisted the decline.

6.1.1 Aggregation

Aggregation of production assets by corporates is a common theme across much of Australian agriculture, however there is anecdotal evidence that it may be happening at an increased pace within the South-East. As an example, while TFI paid \$50m for Mount Schank (7,000 acres) a couple months ago, it is understood they already own around 6,000 around Millicent. Midfields also own a feedlot adjacent to the Grant boundary. Similarly, there are private landholders with significant holdings (15,000 acres) in the district who are also aggregating smaller holdings and few, if any, are predisposed to using the Millicent Saleyards.

When asked for their opinion, there was a consensus among the agents that

'Where there used to be 4 farms, there are now one. Over 50% of the larger landholders sell direct OTH or into feedlots'. According to one; 'Less than 20% of cattle from the shire would be sold through the yards and 95% of lambs would be sold direct to processors.' When they do sell through the yards, then they either use Naracoorte or Mount Gambier.'

6.1.2 Alternative agricultural land uses

Alternative agricultural land uses including, among others, sheep production, cropping and forestry;

'The beef industry is, on average, less profitable than Australian cropping and sheep industries. Available research suggests that this is at least partly due to the relatively low productivity of the beef industry as a whole.'

The research suggests that the beef industry's relatively low average productivity reflects the existence of a large number of unprofitable farms. These farms are commonly small-scale, located near population centres in the southern producing region, and the owners have a strong reliance on off farm

employment for income. When these unprofitable farms are removed from the analysis, the overall productivity and profitability of the industry is estimated to be considerably higher.²⁷

The results of the Council survey of Saleyard users would suggest that the majority of Millicent Saleyard users would fall into this category.

6.1.3 Shifting market trends

The Millicent area has a strong reputation as one of the premier 'finishing' regions in the country, particularly for vealers and bullocks for processing. Unfortunately, it would appear there have been some subtle changes in the beef value chain that have undermined this advantage.

The supermarkets dominance within the industry has meant that there are better returns breeding 'straight-bred' (not crossed, usually angus) steers for sale to feedlots. Supermarkets are increasingly becoming involved in the production process and use feedlotting as a means to provide consistency of their product and by one report may source 80% of their requirement by this method. Furthermore, as noted in the ACCC report;

'While veal is produced across many regional areas in Australia there are particular centres around Australia known for selling vealers or veal processing,The ACCC understands veal processing requires substantially different processing equipment to that used in the processing of larger prime cattle.

Export demand for Australian veal is low, as Australia produces predominantly pink veal, which is not valued by the export market, and domestic demand for veal is low compared to prime beef. This means that the market is small compared to beef.²⁸

As for bullocks, they are used for premium products that are usually cold-processed and as such, are often contracted directly to reduce double-handling through saleyards and the attendant risk of carcass damage. If

they are sold through Saleyards then there is always the prospect of a better price at Mount Gambier with a larger category offering.

Perversely, one reason for not using Millicent was that the vendor was worried that his stock wouldn't present as well by comparison if he sold his stock there. Another related issue is that while there is a fattening opportunity, it is only for a few months and the effect doesn't carry through or translate to increased numbers through the rest of the year.

6.1.4 Agent support

The way the agency industry operates can and does impact saleyard operations. Agent business models are largely built around charging commissions on the buying and selling of livestock and, similar to other industries, the cost and level of service provided is a major consideration for their client base. They are still the principal source of market advice to most farmers and, as such, have significant influence on the flows of livestock through the value chain.

While saleyards may be owned and operated under different structures, it is generally the agents that are responsible for conducting any/all sales activity. Licenced agents are responsible for accepting livestock, organising them into sale lots and conducting and recording their sale for which they receive commissions on stock they sell through their respective yards.

One issue arising from the increased industry presence of private operators is the higher fees levied on licenced agents for the use of their facilities.

If an outside agent wishes to sell through the yards, then they must share the sales commission they charge their vendor with one of the licenced agents to sell the livestock through that yard. As such, agents are generally reluctant to sell through yards where they aren't licenced. This can be a major factor in determining saleyard patronage and throughput.

²⁷ Bezzi, M., (ACCC), (March 2017), *Cattle & Sheep Market Study - Final Report* p.9.

²⁸ Ibid, p. 58

There are four agents that are licenced to operate sales and lease office space at the Millicent Saleyards;

- John Chay & Co
- PPHS (Pinkerton Palm Hamlyn & Steen)
- Elders
- Landmark

The first two are regional operators while the Elders and Landmark offices are part of larger national networks. To understand the competitive environment, it is necessary to understand the agents that are active in the Millicent area and their respective allegiances;

The licenced agents at Mount Gambier are;

- Elders
- Landmark
- MWJ (Miller Whan & John)
- Ray White Keatley
- O'Connor & Graney
- SAL (Southern Australian Livestock)
- Green Triangle Livestock

The licenced agents at Naracoorte are;

- Elders
- Landmark
- SAL
- PPHS
- TDC (Thomas De Garis & Clarkson)

The corporates, Elders and Landmark, are listed as licenced agents at all three venues in keeping with their national marketing strategies and, while not necessarily articulated during the consultation process, apart from individual agent loyalties, are likely agnostic as to which saleyard their livestock are sold, given their blanket representation.

The same cannot be said for the regional agents, While it is difficult to know the detailed operations of each, it would appear most of those mentioned above are active in the Millicent catchment area, with perhaps Ray White Keatley and Green Triangle to a lesser degree than the rest.

O'Connor & Graney will sell through Millicent if they see a price advantage for their clients. The two regional licenced agents John Chay and PPHS, are also competing for market share with MJW, TDC and SAL.

SAL and have representatives based in Kingston. MWJ has a representative that generates large numbers of cattle through the Mount Gambier Saleyards, effectively bypassing Millicent, to the extent that it significantly distorts their catchment pattern (see Figure 16). TDC are based in Penola, also within Wattle Range, are aligned with Naracoorte and are active throughout the Millicent catchment area. PPHS, while represented locally, also have an office in Penola and provides the alternative of selling through Naracoorte as well.

6.1.5 Local saleyard competitors

Both Naracoorte and Mount Gambier have cattle throughput of around 8 - 9 times Millicent, as well as having significant sheep receipts in addition to their cattle revenue. One reason for this is that both yards sponsor several store cattle sales throughout the year, Millicent no longer holds sheep sales, nor does it have store cattle sales.

Both yards have also been investing in infrastructure improvements for many years, whereas Millicent has been focussed on maintaining what they have.

Another contributing factor to Millicent Saleyards throughput levels is that the Millicent Saleyards are only roughly 20 kilometres from the coast flies, severely constricting any potential catchment area to the South and West.

The Council boundaries are also well within both Naracoorte and Mount Gambier catchment areas. Naracoorte and Millicent Saleyards are equidistant from Penola, the second main town in Wattle Range and it is only marginally further to the Mount Gambier yards (4 kms.).

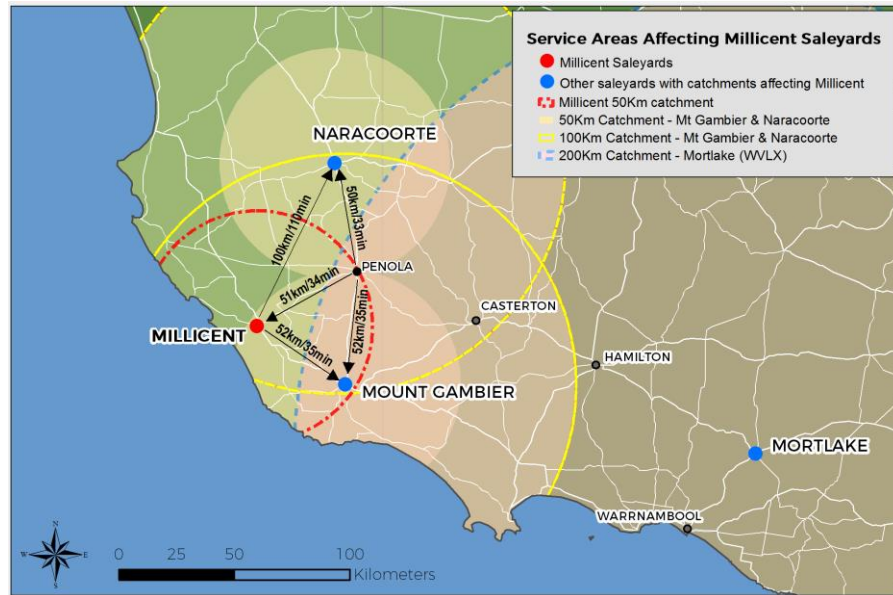


Figure 15 - Relative distances between selling centres

A catchment map taken from Mount Gambier Saleyards 2016 - 2026 Master plan²⁹ is rather telling in this respect and reinforces the effect that agent support may have on throughput. It indicates that Mount Gambier believe their prime catchment area is where Millicent's 'sweet spot' should be.

²⁹District Council of Grant Mount Gambier and district Saleyards Advisory Committee (7 November 2016) [<https://www.dccgrant.sa.gov.au/webdata/resources/minutesAgendas/20161107%20-%20Agenda%20Saleyards%207%20November%202016-1.pdf>]

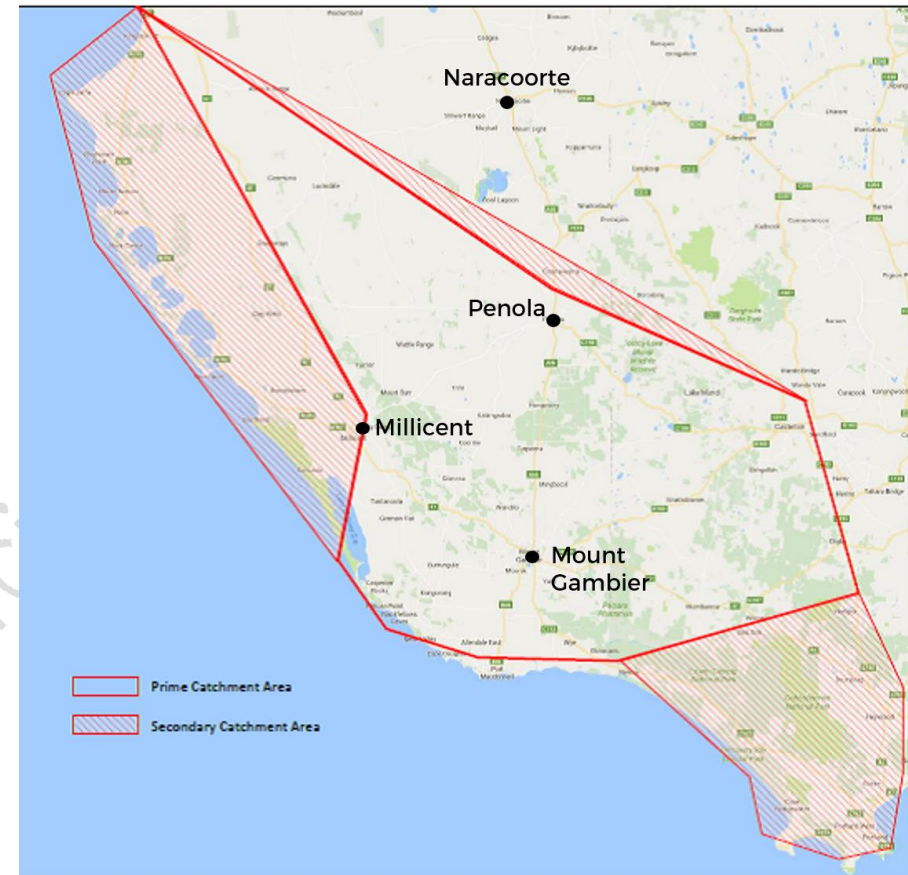


Figure 16 - Mount Gambier's primary and secondary catchments.

6.1.6 Vendor support

In August 2016 Council undertook a survey of various saleyard user groups to receive feedback as to their opinions around the saleyards, its relevance and operations.

For the purposes of this report, we have focussed on those that have identified as 'farmers' and/or 'graziers', which comprise 19 of the 32

responses sighted, as these are the user groups most likely to generate any meaningful turnover.

Their frequency of use, the three main reasons why and how often they used other saleyards and selling methods were of interest.

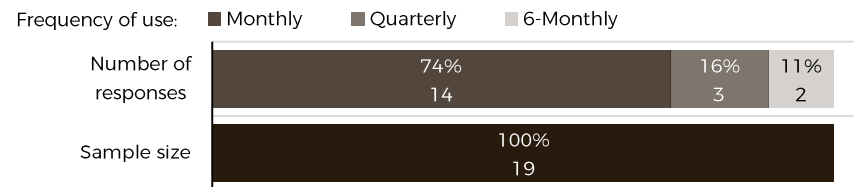


Figure 17 - Survey response - frequency of use

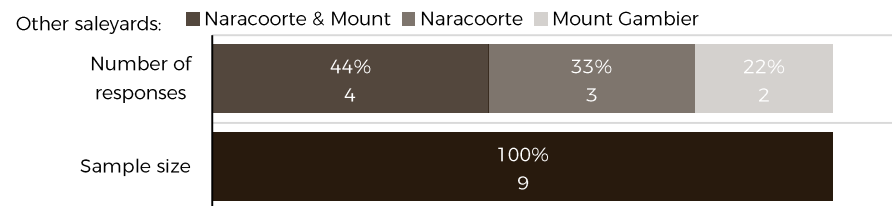


Figure 18 - Survey response - other saleyards

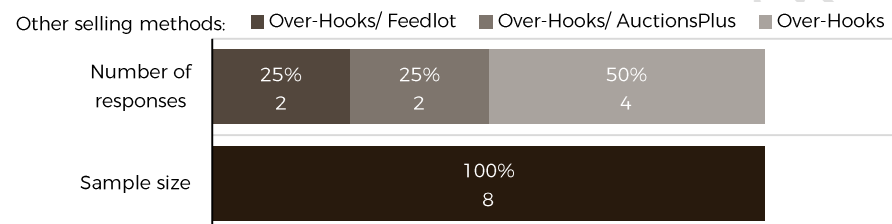


Figure 19 - Survey response - other selling methods

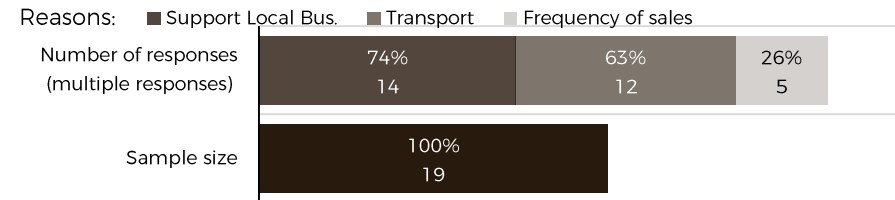


Figure 20 - Survey response - other selling methods

Of the 19 respondents, nearly three-quarters identified as attending monthly, however frequency of sales were only identified by 26% as the reason for using Millicent. While ease of transport was a major reason, interestingly, support for local business was the major response. This strong loyalty to the town was further confirmed in subsequent telephone polling.

As for competitive channels to market, nearly half identified as using Naracoorte and/or Mount Gambier as alternative saleyards and 42% identified as using over-the-hooks contracts, direct sales to feedlots and/or AuctionPlus as alternate marketing methods.

While the survey maybe indicative of the support from local farmers and graziers, caution should be exercised when interpreting the results given the relatively small sample, and the skewed methodology employed, i.e., the surveys were handed out on sale days at the Saleyards, so by default the sample was likely to be supportive.

6.1.7 Price

When looking at the sustainability of operating the Saleyards, one of the key factors that generate vendor support is understanding how the prices received at Millicent compared with the alternate options of Mount Gambier and Naracoorte. A detailed analysis is included in Appendix A - Price comparison information. The follows graphs show the average price differential across livestock categories between the three yards.

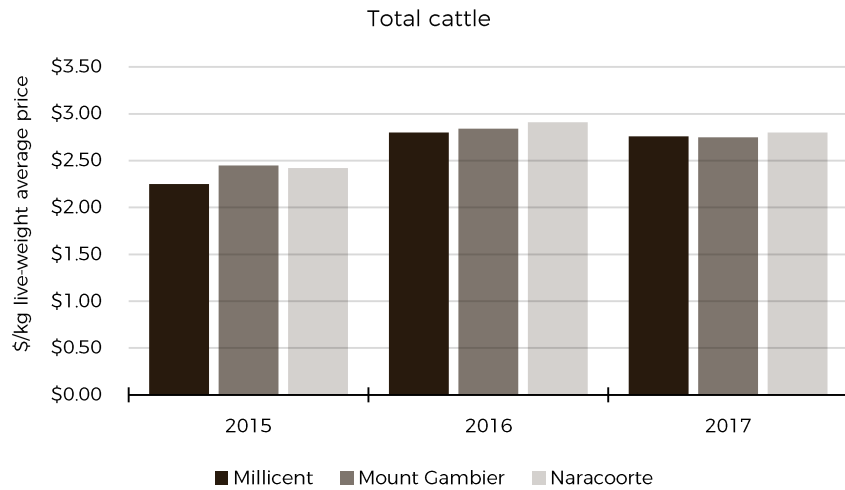


Figure 21 – Comparison in average live weight price – total cattle

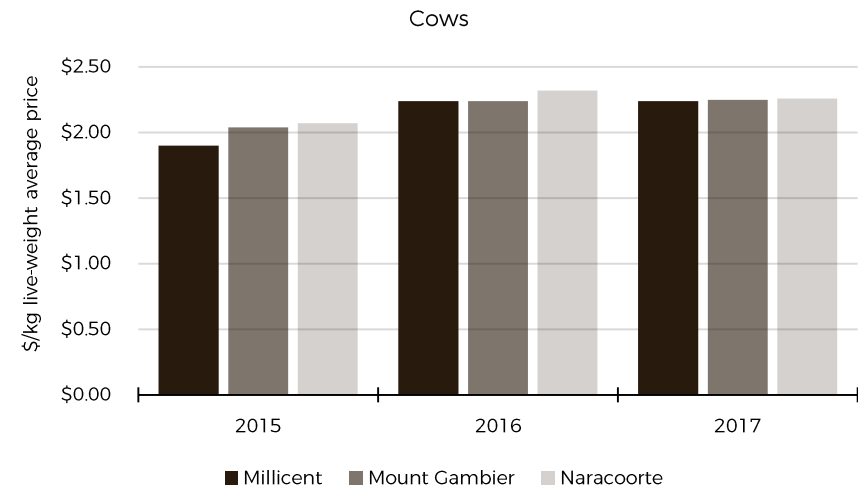


Figure 23 – Comparison in average live weight price – cows

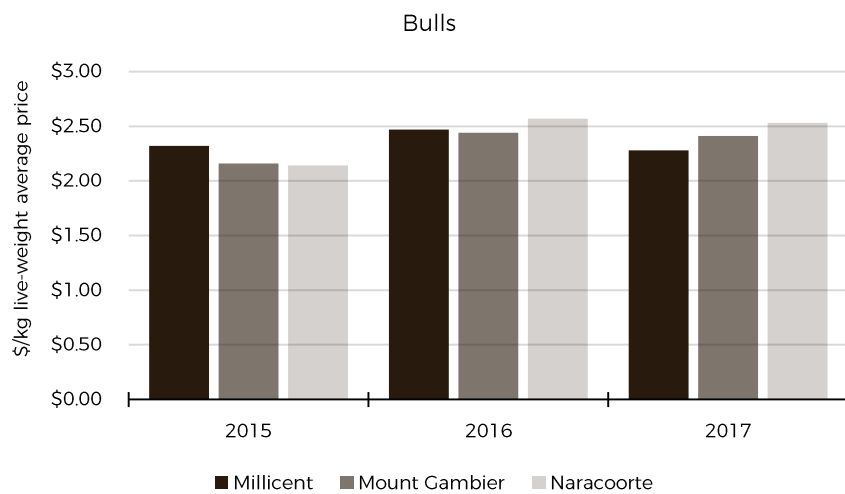


Figure 22 – Comparison in average live weight price – bulls

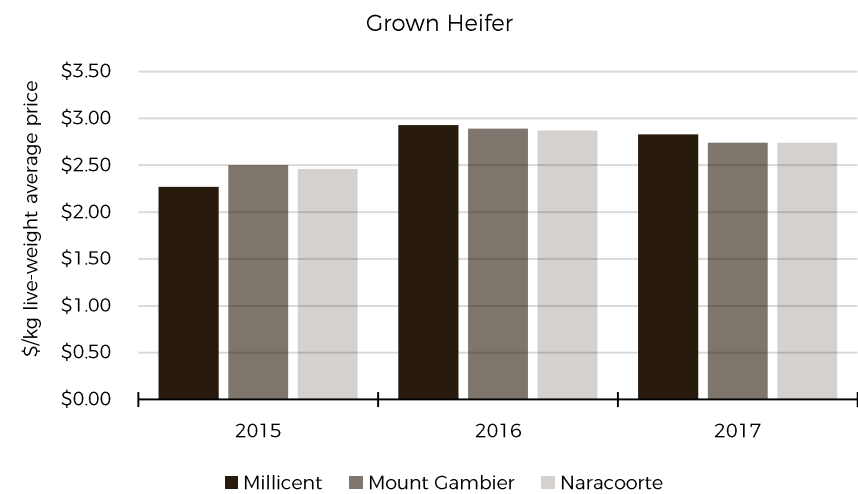


Figure 24 – Comparison in average live weight price – grown heifer

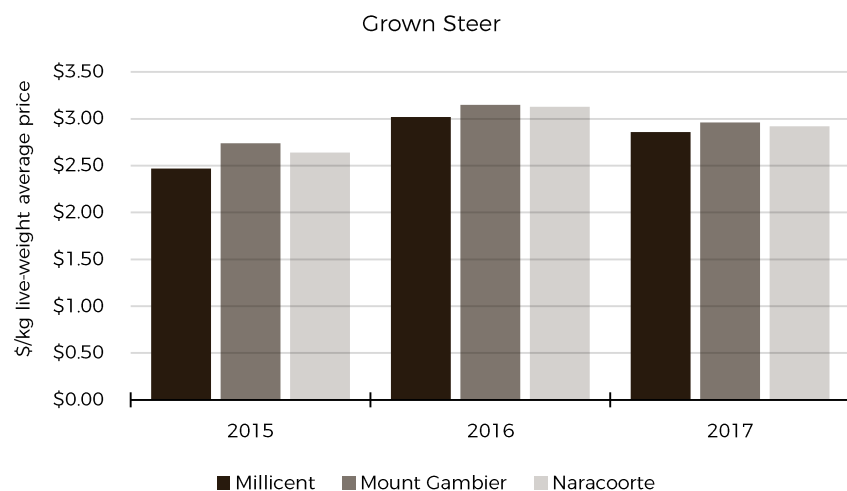


Figure 25 – Comparison in average live weight price – grown steer

There has been a perception in the past that the quality of stock at Millicent is recognised in the price received for stock sold there;

*'That prices are quoted as 'often better' than other centres.'*³⁰

Comparing price data between the three South-East saleyards doesn't conclude that any one yard consistently has a price advantage over another, however it does indicate that Naracoorte may have had an edge over the last couple of years and that certain categories of stock may be cheaper in some yards than other at certain times and that Millicent has generally underperformed according to the total average. Over the period 2015 – 2017, average cattle prices at Millicent have been 4% lower than Naracoorte and 3% lower than Mt Gambier.

Such differences may be significant, for example 10¢/kg, on a 350-kilogram feeder steer would equate to \$35 / head.

6.1.8 Agent support

All four licenced agents as well as Garry Graney of O'Connor & Graney have expressed their support for operations while they continue at Millicent. Many have had a long association with the yards over many years and been keen observers of the local industry.

There however appears to be an air of inevitability among the agents that Council will shut the yards at some point. Most are of the opinion that they *'would hate to see the yards close'* although this sentiment was tempered by one who put it slightly differently; *'I wouldn't want to be the first to go!'*

6.1.9 Buyer support

The prices shown in Appendix A – Price comparison information would indicate that there is reasonable levels of buyer support and, while stock are presented at sale it is likely that buyers will continue to attend sale days, or as one buyer put it; *'If buyers need cattle, they will come'*.

There appears to be general support among buyers for continuing to operate at Millicent, particularly those with the closest processing facilities, however this needs to be tempered by their usually long association with the yards and respect for those who operate and us it.

Having spoken to senior management within two of the major processors, one said it had no relevance to his operation and was, if anything, an inconvenience, while the other said it would be lucky to account for 0.001% of their business.

One commission buyer believed Millicent would do better if it held its sale on a Monday instead of a Thursday. This was principally because stock bought on Thursday were almost impossible to kill before the following week creating extra holding costs and, more importantly, a loss in carcass yield that he needed to adjust for in the price he paid for stock.

³⁰ Livestock Exchange Consultancy (LEC), 2004, 'Millicent Stock Saleyards Operational Review' p.7.

There appears to be a difference of opinion between some buyers and a general resistance from agents over the timing of the sale. Some believe it wouldn't make any difference and worry about losing 'their spot' on Thursday. A Monday sale would also require delivery of stock to the yards on Sunday and some agents believe that would only serve to drive farmers to deliver elsewhere.

6.2 Financial performance

6.2.1 Current Situation

The income statement (Table 8) has been received from Council and shows a continual deterioration in the financial performance of the saleyards over a six-year period. Revenues at no stage have exceeded expenses and would indicate a cumulative loss of \$681,465 over the period

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Financial Year:		11/12	12/13	13/14	14/15	15/16	16/17
Revenue	Saleyard Fees	78,355	64,773	91,399	99,628	83,625	81,082
	Other Revenues	13,913	16,995	20,336	23,715	28,546	62,705
	Best Practice Award	-	-	-	-	10,000	-
	Reimbursements	-	-	-	-	-	13,188
	Total Revenue	92,267	81,769	111,735	123,343	122,172	156,975
Expenses	Employee Costs	73,258	119,002	99,553	102,094	102,937	129,164
	Training	-	-	185	-	-	-
	Sundry	15,116	18,550	21,717	13,893	18,165	18,997
	Contractual Services	15,234	36,361	22,810	26,147	53,381	33,354
	Cleaning	-	917	1,425	1,822	2,802	3,485
	Maintenance	-	796	5,585	3,356	7,433	5,729
	Materials & Minor Equipment	9,057	22,682	16,363	14,449	44,677	53,848
	Telephone	735	1,015	1,322	1,462	1,976	2,722
	Water	33	1,569	161	127	36	0
	Energy	15,313	14,314	16,118	10,069	10,804	8,803
	Insurance	3,514	3,656	3,343	3,058	3,444	2,691
	Fuel	1,996	3,637	2,694	2,711	1,646	690
	Registration & Licence Fees	1,971	2,103	8,332	5,382	11,639	12,623
	Depreciation	20,375	9,875	7,873	4,227	145	51,176
	Total Expenses	156,601	234,477	207,482	188,796	259,086	323,284
	Net Income (Loss)	(64,334)	(152,709)	(95,747)	(65,453)	(136,914)	(166,309)
Cumulative Income (Loss)	(64,334)	(217,043)	(312,789)	(378,242)	(515,156)	(681,465)	

Table 8 - Saleyard income statement.

Item Description	Mount Gambier				Naracoorte				Millicent			
	15/16	16/17	2-Year Ave.		15/16	16/17	2-Year Ave.		15/16	16/17	2-Year Ave.	
INCOME												
Commission / Fee Income :	826,787	830,913	828,850	78%	1,184,445	1,159,121	1,171,783	85%	83,625	81,082	82,354	59%
Other income	230,062	241,623	235,843	22%	182,047	233,784	207,916	15%	38,546	75,893	57,220	41%
Total Income	1,056,849	1,072,536	1,064,693	100%	1,366,492	1,392,905	1,379,699	100%	122,172	156,975	139,573	100%
EXPENSES												
Operational Expenditure	690,489	705,044	697,767	62%	984,454	918,627	951,541	65%	258,941	272,108	265,524	91%
Interest	115,124	108,296	111,710	10%	112,117	104,253	108,185	7%	-	-	-	0%
Depreciation	308,612	324,557	316,585	28%	395,734	399,315	397,525	27%	145	51,176	25,660	9%
Total Expenses	1,114,225	1,137,897	1,126,061	100%	1,492,305	1,422,195	1,457,250	100%	259,086	323,284	291,185	100%
Operating Profit / (Loss)	(57,376)	(65,361)	(61,369)	-6%	(125,813)	(29,290)	(77,552)	-6%	(136,914)	(166,309)	(151,611)	-109%
Adjusted for Depreciation	251,236	259,196	255,216	24%	269,921	370,025	319,973	23%	(136,769)	(115,133)	(125,951)	-90%
EBITDA	366,360	367,492	366,926	34%	382,038	474,278	428,158	31%	(136,769)	(115,133)	(125,951)	-90%

Table 9 - Reformatted saleyard income statement comparison

Table 9 above categorises income and expenditure item line and compares Millicent to both Naracoorte and Mount Gambier Saleyards.

Only two-years results have been averaged as Mount Gambier are revising their earlier figures after a recent financial audit that are not due to go before Council for approval until next month.

Revenue

The revenues lines are split into two-line items; fees received from livestock sales and all other receipts. As saleyards are primarily designed to facilitate livestock sales we view fee revenue as a percentage of total receipts as proxy for operational efficiency. Ideally, we would prefer to look at revenues

and expenditures on a per head basis, however the reporting formats prevent us from doing so and the fact that the other saleyards also have significant income and expenditures related to sheep sales make such a comparison difficult.

Based on this analysis Millicent performs relatively poorly compared to nearby yards.

We would note that one of the reasons for a higher relative 'Other income' at Millicent is likely the cattle trading activities undertaken by the Saleyard Manager to supplement saleyard receipts. When reviewing the accounts, it was difficult to isolate the overall financial effect of these trading activities. While not opposed to the practice, given the potential speculative nature

of the activity and normal council governance, we would have expected closer financial monitoring to have been apparent.

Expenditures

Expenditures have been reduced to three lines, operational expenditure, interest and depreciation. This again highlights differences between the financial models and fortunes of Millicent compared to both the other yards.

As both the other yards operate 'at arms' length' from their respective Councils, they have a cash balance or reserve that they are expected to maintain. All the saleyards made an operating loss in the last couple of years, albeit the other two are relatively substantially less than Millicent.

We have included EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) for comparative purposes as it is generally regarded as a measure of a business to create cash. Again, the comparisons are stark. Unlike Millicent when the other two add back their depreciation they remain cash positive, maintaining positive cash reserves and building reserves for further investment in the saleyards infrastructures. The Millicent saleyards operations are being funded by Council (around \$125,000 per annum), and if infrastructure investment is to be made on the site, it too will need to be financed by Council.

The expense lines also highlight the difference in business strategies as both Naracoorte and Mount Gambier have significant interest and depreciation expenses (over 30% of total expenses) that indicate their continued and ongoing investment in infrastructure and other assets.

This is not a criticism of Council policy, rather an indication of relative position of the different saleyards in their respective business cycles, two are looking to attract extra numbers, while Millicent, on the other hand are in effect looking to manage the decline.

On depreciation, there has been a significant increase in the latest year's results. We are advised that this is because of a change in accounting

policy and, as such, it would appear that its treatment isn't consistent over the period reviewed.

6.2.2 Breakeven analysis

It is relevant to note an extract from Council's response³¹ of the last report conducted into the Saleyards in 2004³² recognised:

"As the selling agents have concluded that the market will not bear an increase in the unit selling fees, increased stock throughput is the only revenue driver which can bring about [a] further improved financial position for the saleyards."

At the time the LEC report was published, the 5-year average for cattle was 26,493 and sheep, 149,823. Volumes continued to decrease, and losses have continued to accumulate since. A critical issue to understanding viability is to determine the breakeven point of the Saleyard business.

Using the information provided to us during this review, we have estimated that the fixed costs that would be incurred by the yards total \$118,000. Determining a gross margin at Millicent is not possible under the current configuration of the accounting system, therefore we have calculated the weighted average gross margin generated by Naracoorte and Mt Gambier over the past 2 years to apply to the breakeven calculation. The weighted average gross margin across these yards is 32.5%. This includes both commission and other income. Using these figures as a basis, the revenue figure needed to breakeven at Millicent is calculated as follows:

Item	Total operations
Fixed costs	118,000
Gross margin	32.5%
Breakeven	\$362,900

³¹ General Manager, Business & Corporate Services, April 2004, Report No. 1202

³² Livestock Exchange Consultancy (LEC), 2004, 'Millicent Stock Saleyards Operational Review'

Table 10 - Breakeven estimate (\$)

The total revenue (commission and other) needed to breakeven, under the current cost structure is \$362,900, around 2.3 times the current income levels. Both Mt Gambier and Naracoorte operate at levels 3 and 4 times this scale (\$1.1m and \$1.4m respectively), and therefore would generate economies of scale that would not be created at Millicent, so the breakeven is likely to be higher than this.

For forecasting purposes, we would estimate the breakeven revenues need to breakeven to be between 2.3 – 3 times current levels or \$363,000 - \$430,000. Breakeven would further increase if investments are made in the facility as these would need to be recovered. Under the current fee structure of \$8.80 per head this would equate to an increase in throughput to between 41,000 and 48,000 head annually.

On the current cost structure and operating model, these revenues are not achievable, and losses of the magnitude currently being experienced (around \$125,000 per annum) should be expected to continue into the foreseeable future.

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7. Economic contribution

7.1 Project scope and approach

This section provides estimates of the economic contribution of the Millicent Saleyards to the Gross Regional Product (GRP) of the Wattle Range LGA Limestone Coast region.

These contributions are generated by the Saleyards ongoing operations, the expenditure of people and businesses that attend the yards.

Economic contribution studies quantify measures such as value added, gross output and employment associated with a given industry or firm, in a historical reference year.

The economic contribution is a measure of the value of production by a firm or industry. The saleyards economic contributions have been quantified using Id economic profile, an integrated regional input-output model.

The data used to estimate the economic contribution of saleyards falls into the following broad categories:

- Expenditures undertaken by the saleyards to support ongoing operations
- Expenditure by users of the saleyard, so called induced expenditures
- Indirect expenditures - this is a process of isolating the economic impacts that the saleyards public introduce into the economy, and tracing how these impacts culminate in economic activity in buyer and supplier industries through successive rounds of economic transactions

The model outputs the total economic contribution of the saleyards, including all direct expenditure by the saleyards, induced expenditures as well as the flow on to other sectors and regions of the economy.

The primary measure is 'value added'. Value added measures the value added to intermediate inputs by the application of capital and labour, by summing wages paid for labour by the saleyards and its gross operating surplus. The sum of value added across all entities in the economy equals gross domestic product (GDP). **Appendix A** – Price comparison information

\$/kg live-weight Average Price		2015	2016	2017
Total Cattle	Mount Gambier	\$2.45	\$2.84	\$2.75
	Naracoorte	\$2.42	\$2.91	\$2.80
	Millicent	\$2.25	\$2.80	\$2.76
Bulls	Mount Gambier	\$2.16	\$2.44	\$2.41
	Naracoorte	\$2.14	\$2.57	\$2.53
	Millicent	\$2.32	\$2.47	\$2.28
Cows	Mount Gambier	\$2.04	\$2.24	\$2.25
	Naracoorte	\$2.07	\$2.32	\$2.26
	Millicent	\$1.90	\$2.24	\$2.24
Grown Heifer	Mount Gambier	\$2.50	\$2.89	\$2.74
	Naracoorte	\$2.46	\$2.87	\$2.74
	Millicent	\$2.27	\$2.93	\$2.83
Grown Steer	Mount Gambier	\$2.74	\$3.15	\$2.96
	Naracoorte	\$2.64	\$3.13	\$2.92
	Millicent	\$2.47	\$3.02	\$2.86
Heifer < 1 year old	Mount Gambier	\$2.55	\$3.07	\$2.99

\$/kg live-weight Average Price		2015	2016	2017
	Naracoorte	\$2.54	\$3.17	\$3.04
	Millicent	\$2.22	\$3.00	\$3.10
Steer < 1 year old	Mount Gambier	\$2.73	\$3.27	\$3.17
	Naracoorte	\$2.67	\$3.39	\$3.28
	Millicent	\$2.34	\$3.17	\$3.25

Note to the table above: The data sets related to categories of livestock less than one year appeared relatively underrepresented in comparison to other categories and, as a result, may not be as accurate.

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Appendix B – Economic Contribution studies includes a detailed description of the key terms and methodological approaches used to complete this analysis. It is recommended readers familiarise themselves with this section

7.2 Results

This section details the economic contribution of the Saleyards to the Wattle Range economy. Direct economic contribution of the Saleyards is measured as the sum of income earned by labour and capital by the Saleyards.

This is calculated by adding wages paid to staff, which represents labour income, and the Saleyards gross operating surplus (GOS), which is capital-derived income. GOS is a measure of profit or margin, while wages include employee related expenses and superannuation.

The indirect contributions of the Saleyard's ongoing operations refers to the flow on economic activity created by the Saleyards' expenditure on intermediate inputs in other sectors of the economy. This is measured by the contributions made by the Saleyards purchasing other goods and services from its suppliers.

7.2.1 Saleyard expenditures

Expenditures relate to the economic contribution of the Saleyards core operations. To calculate them, adjustments are made to figures provided in the annual reports to determine the Salary and Wage figure and the Gross Operating Surplus (GOS), which added together totals the value added (economic impact) arising from the Saleyard's operations.

Construction expenditures undertaken by an entity are not typically considered an economic contribution. They are capital in nature and provide the basis from which returns to labour and returns to capital are generated (which form the economic contribution).

Table 11 – Economic flow- Saleyards

Economic flow	
(1) Salary and wages (ave 11/12 – 16/17)	124,000
Gross operating surplus	
Operating income (ave 11/12-16/17)	(113,000)
Add back depreciation	16,000
(2) Gross operating surplus	(97,000)
(1) + (2) Total	27,000

To determine indirect economic activity, it is necessary to determine the amounts paid to the Saleyard suppliers. Using the average over the past six years shows how the level of indirect economic impact arising from the Saleyard's operations is calculated:

Table 12 – Economic flow - suppliers

Economic flow	
Total expenditures	228,000
Add back depreciation	(16,000)
Add back salary and wages	(124,000)
Indirect suppliers	88,000

7.2.2 Induced expenditures - retail

The third major economic flow arises from induced expenditures from users of the yards. While outside the scope of this study, it is well understood that saleyards, in addition to places where animals are bought and sold, attract producers to the region where they undertake retail related expenditures.

There are minimal sellers attending the yards on any given day. Our analysis suggests an average of 10 purchasers would be reasonable. If each

purchaser spent an additional \$100 per sales day, then the annual value of induced expenditures would total \$48,000.

7.2.3 Induced expenditures - Stock agents

The final economic flow arises from saleyards not captured in the saleyards indirect supplier expenditures is the value that is derived from stock agents. Stock agents are located within Wattle Range and these act on behalf of producers and sellers to organise and transact the sale of cattle. As agents locate with yards as they are the primary asset through which sales commissions are earned, economic value arising from the stock agent presence in the region needs to be captured also.

Stockyard commissions are based on the value of animals sold. The average annual value of cattle sold through Millicent for the three years 2014/15 – 2016/17 is \$12.1m (Table 4). Using the average commission paid of 5% of sales value (output) of Stock agents arising from the presence of the Saleyards in Millicent is \$605,000.

To determine the value added, the revenue (output), needs converting to value added (surplus plus salary and wages). To determine this specifically would require an analysis of the Stock agents profit and loss accounts. In the absence of these, an alternative method is to apply the industry wide level of value added created from output for the relevant sector, in this case Agriculture, Forestry and Fishing Support Services. The conversion of output to value added in this sector is 0.17 (i.e., for every \$100 of output, \$17 of value added is created).

Applying this metric to saleyard revenues, the direct value-added arising from stock agent commissions is \$106,000.

7.2.4 Summary of direct economic flows

Based on the four economic flows analysed, the combined economic flow arising from the Millicent saleyards is calculated as follows:

Table 13 – Economic flows

Economic flow	\$
Saleyards value added	27,000
Indirect supplier purchases	88,000
Induced expenditures	48,000
Stock agents	106,000
Total	\$269,000

7.2.5 Indirect flow on contribution

Having determined that the direct economic contribution from the yards total \$269,000, an economy economic model was used to determine the indirect flow on or contribution to the broader economy. The industry sector used was Agriculture, Forestry and Fishing Support Services which has a value-added multiplier of 4.58. Using this multiplier, total indirect value added created totals \$963,000.

7.2.6 Total economic contribution

The overall annual economic contribution from the Saleyards is therefore:

Table 14 –Annual Economic Contribution

Contribution Type	\$
Direct	269,000
Indirect	963,000
Total	\$1,232,000

Total annual economic contribution arising from the saleyards is \$1,232,000.

8. Land use

8.1.1 Site description and current planning status

The saleyards site is currently zoned 'Industry' under the Wattle Range Council development plan.

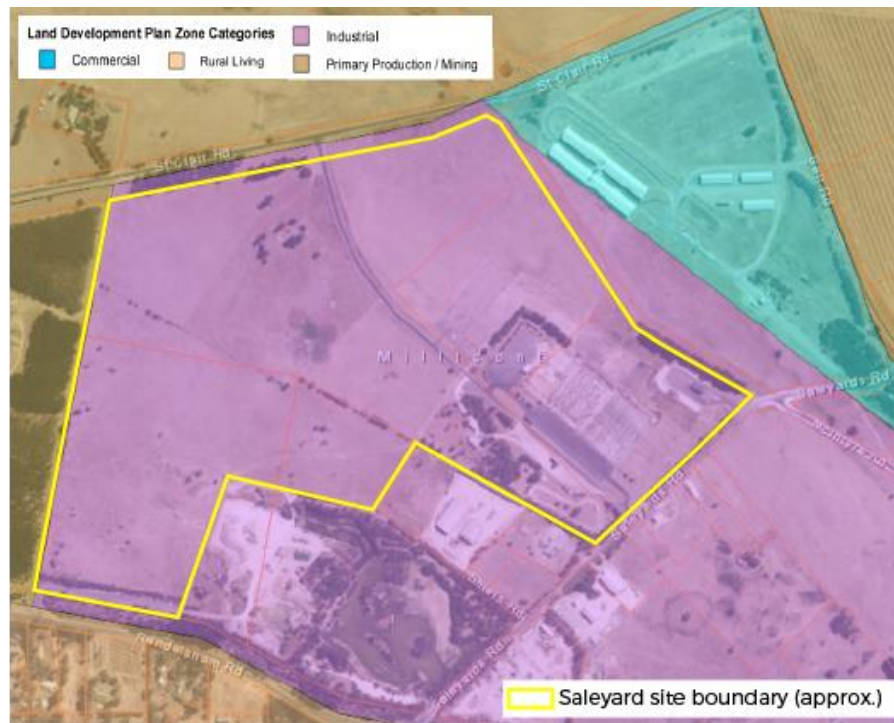


Figure 26: Zoning map

The site is bounded by the following land zones: Bulk Handling (BH) and Industry (In) to the east, Primary Production (PrPro) to the north and west, and Rural Living (RuL) and Industrial (In) to the south. The current Industry Zone provisions generally limit subdivision to 2,000 square metres. The zone provisions prohibited a number of uses, including horticulture. The

site is not affected by any overlays. The site is excluded from bushfire protection planning provisions.

The current 'Industry' zoning

The site has good access from St Clair Rd to the north, with Saleyards Rd and Rendelsham Rd providing access to the south. A sealed road dissects the site between Saleyards Rd and St Clair Rd, providing good internal site access.

Existing uses on the site include the saleyards and associated infrastructure, a waste recovery centre, a truck wash, a hardstand area also used for driver training, a green waste compost storage area, and numerous paddocks used for grazing and waste water management.

Surrounding land uses include:

- A grain storage facility to the east
- Lake McIntyre Park, industrial development and rural living to the south
- Farming to the west and north.

The site has generally been cleared of mature trees, except along some fence lines and isolated patches including a large cluster south of the saleyards.

The site Concept Plan Map WatR/1 identifies an area of 500 metres around the saleyards in which dwellings are prohibited (refer Figure 27 below).

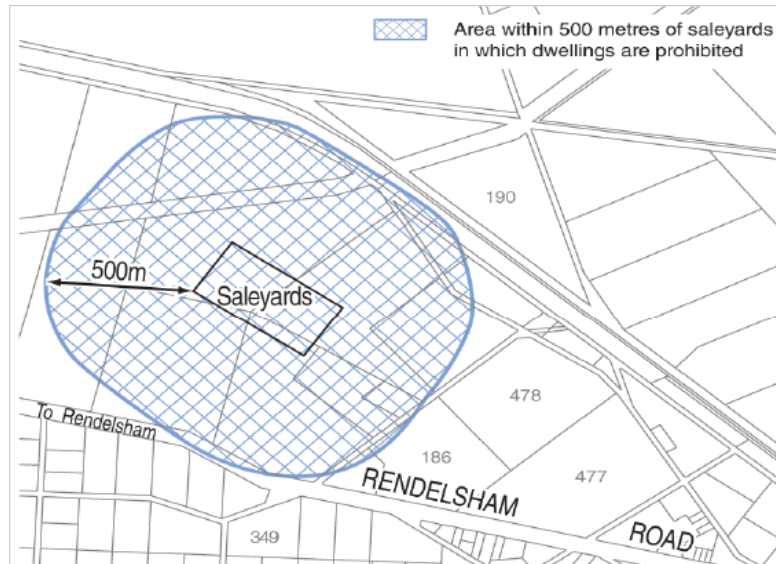


Figure 27 - Development Plan buffer provisions for the saleyards

This effectively creates a 500-metre amenity buffer to sensitive uses measured from the saleyards activity boundary (noting however that the saleyards boundary is incorrectly shown in the Development Plan and the buffer area located approx. 300 metres to the east).

The EPA guidelines³³ provides the following evaluation distances for effective air quality management from use that require amenity buffers relevant to the site:

- Saleyards: 200 metres or individual assessment, dependent on throughput
- Waste or recycling depots: 300 metres
- Abattoirs: 500 to 1,000 metres, dependent on rate of production
- Composting: 100 to 1,000 metres, dependent on rate of production

³³Source: Evaluation distances for effective air quality and noise management, Environment Protection Authority

Bulk storage facilities: 300 metres. Figure below identifies the section of the site located 500 metres or more from existing sensitive uses (dwellings). This identifies approx. 47 Hectares on the site suitable for the location of uses requiring a 500-metre amenity buffer. This area could theoretically accommodate uses such as an abattoir, composting facility or bulk storage facility that require larger buffers. The remainder of the site could be used for uses requiring smaller amenity buffers, specifically along the western and northern boundaries.



Figure 28 - Potential site development

The site does not seem suitable for the location of sensitive uses in the short term to medium term without significant zoning changes. This is informed by buffer requirements of existing uses, existing zoning and potential site contamination that may require remediation to accommodate sensitive uses.

8.1.2 Future development - Concept plan

Future development opportunities include:

- Continued use as waste resource recovery centre
- Continued use of the saleyards on a smaller footprint
- Abattoir or food processing facility
- Agribusiness
- Industry
- Intensive agriculture including horticulture
- Community use.

A concept plan for the site outlines potential development areas and how the site can potentially be activated in future (refer Figure 29 below).

Precinct A – Industry & Food Processing

A precinct of approx. 5.5 hectares. The precinct could accommodate industry and food processing uses that require a minimum buffer of 500 metres. The current zoning can be retained. The saleyards could continue on the site in the interim or be scaled down in future to allow new uses such as an abattoir to occupy the site; a lot between 3-4.5 hectares could be reserved for this use. General industrial uses could also be accommodated though subdivision of approx. 2 hectares into smaller lots ranging from 2,000 – 4,000 square metres in size.

Precinct B – Waste Resource Recovery

A precinct of approx. 4.5 hectares that encompass the current resource recovery centre and provides land for future expansion. The precinct also provides for storage of green waste compost on the site if required. The current zoning can be retained.

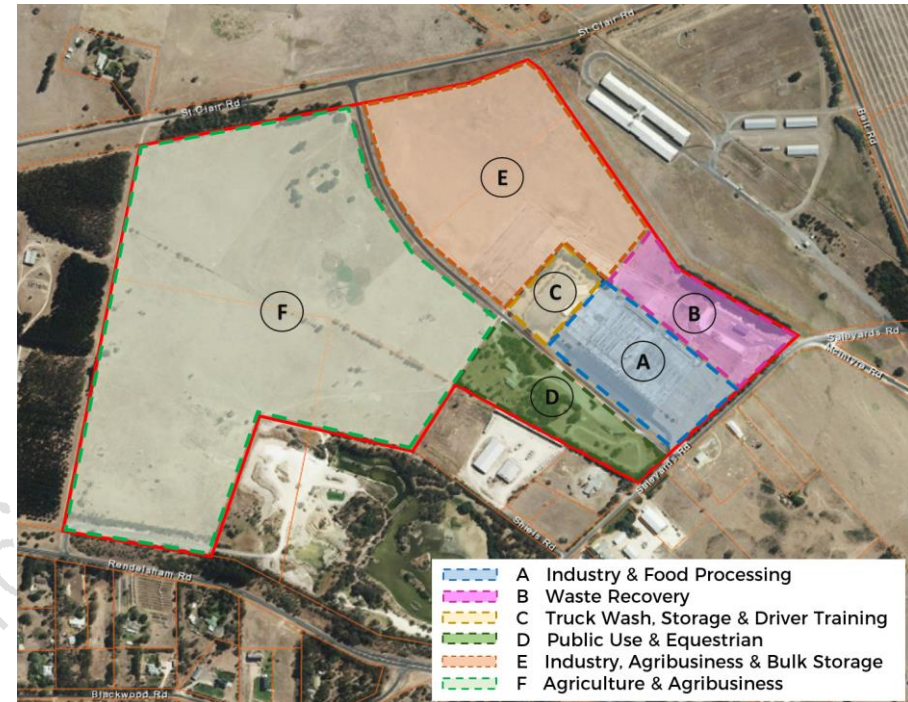


Figure 29 - Land Use Concept Plan

Precinct C – Truck Wash, Storage & Driver Training

The precinct contains the existing hardstand area, truck wash, storage shed and driver training facilities. The precinct can retain these uses under the current zoning.

Precinct D - Public Use & Equestrian

The precinct contains the current saleyard administration building, hay shed, workshop and parking areas. The precinct has existing vegetation and facilities (including amenities) that can be incorporated into future community use of the area. Potential community includes local clubs requiring land such as equestrian clubs.

Precinct E – Industry, Agribusiness & Bulk Storage

The precinct is approx. 16 hectares in size and could accommodate industrial development, agribusiness and bulk storage uses. The entire precinct is capable of accommodating uses requiring buffers to sensitive uses. The current zoning can be retained. Subdivision of the land could be done to accommodate specific land use proposals as these are identified.

Precinct F – Agriculture and Agribusiness

The precinct is approx. 44 hectares in extent and could accommodate more intensive agriculture and agribusiness uses. Intensive animal keeping (e.g. feedlots or broiler farms) are not envisaged; rather grazing, industry associated with packaging and processing, horticulture (e.g. hydroponics) or agribusiness activities are promoted.

The current zoning does not allow horticulture as permissible use and rezoning this precinct to a more appropriate zone could be considered to enable intensive horticulture uses that can support the precinct and local economy. Adequate separation between horticulture and the rural living zone interface should be considered in future planning stages.

There is also a possibility that any prospective owner of the block adjacent to Precinct D, currently for sale where there is already developed infrastructure in the form of two substantial sheds, could benefit from access to a potential subdivision of the precinct.

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9. Conclusions and recommendations

9.1 Conclusions

The report has reviewed current Saleyard operations and assessed related infrastructure, land use and ongoing financial and economic impact. We have looked at current industry and regional trends more broadly and how they specifically affect Millicent Saleyard operations. It is our view that several conclusions can be drawn;

- For a saleyard operation to be successful requires the support of all the principal parties involved; vendors, agents and buyers. While there has been adequate agent and buyer support over the journey, the same can't be said for local producers, particularly larger landholders.
- This is an observation, not a criticism. As indicated in the report, industry trends mean they have more marketing options than smaller producers and they understand the financial imperative of receiving the best price they can for their product. In many cases they have refined their production systems to meet the requirements of the supermarket feedlots or to processors OTH and, by doing so they, have effectively integrated their operations into the value chain. It should therefore be little surprise that the Millicent Saleyard is largely patronised by smaller operators with fewer marketing options.
- Millicent also only has a limited, or, narrow audience, in that it only conducts a prime cattle sale, usually fortnightly. It no longer holds sheep sales, nor does it hold any store cattle sales. The fact that it hasn't been necessary to hold weekly sales during the peak season in recent times is another indication of declining patronage.
- Similarly, competitive tensions appear to be on the rise, as there is an increasing trend for Naracoorte to run consecutive sales on the same day, or as one local agent put it; *"They'd run a sale every day of the week if they could"*. While Millicent have, as the junior partner, accommodated in the past by starting the sale early, the signs are that this may prove an insufficient compromise and in future buyers and agents alike may be forced to make a choice about where they attend.
- Location, aggregation, alternate land use, changing market trends, etc. are all a part of the mix, and they all lead to the same headline issue that there is no hiding from, the fact that declining numbers are the critical reason behind the ongoing diminishing financial performance of the saleyards.
- Numbers held around 20,000 head annually or above until 2010/11, where there has been a sharp and declining trend until, for the first time, numbers fell below 10,000 in 2016/17. While numbers have been trending down generally across the wider industry over this period, this is not sufficient to explain the magnitude of the decline through the Millicent Saleyards.
- The buyers, particularly of young stock, have traditionally generally supported Millicent because, similar to Mount Gambier, *'they know what they will get'* in the way of carcass yield that is not always the case in other yards. However, the continued decline in numbers make it difficult for them to justify a regular presence, particularly in periods where numbers are low and/or variable, that has the potential to further impact the ongoing competitiveness of future markets.
- The indications from senior management of some of the processors indicate that Millicent doesn't register as a part of their supply chain, meaning future buyer interest may come from commission agents as opposed 'salaried buyers' that could further impact price competitiveness of the yards.
- We have also observed that industry trends are supporting the regionalisation of saleyard assets and that, while of limited comfort, may see regional yards with significantly higher historical throughputs placed in the same position in a matter of a few years.

- Given these reasons, all of which are beyond Council's ability to effectively influence, it has been left to Council to cover the operating losses generated from the Saleyards continued operation.
- We believe the current operating loss situation is unlikely to significantly improve in future, particularly in light of the highlighted and unlikely increase in throughput required to achieve a breakeven scenario and the likely need for future infrastructure investment required for compliance and / or competitiveness reasons
- Furthermore, while understanding the reasons behind reducing expenditures, this has meant that maintenance has been reactive, not preventative, and that there has been minimal upgrading of infrastructure, over many years, a situation that may have become more acute, if it weren't for the resourcefulness of the Saleyards Manager. All the same, the previous and ongoing lack of investment at Millicent leads us to form the view that its relative competitive position against other regional yards will continue to erode and operational expenses are likely to increase over time as a result, particularly compliance related expenditures, that could impact future financial sustainability.
- Should it be determined that the yards are no longer viable, then there are alternate land use opportunities that may provide other, perhaps greater, economic benefit to the community.
- Many local producers currently access services at Naracoorte and Mt Gambier. The proximity of these yards to Wattle Range Council makes assessing these services largely cost neutral, taking into account transport costs and likely higher cattle prices sellers would receive.

9.2 Options and recommendations

During consultations with vendors, agents, staff and some of the buyers, contactors etc. there remains considerable support for maintaining

operations at the Saleyards, mainly based around a fear of the commercial affect its closure may have on Millicent township.

Significantly, as indicated in the report, the facility remains essentially 'fit-for-purpose' and, as such many users and stakeholders find it difficult to accept why anyone would want to shut it. This isn't necessarily a universal opinion and many those who hold that view also understand there is a cost, however, believe its overall economic contribution makes it worth continuing to operate the site.

The report indicates, there is an associated economic contribution provided from the Saleyard's activities and, while the direct investment is relatively modest, the multiplier effect means the broader benefit needs to be considered.

While we hold the view that ongoing operation of the saleyards is financially unsustainable, we recognise that it is Council's function to decide as to whether it is in the community's interest to maintain operations as a service to ratepayers, given its associated economic impact, or, whether there are potentially greater returns to the community through the adoption of possible alternative land use options.

Considering the research and analysis contained in the report, we have provided the following options for Council to consider and detail indicative cost and investment considerations.

Option	Explanation	Operational savings (5 years)	Likely investment				
Continue operations	Based on the economic benefit to Millicent, while continuing to contain costs. It is our view that cost containment is not a long-term solution unless revenue can be also be increased by a multiple of around at least 2.3 times, i.e. a throughput more than 40,000 head annually. While throughput may increase marginally in line with a recovery of the national herd, continuing operations under the current model would likely result in an ongoing annual loss to Council of at least \$125,000 to \$150,000 or greater, depending on the treatment of depreciation in the accounts and the level of future investment made in the Saleyards.	Losses to continue to be funded. 5 year cost \$625,000 - \$750,000 assuming no investment requirements	Potential investment requirements expected \$200,000	Sell or lease the Saleyards to be operated by a third party	Given the financial performance of current operations and market and industry conditions outlined in the report, we do not view this as a likely option. In the case of a sale, given the associated poor returns, it is likely that any prospective purchaser would have an alternate use in mind.	Annual savings \$125,000 - \$150,000 per annum	Expect some investment needed to make business case
				Maintain Saleyard operations while partially developing the site	While this is an option for Council to consider, it doesn't address the core issue of the financial sustainability of the Saleyards and its effect on Council finances. Furthermore, for the saleyards to remain operational requires that the effluent treatment system remains functional that may significantly impact development options	Losses to continue to be funded. 5 year cost \$625,000 - \$750,000 assuming no investment requirements	Potential investment requirements expected \$200,000
				Close the saleyards and either sell and/or redevelop the site	It is our view that the saleyards will become increasingly unsustainable over time and without further, potentially significant investment, at some point, will inevitably close because of compliance and/or market forces. We have concluded that closure has the potential to provide the greatest long term economic benefit to the Council as the site could be developed for alternative uses, the current losses being funded could be used for alternative purposes. While closure stems the losses borne by Council, importantly it provides an opportunity to accommodate new infrastructure development and substantially increase employment opportunities beyond those generated by the current Saleyard operations, where there is only one full-time position and casuals limited to a fortnightly activity.	Savings under immediate closure over 5 years approx. \$625,000	No investment required
Increase fees and charges	While possible, given that the Millicent Saleyards are struggling to attract numbers, this may only hasten the decline as stock are sent elsewhere. We would normally support any measure to increase revenue, however we view the relative level of service and state of the facility and buyer presence compared to other competing yards makes it hard to make the case for such a move	Losses to continue to be funded. 5 year cost \$625,000 - \$750,000 assuming no investment requirements	Potential investment requirements expected \$200,000				
Change of operational responsibilities	Council retaining ownership; It is difficult to see how the management structure currently employed, i.e. agents effectively organise and run the sale, while Council essentially maintain the site, could be made any more efficient or effective than it is, hence we do not see a material impact arising from any potential change in operational responsibilities. Should Council step back from the maintenance role, we don't see any commercial incentive for anyone else to assume the responsibility	Losses to continue to be funded. 5 year cost \$625,000 - \$750,000 assuming no investment requirements	Potential investment requirements expected \$200,000				
				Staged closure	A staged closure over say a 3 year period would provide sufficient time for producers to make alternative arrangements (Naracoorte, Mt Gambier, Other) while also providing a window to develop alternative land use and development options for the site.	Savings under immediate closure over 5 years approx. \$500,000	Allow \$50,000 for recalibration for staged closure
Crowd market	Needs 2.3 - 3 times to breakeven and considerable infrastructure investment to compete with already established markets High risk strategy that would need Council to fund existing losses and finance infrastructure investment	Losses will continue until scale developed	Potential investment matching competitors likely to be in the order of \$1m - \$2m				

Table 15 - Options analysis

In deciding as to which course of action to recommend the following are relevant:

- A growth strategy is unlikely to succeed, requiring throughput to grow to a level not seen in the previous 20 years in the face of increasing competition.
- The yard is currently well-run, with little scope for operational improvement or to increase revenues.
- A third-party provider is not likely to be interested in operating the site given the nearby competition and expected changes to the industry over the medium term.
- Current users have alternative locations to source the buying and selling services provided at the yards. If this were not the case, it is likely our conclusions would be different.

Having canvassed the options, in summary, we see there are only three realistic alternatives, either;

1. To continue to operate the yards as a ratepayer funded service to maintain the associated economic benefit
2. Close the yards immediately to provide relief to Council finances and reduce Council's exposure to the risk associated with the yards, or,
3. Close the yards for the reasons outlined above (point 2), however delay the closure date to ameliorate the effect on stakeholders to enable them to make alternate arrangements and allow for a managed withdrawal.

The operating losses at the yards over the next 5 years are forecast to be in the order of \$625,000 - \$750,000, there are potential investment risks facing Council and, in the in the long term, it is highly likely the yards will close due to operational losses arising from reduced throughput and / or costs associated with infrastructure investment. Unless there is a compelling argument to continue to fund the forecast losses and expose

Council to the potential investment risks, we see no other option but to recommend closure of the yards.

We would recommend the yards are closed in a managed fashion as the most effective and efficient use of Council resources, while minimising the impact and disruption to any associated commercial activity that a closure would create.

We are of the view that providing a middle-ground solution, such as creating holding pens and transport services adds complexity to the situation and still exposes Council to some investment and operational risks, principally those associated with EPA and the need to appropriately staff, maintain and resource the yards during the intervening period. Therefore, it is our conclusion of this report that the saleyards should be closed in a managed, but not staged manner.

9.3 Strategy

Sale days at Millicent are still regarded by many as an 'institution' and a part of the social fabric of the town. While empathising with the sentiment, the declining attendances would suggest that this feature is not as strong as it once was, however from our consultations, it remains the strong opinion of many saleyard users.

As, for the agents and buyers that continue operate and support the Saleyards, there appears to be an air of inevitability around the fact that the yards will close 'at some point'.

What has also become apparent during the consultations is the lack of dialogue between Council and the Saleyard stakeholders, not necessarily around daily operational issues, more about the cost and ongoing sustainability of its operations.

Change often creates conflict, particularly when communities believe that something is being taken from them. Should Council determine that

closure is their preferred option, we would suggest the following strategy for community engagement on the issue;

- Hold a Saleyards stakeholders' meeting, with an agenda attached, to control discussion around future options at the site.
- Prepare and provide a presentation of current Saleyard performance, industry trends, regional proclivities etc. and detail the ongoing cost to Council. On this point, the figure provided for depreciation should be 'defensible' as there is a widely held community view that the saleyard assets were paid for 'a long time ago'.
- Announce Council's decision.

The intention is to take some of the emotion out of the discussion and base arguments on fact. Doing so will, hopefully, assist those present to better understand the reasoning behind Council's decision and make it more difficult for those against to 'have a free hit' at Council's expense.

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Appendix A – Price comparison information

\$/kg live-weight Average Price ³⁴		2015	2016	2017
Total Cattle	Mount Gambier	\$2.45	\$2.84	\$2.75
	Naracoorte	\$2.42	\$2.91	\$2.80
	Millicent	\$2.25	\$2.80	\$2.76
Bulls	Mount Gambier	\$2.16	\$2.44	\$2.41
	Naracoorte	\$2.14	\$2.57	\$2.53
	Millicent	\$2.32	\$2.47	\$2.28
Cows	Mount Gambier	\$2.04	\$2.24	\$2.25
	Naracoorte	\$2.07	\$2.32	\$2.26
	Millicent	\$1.90	\$2.24	\$2.24
Grown Heifer	Mount Gambier	\$2.50	\$2.89	\$2.74
	Naracoorte	\$2.46	\$2.87	\$2.74
	Millicent	\$2.27	\$2.93	\$2.83
Grown Steer	Mount Gambier	\$2.74	\$3.15	\$2.96
	Naracoorte	\$2.64	\$3.13	\$2.92
	Millicent	\$2.47	\$3.02	\$2.86
Heifer < 1 year old	Mount Gambier	\$2.55	\$3.07	\$2.99
	Naracoorte	\$2.54	\$3.17	\$3.04
	Millicent	\$2.22	\$3.00	\$3.10
Steer < 1 year old	Mount Gambier	\$2.73	\$3.27	\$3.17
	Naracoorte	\$2.67	\$3.39	\$3.28
	Millicent	\$2.34	\$3.17	\$3.25

Note to the table above: The data sets related to categories of livestock less than one year appeared relatively underrepresented in comparison to other categories and, as a result, may not be as accurate.

³⁴ Source: Comparative time data sets from MLA (Naracoorte & Mount Gambier) and WRC (Millicent)

Appendix B – Economic Contribution studies

Contribution – the general approach

Economic contribution studies are intended to quantify measures such as value added, exports, imports and employment associated with a given industry or firm, in a historical reference year. The economic contribution is a measure of the value of production by a firm or industry.

Value added

Value added is the most appropriate measure of an industry's/company's economic contribution to gross domestic product (GDP) at the national level, or gross state product (GSP) at the state level or gross regional product (GRP) at the regional level.

The value added of each industry in the value chain can be added without the risk of double counting across industries caused by including the value added by other industries earlier in the production chain.

Other measures, such as total revenue or total exports, may be easier to estimate than value added but they 'double count'. That is, they overstate the contribution of a company to economic activity because they include, for example, the value added by external firms supplying inputs or the value added by other industries.

Measuring the economic contribution

There are several commonly used measures of economic activity, each of which describes a different aspect of an industry's economic contribution:

- **Value added** measures the value of output (i.e. goods and services) generated by the entity's factors of production (i.e. labour and capital) as measured in the income to those factors of production. The sum of value added across all entities in the economy equals gross domestic

product. Given the relationship to GDP, the value-added measure can be thought of as the increased contribution to welfare.

Value added is the sum of:

- **Gross operating surplus (GOS)**. GOS represents the value of income generated by the entity's direct capital inputs, generally measured as the earnings before interest, tax, depreciation and amortisation (EBITDA).
- **Tax on production less subsidy provided for production**. This generally includes company taxes and taxes on employment.
- **Labour income** is a subcomponent of value added. It represents the value of output generated by the entity's direct labour inputs, as measured by the income to labour.
- **Gross output** measures the total value of the goods and services supplied by the entity. This is a broader measure than value added because it is an addition to the value added generated by the entity. It also includes the value of intermediate inputs used by the entity that flow from value added generated by other entities.
- **Employment** is a fundamentally different measure of activity to those above. It measures the number of workers who are employed by the entity, rather than the value of the workers' output.

Figure 30 – Accounting Framework shows the accounting framework used to evaluate economic activity, along with the components that make up gross output. Gross output is the sum of value added and the value of intermediate inputs. Value added can be calculated directly by summing the payments to the primary factors of production, labour (i.e. salaries) and capital (i.e. gross operating surplus or profit), as well as production taxes less subsidies. The value of intermediate inputs can also be calculated directly by summing up expenses related to non-primary factors inputs.

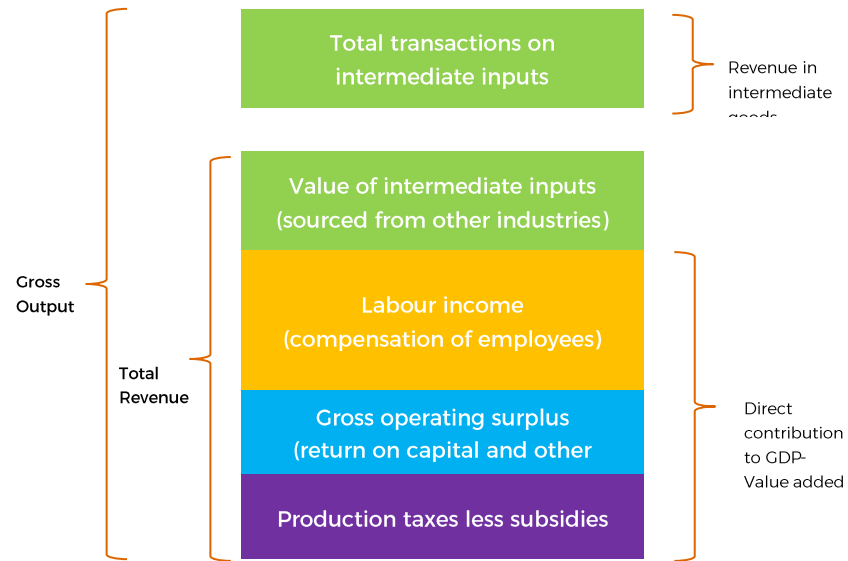


Figure 30 - Accounting Framework

Direct and indirect contributions

The direct economic contribution is a representation of the flow from labour and capital in the company.

The indirect contribution is a measure of the demand for goods and services produced in other sectors because of demand generated by the Saleyards. Estimation of the indirect economic contribution is undertaken in an input-output (IO) framework using Australian Bureau of Statistics input-output tables that report the inputs and outputs of specific sectors of the economy (ABS 2010).

The total economic contribution to the economy is the sum of the direct and indirect economic contributions.

Limitations of economic contribution studies

While describing the geographic origin of production inputs may be a guide to a firm's linkages with the local economy, it should be recognised that these are the type of normal industry linkages that characterise all economic activities.

In a fundamental sense, economic contribution studies are simply historical accounting exercises. No 'what-if, or counterfactual inferences – such as 'what would happen to living standards if the firm disappeared?' – should be drawn from them.

The analysis relies on a national input-output table modelling framework and there are some limitations to this modelling framework. The analysis assumes that goods and services provided to the sector are produced by factors of production that are located completely within the state or region defined and that income flows do not leak to other states.

The IO framework and the derivation of the multipliers also assume that the relevant economic activity takes place within an unconstrained environment. That is, an increase in economic activity in one area of the economy does not increase prices and subsequently crowd out economic activity in another area of the economy. As a result, the modelled total and indirect contribution can be regarded as an upper-bound estimate of the contribution made by the supply of intermediate inputs.

Similarly, the IO framework does not account for further flow-on benefits as captured in a more dynamic modelling environment.

Appendix C – National Cattle Numbers

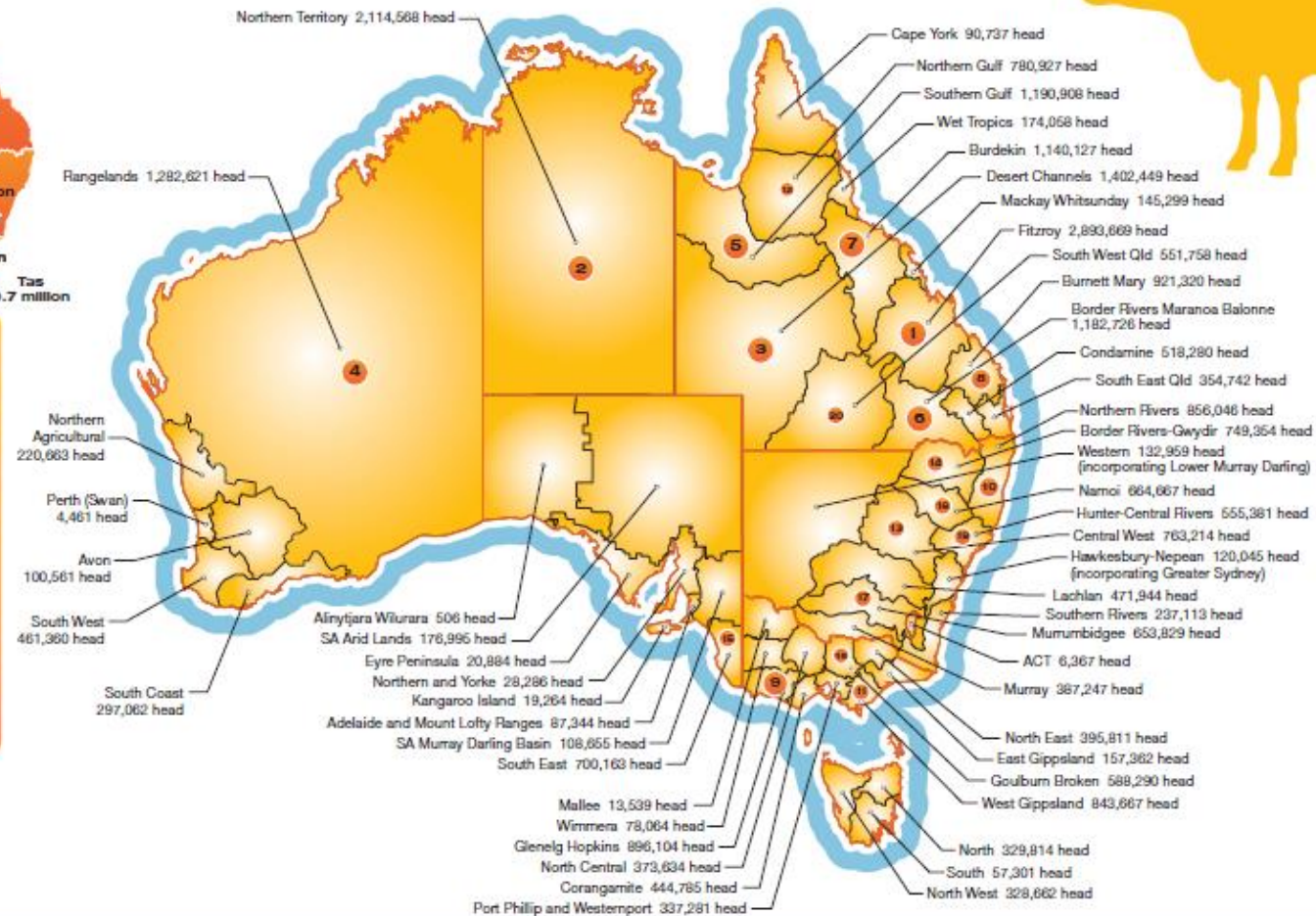
Cattle numbers - as at June 2015 Natural Resource Management Region

National cattle numbers
27.4 million head



Top 20 cattle regions

NRM region	State	Total head
1 Fitzroy	QLD	2,893,669
2 Northern Territory	NT	2,114,568
3 Desert Channels	QLD	1,402,449
4 Rangelands	WA	1,282,621
5 Southern Gulf	QLD	1,190,908
6 Border Rivers Maranoa-Balonne	QLD	1,182,726
7 Burdekin	QLD	1,140,127
8 Burnett Mary	QLD	921,320
9 Glenelg Hopkins	VIC	896,104
10 Northern Rivers	NSW	856,046
11 West Gippsland	VIC	843,667
12 Northern Gulf	QLD	780,927
13 Central West	NSW	763,214
14 Border Rivers-Gwydir	NSW	749,354
15 South East	SA	700,163
16 Namoi	NSW	664,667
17 Murrumbidgee	NSW	653,829
18 Goulburn Broken	VIC	588,290
19 Hunter-Central Rivers	NSW	555,381
20 South West Queensland	QLD	551,758



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Published by Meat & Livestock Australia Limited
ABN 39 081 678 354
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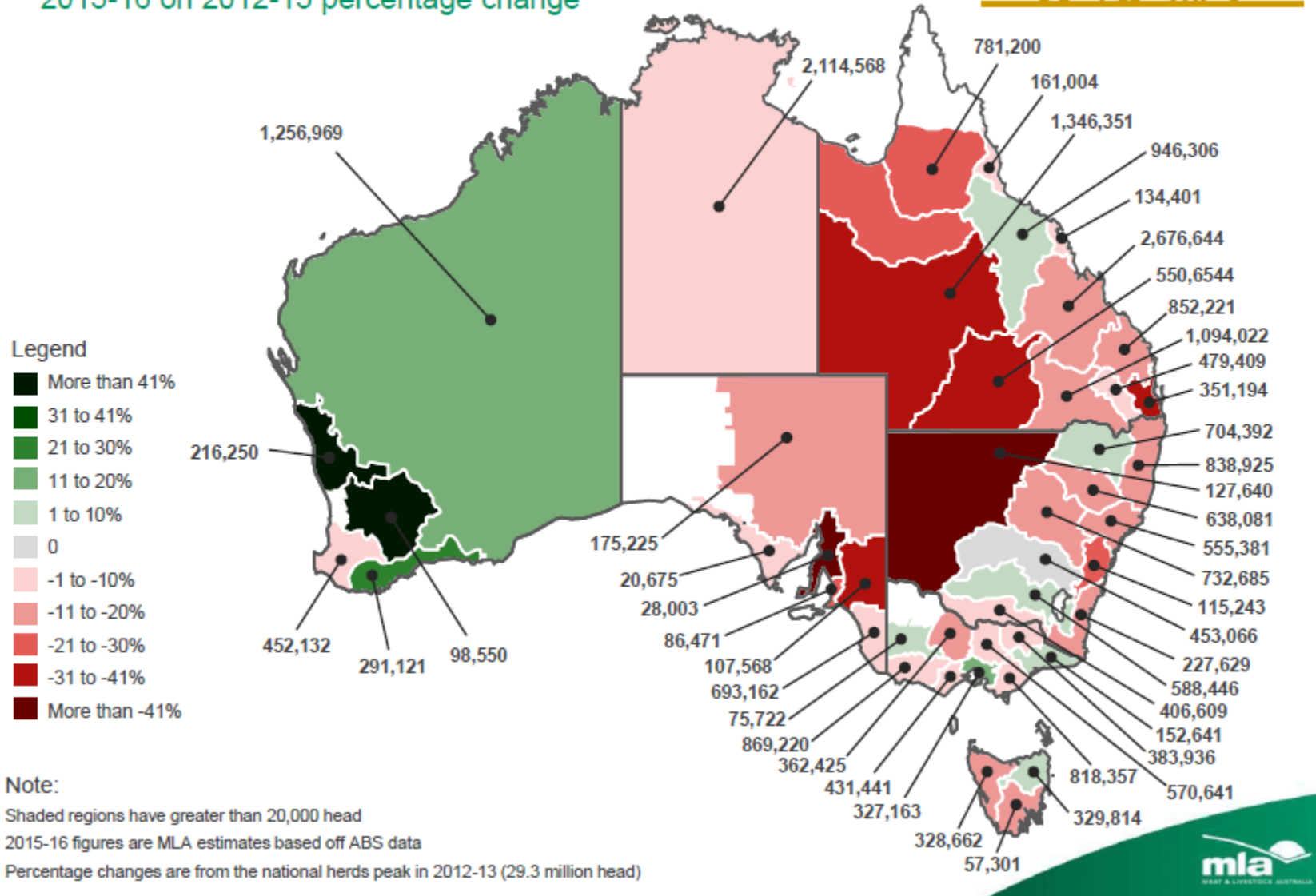
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Source: Australian Bureau of Statistics and Australian Government Land and Coasts



Cattle herd - population changes

2015-16 on 2012-13 percentage change



19 July 2018

Mayor Peter Gandolfi
Wattle Range Council
PO Box 27
MILLICENT SA 5280

Mr Ben Gower
Chief Executive Officer
Wattle Range Council
PO Box 27
MILLICENT SA 5280

Dear Mayor Gandolfi; Mr Gower & Councillors

MILLICENT SALEYARDS

I am writing to express my concern at Council's noticeable focus on reviewing the sustainability of the Millicent Saleyards complex that is highlighted in both Council's Annual Business Plan 2018/19 and Strategic Plan 2018-2021 as follows –

Undertake a financial sustainability review of the Millicent Saleyards including the investigation to lease portions of the saleyards to increase utilisation of the facility.

This is in my view a thinly veiled expression of Council's intention to close the Millicent Saleyards and is not a proposition that I and indeed many others rural ratepayers in our community would support.

I certainly want Council to know that I support for the continued operation of the Millicent Saleyards by Wattle Range Council and to those naysayers out there who say "*Just close the Saleyards*" they obviously don't utilise the Saleyards or are aware or indeed care about the repercussions of the closure of Saleyards.

The Saleyards provide much more than a facility for the selling of cattle, they provide –

- local employment opportunities (stock agents, transport operators, yard workers and meat buyers);
- a meeting place for farmers where they can interact and socialise (particularly in a time when mental health is a significant in our communities);
- a facility where smaller livestock producers can sell their cattle without the expense of transporting them to markets in Mount Gambier or Naracoorte; and
- a facility that generates significant flow-on economic activity for our local economy through the sale of cattle.

There are in my opinion many other areas of Council's budget where savings can be realised without the need to rationalise or close the Millicent Saleyards complex. I understand that in setting its annual Budget the Council is faced with many competing demands and it is not an easy when balancing those competing demands, however I do see in Council's Annual Business Plan a number of facilities operated and managed by Council are not providing positive returns with the Beachport boatramp and the public libraries coming readily to mind.

As a user of both these facilities I am supportive of Council's continued funding support for their continued operation – as I am with the Millicent Saleyards.

In talking to a cattle buyer who regularly attends and supports the Millicent Saleyards his words were – "*it's too good of a facility to close*". I support his observation and point out that if the Millicent Saleyards close and the cattle are redirected to Mount Gambier and Naracoorte then much of the business usually transacted with local Millicent businesses will also be redirected to Mount Gambier and Naracoorte. We would be foolish to think otherwise! We need to continue to support our local businesses and this would not be achieved by closing our local Saleyards.

I would urge Council to seriously consider the better utilisation of the holding paddocks surrounding the Saleyards complex by exploring leasing them to assist in offsetting the Saleyards' operating costs.

Taking an economic rationalist approach to considering the future of the Millicent Saleyards is the easy solution however when you consider the historic positive returns provided by the Saleyards to Council's budget and the flow-on economic and social benefits it provides to our community then its value cannot be overstated. The Millicent Saleyards must continue to operate.

I look forward to Council's support for the Millicent Saleyards now and into the future.

Kym Sullivan
Furner

Please submit FOI submissions to

21/6/18

Saleyards 'flow-on' considerable

THE annual economic flow-on effect of the Millicent Saleyards to the local economy is estimated at \$1.2m.

When you think of the saleyards in those terms it would be a considerable loss to Millicent businesses and surrounds if the saleyards were closed.

How many services do we want to lose?

The Mount Burr post office is now closed and this has a flow-on effect as well to business and community.

As reported in *The South Eastern Times*, we may lose our detective and this is another loss.

In regards to the deregulated shopping hours debate, if we lose on that, the flow-on effects will be devastating for us.

There is uncertainty circulating about the KCA

Millicent Mill, which is another major employer and one we all hope stays in this area.

Reports relating to the Millicent Saleyards indicate a decline in numbers.

This has not only been felt here, but is a general trend at Mount Gambier and Naracoorte.

This trend has followed seasonal conditions and could also turn around for the three centres in the area.

Come on Wattle Range Council and Millicent farmers and stock agents.

Let's keep the saleyards open.

Get behind our town.

Once closed, it will be gone forever.

**Neville and Bev Copping
Saleyards contractors
Millicent**

Market under threat

Farmer pleads to keep yard operational



J.L. "FRED"
SMITH

fred@setimes.com.au

THE future of small-scale grazing enterprises in the Millicent district is under threat, according to the head of a local farming organisation.

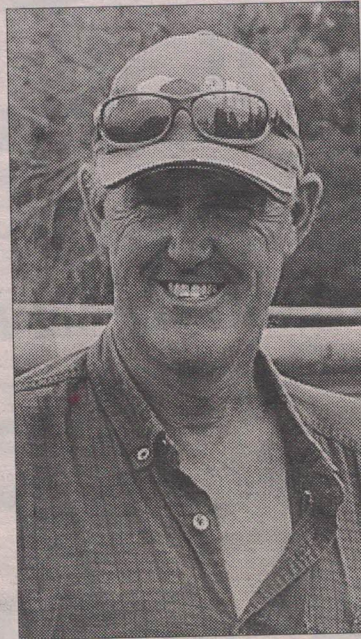
Millicent Agricultural Bureau president Chris Bateman fears many small-scale cattle producers would no longer be viable if the council-owned saleyards at Millicent were closed.

As a fourth-generation farmer, his organisation has represented the interests of Millicent farmers since 1888.

Mr Bateman said the small-scale producers could probably not afford the additional cost of transporting their cattle to markets at Mount Gambier and Naracoorte.

In a letter to Wattle Range Council, Mr Bateman said his fellow members wanted to stress to councillors the importance of the continued operation of the saleyards.

He said the farmers who frequented the saleyards also conducted business with other Millicent firms.



SALEYARDS SUPPORT:
Farmer Chris Bateman has pleaded with Wattle Range Council to keep the Millicent Saleyards open.

"The face of marketing larger lines of prime stock has altered in recent years and this is being driven by the processors preference for direct delivered stock," Mr Bateman said.

"However, the saleyards are

still the preferred market place for store stock as indicated by the thousands that are sold in Mount Gambier and Naracoorte each January.

"Maybe a January store market at Millicent could help with the numbers throughput."

According to Mr Bateman, the Millicent Saleyards is still the preferred market for buyers to secure smaller lines of prime stock and the facility has a wide reputation for bean-finished vealers.

"Wattle Range Council has done an excellent job in the last couple of years of bringing the operational side of the complex back up to a high standard through a solid maintenance program," he said.

"It is imperative that the Millicent Saleyards remain operational and that the Wattle Range Council try to formulate a method of management that will see the complex remain viable."

His letter was tabled at council's recent meeting and was strongly supported by deputy mayor and fellow primary producer Rob Dycer.

He endorsed Mr Bateman's statement and urged fellow councillors to take it into account when making decisions about the future of the saleyards.

15.3.2 Great Vic Bike Ride – Funding Support

Purpose of Report	To provide Council with a report on a request for funding support for the 2019 Great Vic Bike Ride
Director	Director Development Services
Author	Director Development Services
Disclosure of Interest	No Council officers or contractors have declared a conflict of interest regarding the matter under consideration.
File Ref	GF/7.31.1
Strategic Plan Reference	Theme One – Community vibrancy and presentation Strategy 1.5 – Support Community events that are sustainable and provide longer term benefit to the community and visitors. Theme Two – Economic prosperity Strategy 2.5 – Promote Wattle Range as a tourism destination through the provision of appropriate tourism facilities and advocacy.
Risk Assessment	N/A
Budget Allocation 2018/19	\$ 0
Request for Budget Variation	\$ 12,000
Budget Spent to Date	\$
Attachments	1. Great Vic Bike Ride Proposal

Summary

Council staff have been in negotiations with the organisers of the Great Vic Bike Ride regarding an opportunity to host the event through the Council area in November 2019. Meetings have been held with the neighbouring Councils of Robe and Mount Gambier who would also potentially host an overnight stay of the ride.

The ride is proposed to commence in Robe on 22 November 2019 and travel through Beachport for an overnight stay in Millicent.

Between 4,000 and 5,000 participants are expected to participate in the event.

RECOMMENDATION

That Council supports the Great Vic Bike Ride with in-kind support and cash to the amount of \$12,000.

Background & Analysis

Council staff have met with the organisers of the 2019 Great Vic Bike Ride and the neighbouring Council's of Robe and Mount Gambier with a view to having the annual ride travel through the Council area with an overnight stay in Millicent.

The event would commence on 22 November 2019 in Robe and conclude in Torquay Victoria on 1 December 2019.

It is anticipated that up to 5,000 riders from across Australia will take part in the event which is an annual well supported hosted bike ride.

The Great Vic Bike Ride is a fully supported annual bike riding holiday. Participants cycle to a new camping location each day. The event is targeted to three distinct markets including schools, with 40% of the riders made up of school groups.

80% of the annual riders are from Victoria however this 2019 event will be heavily marketed into South Australia and Adelaide. On average 65% of the riders are male and 79% of the non-school aged riders are between the ages of 40 and 70. Riders average between 50 and 107 km's per day.

The organisers of the Great Vic Bike Ride have undertaken an economic impact review of the 2017 event which indicated that 60% of riders spend an average (above ride costs) of \$20 a day and 37% spent over \$40 a day. This would equate to an average daily injection of \$140,000 per day into the local economy. All costs of the ride and accommodation are already pre-paid by the participants.

The 2017 review also indicated that 66% of all respondents said they were likely to return to one of the towns visited within 12 months. 43% said they would bring an additional person with them and 53% said they would bring more than one on any return visit. This clearly creates an ongoing opportunity for greater tourism return visits and a new cohort of visitors for the Council area.

It is proposed that the ride would travel from Robe through Beachport and then on to Millicent for an overnight stay. Up to 5,000 participants are accommodated by the organisers who bring all tents, garbage collection, some catering and other elements of the ride with them. They will require an area equivalent to 3 football ovals to set up within Millicent. Several potential Millicent venues have been considered.

If supported, the Millicent Business Community Association would hold a street party and market evening in George Street Millicent on the night of the Millicent stay to bring riders into the main street area for the evening. The Beachport Business Association would also be invited to arrange activities for the ride through the Beachport segment of the day. Local shops, food outlets and other Community organisations can be involved and receive income from the event.

The event organisers request a \$12,000 contribution per overnight stay in any Council area. They also request the following:

1. Waiver of site fees related to nominated campsite (rec reserves etc)
2. Waiver of fees in relation to power access on those lands
3. Supply of 140 wheelie bins for the site (with Bicycle Network responsible for removing waste)
4. Support & advice for local roads
5. Community engagement advice & support

Council and the townships would be marketed through the bicycle network channels which includes 55,000 members, 155,000 people on their data base, 20,000+ Facebook followers, 3,500 Instagram followers, and over 340,000 unique visitors a month to their website.

In response to our support Council would have its logo appear on the ride guide, brochure, website, poster and other printed material. Council would receive its own dedicated section for the Millicent Community on the network website. Council can promote other activities and tourism opportunities on pages within the ride guide and will be setting up a 3 x 3m information site at the overnight stay location.

The Great Vic Bike Ride also produces a short professional video promotion at their expense showcasing each host township and this will be prepared prior to the ride and made available to Council for ongoing use. Council is also able to place hard copy promotional collateral in riders' packs.

This unique event has significant potential to create economic benefits for the Council area, promote the region to a new audience and potentially create long term tourism benefits through revisitation.

The ride will be subject to the District Council of Robe and City of Mount Gambier funding their overnight hostings of the riders. Council staff have met with senior SA Tourism and State Government officials seeking financial support for the event. To date no funding support has been offered.

Risk Management

N/A

Policy Considerations

There are no known policy requirements related to these matters.

Financial Implications

No budget allocation exists for this specific event. A budget variation of \$12,000 would be required to support the event.

Legislative Implications

There are no known legislative requirements related to these matters.

Environmental/Sustainability Impacts

The organisers bring all rubbish removal and environmental support equipment with them on the ride.

Communication & Consultation

Staff have met with the organisers of the event on three occasions and brought them to the townships to examine opportunities. There have been ongoing discussions with Mount Gambier and Robe Councils staff and CEO's regarding the event. Proposals for funding assistance have also been sent to SATC and other relevant Government agencies include Recreation and Sport SA.



THE GREAT VICTORIAN BIKE RIDE 2019

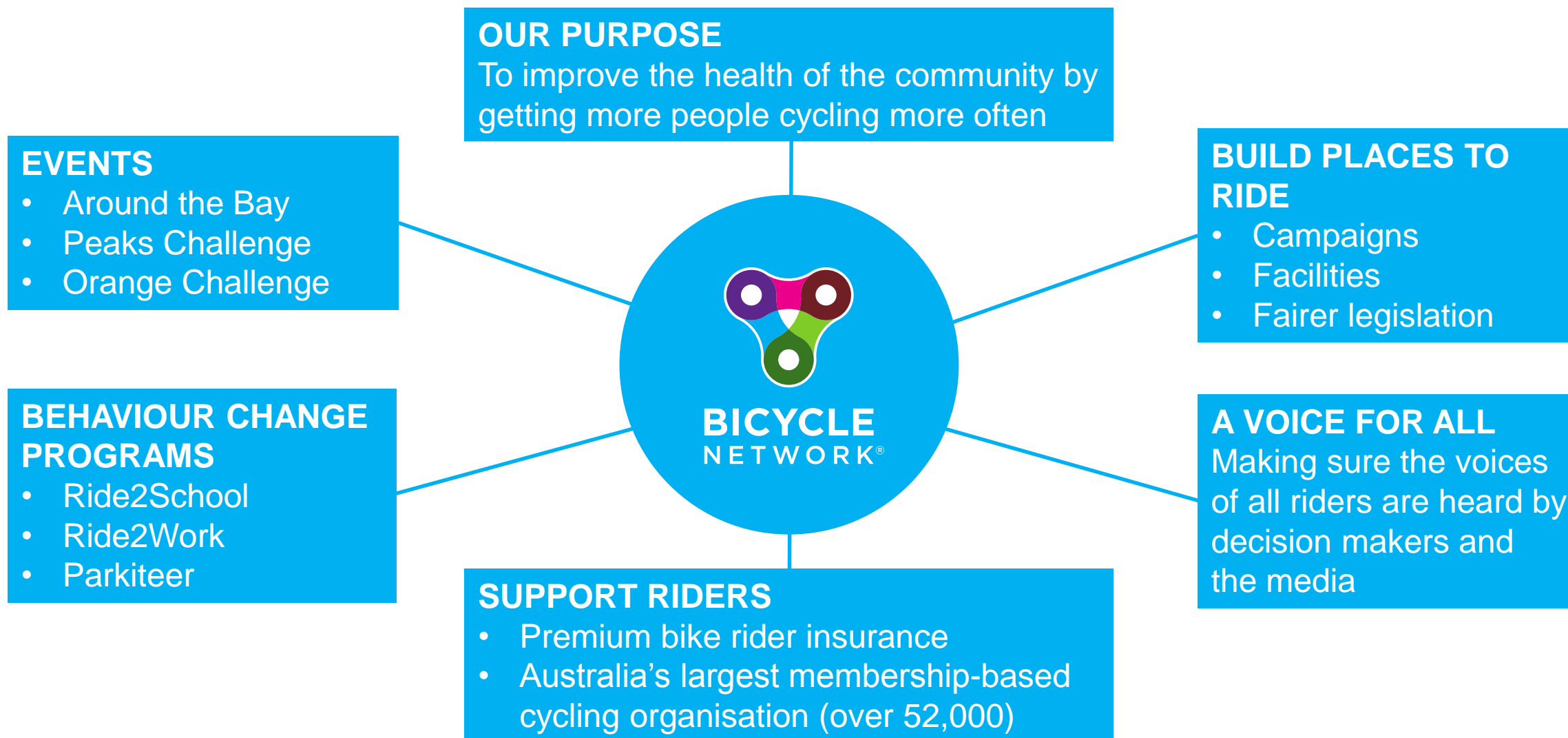




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ABOUT BICYCLE NETWORK

Bicycle Network – What we do





WHAT IS THE GREAT VICTORIAN BIKE RIDE?

What is the Great Victorian Bike Ride

- Fully supported bike riding holiday
- Participants cycle to a new camping location each day
- The route visits iconic and spectacular rural locations in Victoria
- A “week in another world” for our riders
- An opportunity to showcase your region



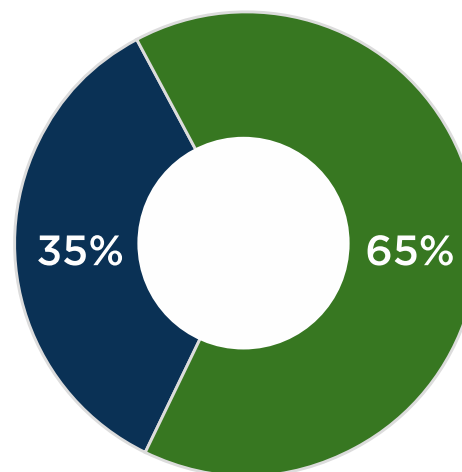
Who are the riders?

The event has three distinct target markets:-

1. Schools – 40% of our riders are school groups
2. 50-70 year old's who reside in Victoria and have an interest in camping, cycling and travelling
3. 40-50 year old's, interested in the festival feel of the event and ticking this adventure off their bucket list. This is our fastest growing market



Who are the riders?



■ Female
■ Male



2019 Great Victorian Bike Ride

Dates: Saturday 22nd November 2019 – Sunday 2nd December

Proposed Location: Limestone Coast – Great Ocean Road

Anticipated Audience Numbers: 4500 - 5000



Riders will be able to choose
**First 4 days, last 4 days or
the full 9 days**



We are seeking to begin the ride in Robe,
travel through the Limestone Coast to the
Great Ocean Road before heading east
through the Otways concluding in Torquay

Robe - Torquay



Riders will challenge themselves on
distances between
50km - 107km per day





COMMUNITY BENEFITS

The Benefits

Economic impact



In 2017, > 60% of riders spent over \$20/day, and 37% spent over \$40/day



That's an injection of approximately \$140,000 per day into the local community



Increased off peak trading for local traders

Community Fundraising Opportunities



Bicycle Network offer extensive opportunities for local community groups to fund raise at both campsite and rest stops.



Community Benefits

Repeat Visitation



66% of respondents said they were likely to return one of the towns visited within 12 months.



43% said they would bring an additional person, 53% said they would bring more than one.



This equates to an extra 7,400 possible visits!

Destination Marketing



The Great Vic towns get exposure to markets in Victoria and beyond through integrated marketing campaigns that incorporate both above the line and below the line platforms.



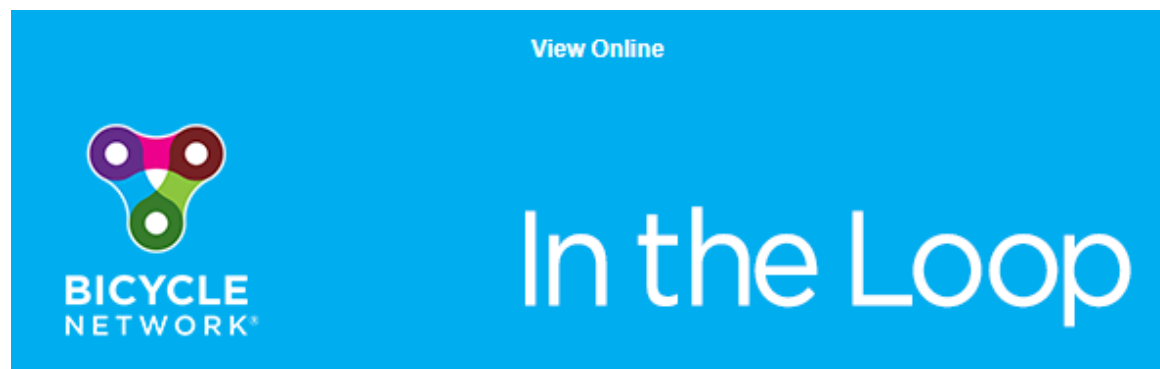
Each town has a video produced showcasing what the destination has to offer which is shared on social media platforms.



Bicycle Networks Reach

Your region will be marketed through our many channels including:

- 55,000 Bicycle Network Members
- 155,000 people in our database
- 20,000+ Facebook likes
- 3,500+ Instagram followers
- 2,000+ Twitter followers
- 340,000 unique visitors per month



Media Exposure



In 2017, the Great Vic Bike Ride attracted over 300 media hits with over 14 million views in print media alone! This was combined with successful distribution across radio, print, TV and online. The value of all editorial in Print Media Alone was estimated at \$758,000.



Doing Something Different

If you prefer the back seat to a car, you're not alone. Adventure, the 1000 Miles, has made the perfect bike for the job for you to get pedalling.

I will be honest I did not know much about the 1000 Miles, but after reading the article I was inspired to take a look at it. I was particularly interested in the fact that it was a 1000 mile ride, not a 1000 mile car ride. I was also interested in the fact that it was a 1000 mile ride, not a 1000 mile car ride. I was also interested in the fact that it was a 1000 mile ride, not a 1000 mile car ride.



Don't miss SEE VICTORIA ON TWO WHEELS
 Hundreds of cyclists will take part in the 34th RACV Great Victorian Bike Ride from November 25 to December 3. The 539km ride will take riders from Wilson's Promontory through the spectacular scenery of Gippsland's countryside and coast to the foothills of the Great Dividing Range. Nine, five- and three-day rides available. Visit greatvic.com.au.



THE ROUTE

Where do we go?

9 Days

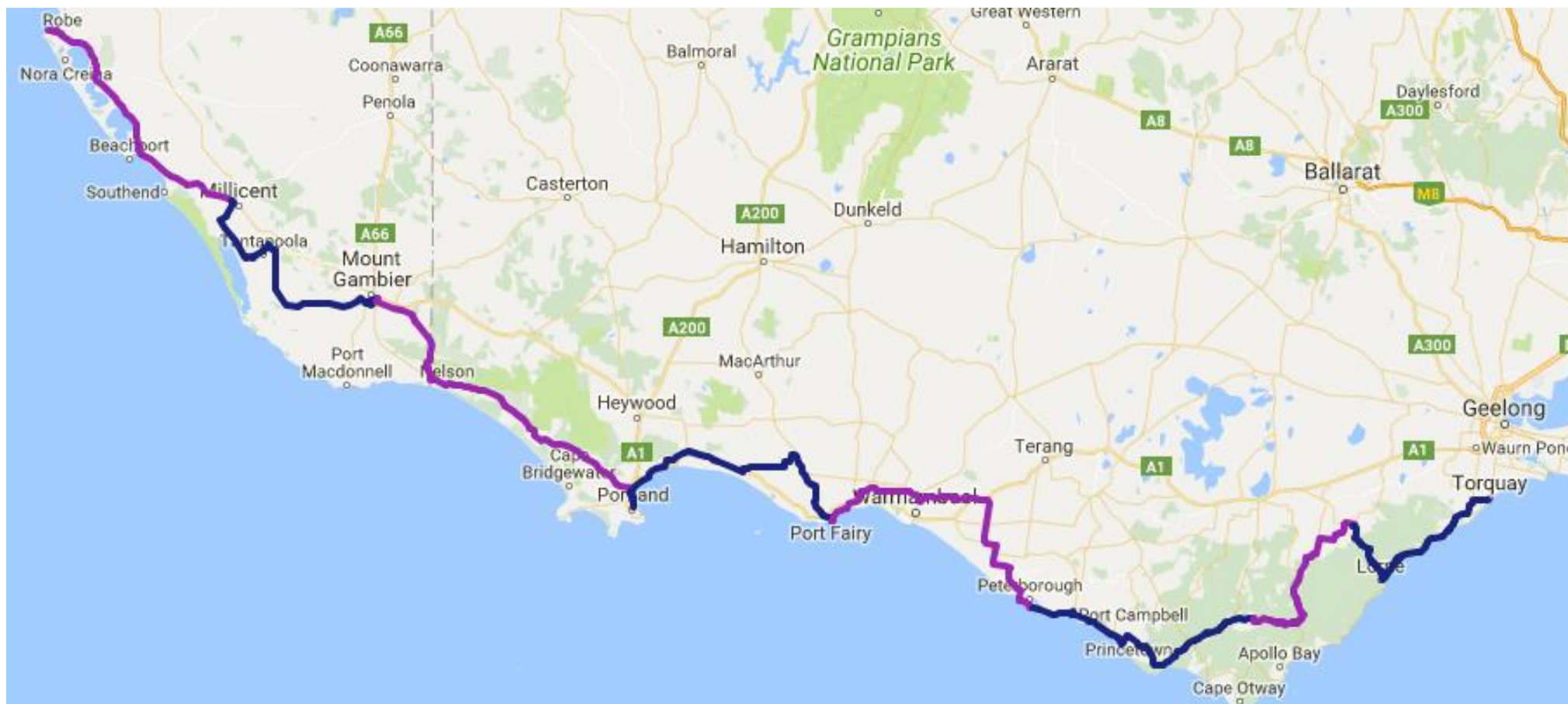
Robe to Torquay
22 Nov – 1 Dec

First 4 Days

Robe to Port Fairy
22 Nov – 27 Nov

Second 4 Days

Port Fairy to Torquay
27 Nov – 1 Dec



The Route



1. Start Site - Robe
Fri 22nd Nov - 9 day & first 4 day ride
option start



2. Robe - Millicent (79km)
Sat 23 November



3. Millicent - Mt Gambier
(77km)
Sun 24 November



4. Mt Gambier - Portland
(107km)
Mon 25 November



5. Portland - Port Fairy
(85km)
Tue 26 November

The Route



6. Port Fairy Rest Day
Wed 27 November



7. Port Fairy - Peterborough
(95km)
Thu 28 November



8. Peterborough - Beech
Forrest (81km)
Fri 29 November



9. Beech Forest - Deans
Marsh (62km)
Sat 30 November



10. Deans Marsh - Torquay
(66km)
Sun 1 Dec



THE CAMPSITE

What it looks like

- The Great Victorian Bike Ride is a self sufficient community on the move
- We require between 3 / 4 football ovals of space
- We provide showers, toilets and catering as well as all other required site services
- We can make a combination of public and private space work if need be



Seaspray 2017

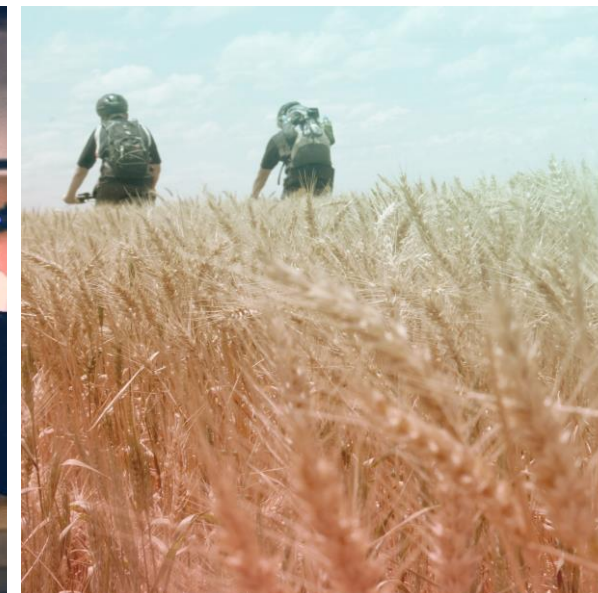
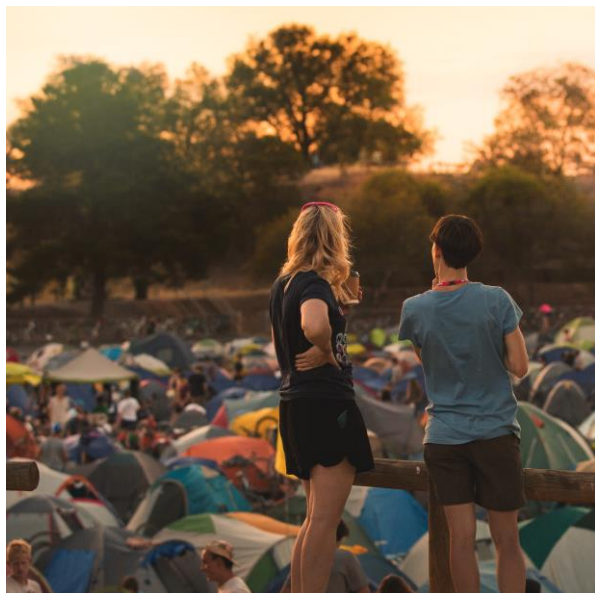




WHAT HAPPENS NEXT

Council Contribution

- \$12,000 contribution per overnight stay in the shire
- We also ask for :-
 1. Waiver of site fees related to nominated campsite (rec reserves etc)
 2. Waiver of fees in relation to power access on site
 3. Supply of 140 wheelie bins for the site (with Bicycle Network responsible for removing waste)
 4. Support & advice for local roads
 5. Community engagement advice & support





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For more information please contact:

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Wattle Range
COUNCIL

Director Engineering Services

15.4.1 Coonawarra to Penola Rail Trail

Purpose of Report	To seek Council's response to the Consultant Report entitled "Coonawarra to Penola Trails Project" and to determine the future actions that may arise.
Director	Director Engineering Services
Author	Manager Assets
Disclosure of Interest	No Council officers or contractors have declared a conflict of interest regarding the matter under consideration.
File Ref	GF/16.85.2
Strategic Plan Reference	Theme one – Community Vibrancy and Presentation Strategy 1.1 – Enhance public space areas including parks, public places, carparking, street lighting and streetscapes to provide vibrant, attractive areas. Theme Four – Infrastructure & Asset Sustainability Strategy 4.5 – Plan and provide for the expansion and replacement of Council's stock of footpaths, walkways and trails to meet the future and current needs of our community.
Risk Assessment	Possible/Likely – Minor - Medium
Budget Allocation 2018/19	\$ 0
Request for Budget Variation	\$ 0
Budget Spent to Date	\$ 0
Attachments	1. Coonawarra To Penola Trails Project – March 2018

Summary

The Limestone Coast Local Government Association (LCLGA) has been working on a regional "rail trail" project for a number of years and one project that has been highlighted within the Wattle Range Council area is a trail from Penola to Coonawarra.

A trail in this location has the potential to value add to local participating wineries by the wineries providing easy access from their cellar door to the constructed trail.

This report presents to Council a brief, high level strategic document prepared by One Eighty Sport and Leisure Solutions. Council is requested to consider the document and determine if it wishes to further develop this project.

RECOMMENDATION

That Council:

1. Receive and note the report titled "Coonawarra to Penola Trails Project" prepared by One Eighty Sport and Leisure Solutions.
2. Council proceed to further develop the Coonawarra to Penola rail trail concept as indicated in Section 5 of the "Coonawarra to Penola Trails Project" report and seek \$30,000 to fund the engagement of suitable external assistance.

Background & Analysis

Since the closure of the South East rail network in the mid 1990's there has been a lot of discussion around the possible uses of the existing rail corridors. The suggestion of a regional rail trail network has often been mooted and has now occurred in some locations.

The Limestone Coast Local Government Association (LCLGA) has also been active on this issue and produced a high level strategic network that could be implemented (noting that any such implementation is likely to take many years to complete and relies on a lot of input and commitment from key stakeholders).

The Coonawarra is a unique part of the Limestone Coast region and the proximity of the unused rail line and rail reserve offers opportunities for a rail trail to integrate with local wineries to provide a new experience for both locals and tourists.

The possibilities and the logical steps that are necessary to achieve a rail trail have been documented in the attached report prepared by One Eighty Sport and Leisure Solutions and titled "Coonawarra to Penola Trails Project". This report also sets the context for modern rail trail philosophy and section 2 highlights the many community benefits associated with the development of this type of infrastructure.

The purpose of this report is to present the "Coonawarra to Penola Trails Project" report and to seek Council's response to this report.

Advancing this project will be a relatively complex task to secure all the necessary land tenure and approvals (noting that the rail reserve is owned by the State Government) and Council commitment and financial support is required to proceed.

This report recommends that Council proceed with the development of the proposal (including negotiations for land tenure and discussions with key adjoining land holders to gauge their support and commitment to the project), engineering design and documentation and it is further recommended Council fund external resources to help with this important phase.

Risk Management

Risks	Likelihood	Consequence	Rating	Mitigating Action
Unable to access land	Unlikely	Major	Medium	Early discussion to identify issues and alternatives
Initial costings understated	Possible	Moderate	Medium	Costings based on engineering plans rather than concepts
Failure of wineries to fund infrastructure to connect their winery to the trail	Possible	Minor	Low	Early discussion to determine attitude and commitment
Environmental constraints	Likely	Moderate	High	Involvement of environment specialists at early stage.

Policy Considerations

There are no known policy requirements related to these matters other than public consultation at the appropriate time in line with Council's Public Consultation Policy.

Financial Implications

There are no known financial implications related to this project at this time.

Legislative Implications

If this project proceeds as recommended it is highly likely Council will need to fund some level of environmental audit in accordance with the provisions of the Environment Protection Act.

Environmental/Sustainability Impacts

There are no known environmental or sustainability impacts related to these matters.

Communication & Consultation

As discussed within report.

COONAWARRA TO PENOLA TRAILS PROJECT

March 2018

Prepared for:

Peter Halton

Wattle Range Council

Prepared by:

One Eighty Sport and Leisure Solutions

George House

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Norwood, SA, 5067

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FOREWORD

Drafted by both CEO and Vignerons group to insert in this section.

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Wattle Range Council: Coonawarra Trails Project

SECTION ONE: PROJECT INTRODUCTION

During the preparation of the Limestone Coast Regional Trails Implementation Feasibility Study in 2015, a number of cross regional trails were identified that would provide a range of positive economic and social outcomes to the region. With these benefits as a motivating factor, the Wattle Range Council is investigating opportunities to develop a trail that passes through significant tourism and wine growing areas and connects the regional towns of Penola and Coonawarra.

These investigations will incorporate planning, consultation and other research to identify the alignment and construction requirements for a shared use walking, cycling and horse riding trail. A key focus of the trail is to provide links and access to the wineries and other significant tourist destinations in the region.

1.1 Regional & Wattle Range Council Overview

The South East of South Australia is an important tourist destination with a global reputation for world class wineries, diverse landscape, ancient coastline, volcanoes, craters, lakes, aquifers, swamps, caves and sinkholes. It also holds significance to local Aboriginal communities including the Ngarrindjeri and Boandik people.

The region's landscape and environment as well as its food and wine are significant tourist attractions and are the main contributors to the area being a major holiday destination for local, national and international visitors. Activities offered include walking, cycling, horse riding, bird watching, four wheel driving and trail biking. Water based activities are also available and include sailing, diving, fishing, surfing and canoeing.

In regards to natural assets, the region has many national and internationally significant sites including South Australia's only UNESCO World Heritage Site at the Naracoorte Caves, and Ramsar sites at Bool and Hacks Lagoons, Piccaninnie Ponds, Karst Wetlands and the Coorong.

It also has major biodiversity value with around 60 Conservation and National Parks and approximately 25,000 hectares of Native Forest Reserve. These parks are used primarily for conservation purposes and support wildlife and local flora and fauna.

In addition to this network of parks, there are more than 150,000 hectares of commercially managed forest – primarily pine used for the softwood industry.



Figure 1: Limestone Coast

Wattle Range Council: Coonawarra Trails Project

Wattle Range Council is located on the main route between South Australia and Victoria with its boundaries stretching from the coast to the Victorian border. The area incorporates the seaside towns of Beachport and Southend, the regional centre of Millicent, the historic town of Penola and the world renowned Coonawarra wine region (refer to figure 2).

There are many major tourist attractions within the Council including Penola's Mary MacKillop Penola Centre and historic Petticoat Lane, renowned Millicent Living History Museum, the Tantanoola Caves, historic Glencoe Woolshed, Canunda National Park, Woakwine Cutting, Lake George and Lake Bonney - the largest fresh water lake in South Australia.

The area's cool Mediterranean-type climate also supports industries including agriculture and forestry. An array of products are produced for local and export markets including beef, prime lambs, wool, herbs, rock lobster, wine, potatoes, apples, cherries, native flowers, sea weed, blue gums and pinus radiata for processing, and a diverse range of small seeds. The area also includes Kimberly-Clark Australia's Millicent Pulp and Paper Mill, timber processing mills at Kalangadoo and Nangwarry, the Katnook Gas Fields and the Boral Power Plant.

1.2 Trail Project Background

The concept of a walking and riding trail from Penola to the Coonawarra was developed following investigations into a regional trails network that was completed in 2015. With the increasing awareness of the value of outdoor recreation in relation to health and wellbeing, and the Coonawarra Wine Region being acknowledged as an excellent tourism attraction, the development of a multi-use walking and riding trail would add strongly to the region. A well planned and constructed trail network in this area would cater to a range of users including recreational walkers and runners, cyclists, horse riders and tourists wanting to visit wineries and other destinations.

The Limestone Coast Regional Trails Master Plan (RTMP) which was prepared in 2015 identified a number of regional trail opportunities through a literature review and consultations with local advocates and community groups. It identified general community support for a regional trails network and nominated five trails for investigation.



Figure 2: Wattle Range Council

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Coastal Trail: a multi-use trail along the coast linking the River Murray mouth with SA/Victoria border

Aussie Camino Trail: connecting Portland to Penola in recognition of Saint Mary Mackillop and Father Julian Tenison Woods

The Golden Trail: based on the existing 500 kilometre drive trail linking 16 towns and cities in South Australia and Victoria

Regional Pushbike Trails: linking a series of local bicycle trails in regional towns

Rail Trail: a walking, cycling and horse trail travelling along disused rail corridors and maintenance tracks

The document also noted a number of benefits for the region including:

- The enrichment of communities
- Opportunities to compliment and work with other sectors e.g. food and wine
- Promotion of local, national and international tourist destinations
- Engendering an appreciation for the natural environment
- Encouraging health and activity within the community

This research was the precursor to the Limestone Coast Regional Trails Implementation Feasibility Study (LCRTIFS) which narrowed investigations to three trails – the Rail Trail, the Coastal Trail and the Aussie Camino Trail. Of interest to this project is the major section of Rail Trail from Bordertown to Mount Gambier which incorporates the focus area of Penola to Coonawarra.

The LCRTIFS's research noted that this area is a relatively flat landscape that is used primarily for farming, viticulture and grazing activities, and that it would be highly suitable for a walking and riding trail. It stated that many sections would provide a high level tourism visitor experience, particularly in the wine regions as a result of a combination of tourism destinations, easy grades, natural attractions, varied section distances, and relatively close proximity to major and minor road networks. And based on that assessment, it anticipated that there would be medium to high level use of this trail with the Naracoorte to Penola leg providing high appeal.

It identified a number of attractions along this section and in particular:

- the Coonawarra Wine Region which offered opportunities to create a trail similar to the Riesling Trail in Clare Valley
- Penola and its significant religious connections with Australia's first patron Saint Mary Mackillop and its proximity to the Coonawarra Wine Region
- Access and links to the Aussie Camino Trail

1.3 Trail Alignment Issues & Options

While there are positive benefits and opportunities for a trail through this region, it was identified that utilising the old rail corridor presents a number of issues in regard to contamination, land ownership, public risk and costs.

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The report noted that utilisation of natural or existing surfaces may not satisfactorily address the potential contamination of the trail corridor and that a capped hard surface - spray seal or in some sections compacted rubble - would be required depending on land owner requirements. As an example, the Department of Transport, Planning and Infrastructure (DPTI), which owns large amounts of the disused rail corridor proposed as a potential trail route, has a number of requirements in regard to contamination and requires a hot mix treatment. Given the very high costs associated with this form of surface, the construction of a trail that accesses the old rail network was seen as not feasible.

Having acknowledged that the rail corridor is not feasible as a trail route, the Wattle Range Council in conjunction with a number of vignerons in the Coonawarra Wine Region have identified that an alternative alignment in this region merits investigation. These stakeholders believe there is potential to establish a route that accesses a number of private land holdings and avoids the rail network. They see a number of benefits resulting from the construction of a trail from Penola to Coonawarra that would be used for walking, cycling and horse riding and that provides access to wineries, tourism attractions, accommodation and links the townships.

The development of this section of trail as the initial stage within the greater Limestone Coast region's trails network has significant upside. Once completed, it is anticipated that it will have a high level of use and deliver significant economic, tourism, social and environmental benefits. As well it will provide a model for future trail development that requires private, commercial and government cooperation.

The initial interest of property owners to have the trail access their land is encouraging for the project and this cooperation will provide alignment options that have the support of the community, commercial operators and local businesses. It creates opportunities for the alignment to access a range of activities, destinations and attractions by multiple user groups that may not have been accessible if the old rail corridor was used.

The following sections of this report present details and background information on trail planning, design and construction, and also provide information on a proposal to progress the Penola to Coonawarra Trail project to construction stage.

SECTION TWO: RECREATION TRAIL USE & BENEFITS

2.1 A Definition of Recreational Trails

Recreational trails are traversed on foot, bicycle, horse or car and can be designed for able bodied users and people with disabilities. They are defined as an established route, path or track that can be used for walking, running, cycling, commuting, mountain-biking, horse-riding, exercise and tourism experiences.

Trails typically have sealed, unsealed or natural soil surfaces and often pass through natural areas, parks or reserves. They can be short or long distances and they can be connected to other trails that are navigated using signage and maps. The Office for Recreation and Sport's Sustainable Recreation Trails Guidelines (2007) defines a recreational trail as:

"...a corridor, route or pathway with strong linkages with the natural environment, open space networks and cultural heritage."

"Land based trails typically have a trail corridor that is distinguishable from the surrounding landscape. There is normally a visible trail surface, pathway or series of signs, trail markers or landmarks. Regular use of trails will often ensure the trail retains a visible difference from the adjacent environment e.g. walking trails, mountain bike trails, linear paths and coastal pathways."

2.2 Benefits of Recreational Trails

Recreational trails offer a diverse range of benefits to the communities and environments they pass through. Improved social interaction, health benefits, environmental management and awareness, economic benefits, heritage interpretation and preservation can result from the experiences offered by trails. Research undertaken by the State Governments of South Australia and Victoria has identified a number of potential benefits summarised as follows.

Social & Community

- Engendering a greater sense of community via community interaction and nurturing a sense of neighbourhood pride and ownership
- Present the community with a controlled and safe environment in which all trail users feel comfortable to be physically active within
- Generate a more pleasurable environment to live in
- Enable pet owners to exercise their animals
- Provide a nature based experience for people
- Depending upon design, trails can accommodate people with mobility impairments, the elderly or satisfy those seeking challenging adventure and a sense of achievement
- Provide people with opportunities for heritage interpretation and cultural experiences

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Health and Well Being

In acknowledging that physical activity in most forms and situations is a positive influence on health and well being, the benefits relating to this aspect include:

- Improved health, fitness, wellbeing and disease prevention
- Improved mental health from exercise and reduced risk of depression through contact with natural environments
- Fit and healthy people are generally less burden on the health care system

Transport

- Walking and cycling reduce attrition on roads in comparison to vehicle use
- Reduced running costs for car owners and reduced motor vehicle congestion
- Provides a more efficient use of land in comparison to other forms of transport

Environmental

- Less vehicle use and dependency on fossil fuels results in less air and noise pollution
- A connection with the outdoors can engender better understanding and appreciation for the environment, as well as enhancing the natural environment via improved conservation efforts and management practices
- Protect the environment by localising impacts and managing visitation effects
- Direct visitors through sensitive areas to minimise informal trails and associated impacts
- Provide educational and interpretive opportunities and increase environmental and cultural awareness and appreciation
- Provide access for volunteers and land managers to undertake restoration activities

Tourism & Economic

Trails provide a range of economic and tourism benefits with research identifying there can be significant financial benefits for community and local business. Trails and networks can:

- Be a key component in attracting visitors and tourists to an area
- Trail visitors spend money in towns and communities along or near trails
- Encourage tourists to stay longer in an area, and so spend more money
- Trails support and enhance local business opportunities in proximity to the trail network
- Draw other tourism markets to an area e.g. kayaking or horse riding
- Trail construction and maintenance can generate employment opportunities
- Participation in activities improves health which contributes to reduced health costs

2.3 Tourism and Recreational Trails

Tourism is significant to the Limestone Coast. The Limestone Coast Destination Plan 2012 - 2015 indicated that in the last 10 years, tourism to the region has declined below the State and national averages (Source: Tourism Research Australia, 2011). It also noted that the Great Ocean Road had experienced a 1% decline in interstate travel since 2000. While acknowledging this, the plan suggested that tourism expenditure in the region may grow by up to 46% from 2011 to December 2020. And by focusing on key strategic areas there

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may be opportunities to increase that to 76%. This work also indicated that if the tourism industry in the Limestone Coast was to grow by 76%, it would be worth around \$377 million and contribute significantly to the 2020 SA Strategic Plan. (Source: BDA Marketing Planning from TRA/NVS/IVS/Access Economics, 2011). These are significant amounts of money to bring in to the region and offer considerable incentives to develop plans and actions. Linking with this tourism focus, the Cycle Tourism Strategy 2005 -2009¹ stated that cycle tourism is a major market that is currently underrated in South Australia and an important focus will be to develop and promote initiatives. Research conducted by the SATC in 1999 identified that cycle tourism attracts Australian residents and overseas tourists.

In general, overseas visitors have a strong interest in experiencing Australia's nature and wildlife as well as what is local and authentic. Bike SA notes the significant input that cycling tourism can provide to a region. As an example, information in its Cycle Tourism Resource Kit indicated that an estimated 25,000 people would use the Munda Biddi Trail in Western Australia each year and bring around \$13 million to the region's economy. It is estimated that within five years, up to 42,000 people will use that trail and create annual revenue of \$5 million². Further research on the economic benefits of trails was identified in the Sunshine Coast Recreation Trail Plan 2012³ and includes the following examples:

- On the Nambour to Coolum Trail⁴ users spend between \$1.77 and \$54.89 per visit depending on where they come from and how long they are on the trail
- The Riesling Trail in Clare injects \$1.08 million per year into the Clare region⁵
- Research at the Murray to the Mountains Rail Trail in north eastern Victoria found the average expenditure per person per day was approximately \$258⁶

2.4 Demand for Recreational Trails

National physical activity trends indicate participation in unstructured recreation activities is increasing and relative to those trends, desire to use recreation trails is growing. The 2010 Exercise, Recreation and Sport Survey (ERASS) identified that:

- The 2010 regular participation rate in physical activity increased from 2001 and the overall trend appears to be slowly increasing regular participation
- In terms of top 10 physical activities (Figure 3), participation in cycling and walking increased in the 10-year period, although walking, running and cycling fluctuated over the period. (Eg. participation in walking increased between 2001 and 2004, decreased between 2004 and 2007, increased in 2008, and then decreased again slightly in 2009)
- In terms of total participation, walking, bushwalking and cycling were in the top 10 non-organised activities. Most walking and cycling was non-organised.

¹ Cycle Tourism Strategy 2005-2009, South Australian Tourism Commission

² Munda Biddi Trail Foundation, cited in Hunter Cycling Network, 2005:12

³ Sunshine Coast Council, 2012, Sunshine Coast Recreation Trail Plan

⁴ Mike Halliburton Associates, 2010, Nambour to Coolum Trail Draft Feasibility Study

⁵ Department of Infrastructure and Planning, 2010, Draft SEQ Active Trails Implementation Guideline

⁶ Queensland Outdoor Recreation Federation, 2009, SEQ Active Trail Management Systems

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- In terms of total participation rates, walking, bushwalking and cycling were in the top 10 physical activities in 2010. Around 6.3 million people (35.9%) participated at least once in walking for exercise, recreation or sport

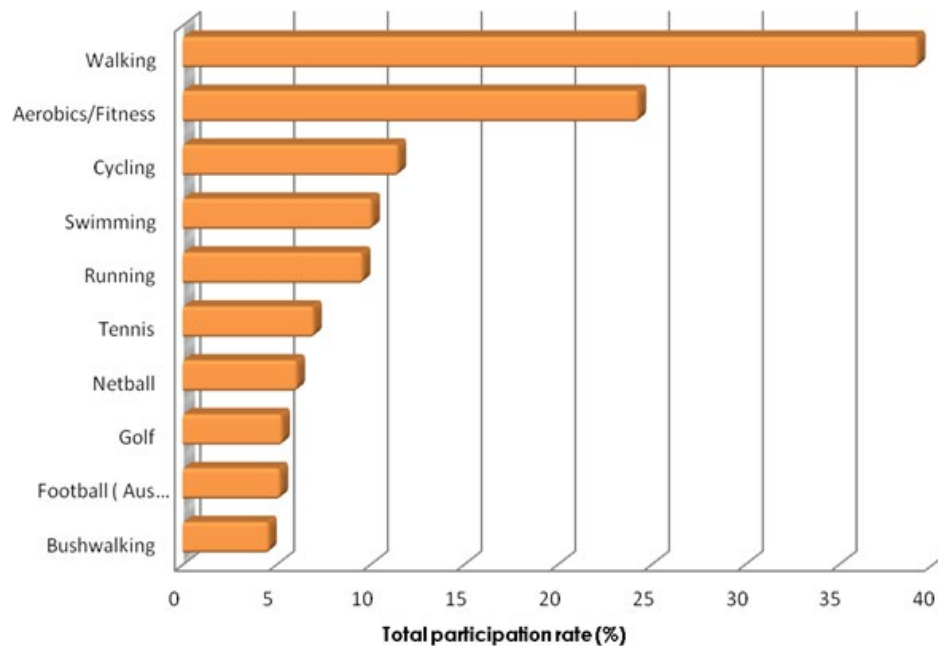


Figure 3: ERASS 2010 Top Ten Physical Activities

Both nationally and in SA, walking is the most popular and cycling the fourth most popular of fifty recreational activities. 2010 ERASS data indicates that in SA, there were over 150,000 cyclists and 514,000 walkers. Almost 61,000 South Australians reported that they bushwalked for exercise or recreation. Horse riding is another activity pursued by South Australians and is a top 20 activity for women.

2.5 Recreation Trail Users

Given the statistics, which demonstrate the demand for walking and riding infrastructure and that participation is increasing, it is reasonable to expect that a range of individuals and user groups will be looking for new and different trail experiences and opportunities. In planning and designing a successful and relevant trail, it is important to have a general knowledge of potential users. An additional benefit of knowing who will use the trail is that it may assist the local community's understanding of users and alleviate any concerns they have in regard to inappropriate behaviour such as trespassing, theft and privacy. Whilst there has been minimum investigation into trail users, some research has been undertaken regarding various trails and their users, and is collated below.

- Almost half of the users of the Murray to the Mountains Rail Trail listed their employment status as professional (e.g. doctors, lawyers, managers)
- 53% of people who participate in outdoor recreation are aged 25 to 54⁷

⁷ Queensland Government, SEQ Water and Griffith University, 2007, South East Queensland Outdoor Recreation Demand Study

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- 80% of users of the Bibbulmun Track (WA's long-distance walk track) are aged 25 to 60⁸
- 62% of users of the Murray to the Mountains Rail Trail were aged between 31 and 60, while 28% were aged between 9 and 20
- The City of Greater Geelong conducted a survey of walkers (not just on trails). 82.9% of respondents who had a degree or post-graduate qualifications had walked for exercise or pleasure in the last weeks, while only 62.9% of those who had left school in Year 10 or earlier had walked for exercise or pleasure in the last 2 weeks
- People using a series of walk and cycle trails in SA are motivated by a desire to attain a sense of well-being (95%), to unwind and relax (91%), to be close to nature (87%), and to be close to family and friends (70%)⁹

In addition to appreciating the profile of users, understanding their preferences in regard to the distances and time spent walking and riding assists good trail design. Transplan and Mike Halliburton and Associates 2009⁶ work noted that a Victorian study undertaken during the development of the Victorian Trails Strategy 2005 -2010 identified that walks of up to 6 kilometres and those that take between 30 minutes and 2 hours are preferred. Studies conducted by Market Equity in South Australia support this observing 76% of walkers used trails for less than two hours. That study also noted there is a difference between walking and cycling behaviour with research conducted by Market Equity indicating most cyclists use a trail for 3 - 4 hours and are more prepared to travel to use a trail than walkers.

2.6 Types of Recreation Trails

The Sustainable Recreational Trails Guidelines recommends three trail categories which are determined by a trail's characteristics. These include the trail's ability to provide economic benefit to communities, the experiential quality provided for visitors, its attraction to tourists and its potential to improve the health and social wellbeing of the state. If a trail does not include these characteristics, it would most likely be unsustainable and require an assessment to verify if it should be improved or closed. Based on the characteristics as listed in Table 1, it is anticipated that the trail proposed for this project would be planned initially at regional level with potential to be developed into a national trail in the future.

LOCAL TRAILS	REGIONAL TRAILS	NATIONAL TRAILS
Largely attract local users	Attract interstate and intrastate visitors	Attract international and interstate tourists
Generate economic benefits to the local region	Generate considerable economic benefits to the region	Generate significant economic benefits to SA
Good quality experiential values	Excellent quality experiential values	Outstanding quality of experiential values

8 Colmar Brunton, 2004, Bibbulmun Track User Short Research Project Report to the Department of Conservation and Land Management and the Bibbulmun Track Foundation
 9 Riverina Regional Development Board & Gundagai Shire Council (2009) Murrumbidgee Valley Rail Trail Feasibility Study

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Make a contribution to the lifestyle, health and social well being of the local community	Make a considerable contribution to the lifestyle, health and social well being of South Australians	Make a significant contribution to the lifestyle, health and social well being of
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Table 1: Trail Categories & Characteristics

SECTION THREE: RECREATION TRAIL DESIGN ELEMENTS

Good design is vitally important to ensure the sustainability of a trail. The design aspects noted below are key principles to be considered during the planning process.

Trail Grade & Alignment

Grade and alignment are crucial design elements to ensure the future sustainability of trails. Soil displacement issues caused through water movement can lead to erosion. Planning trail alignments that gradually ascend or descend contours rather than follow fall lines (direct lines down a slope) at steep grades will assist sustainability, particularly in wet conditions. Sustainable trails are generally constructed with a slightly crowned tread on flat terrain or an out-sloped tread in sloping terrain.

While it is anticipated that the topography of the trail from Penola to Coonawarra will in the main be relatively gentle, some sections may have steeper grades than others. Given that this trail will have a strong focus on providing access to tourist destinations such as wineries as well as for activities including cycling and horse riding, the alignment will need to consider the users of the trail, the areas they are wanting to access, and erosion issues.

Surface/Soil Type

The soil type used to create a trail surface affects its quality, how well it resists erosion, and how it responds to water run-off and different levels of use. As an example, clay and silt are soil components with the smallest particles which tend to be muddy when wet and dusty when dry. Clay and silt do not provide good drainage but they do compact well to create a hard surface. Sand is an unstable trail surface that is composed of large soil particles that do not bind together. Loose, uncompacted soil particles are most prone to soil erosion.

It will be important to determine the most appropriate trail surface to cater to the range of user modalities including walking, horse riding and cycling – different surfaces are better suited to different user groups. In this situation providing surfaces capable of catering to each of the modalities will be necessary. As well, it will be worthwhile to consider the surface type in areas with higher traffic.

While it is anticipated that the overall trail will receive a high level of use over time, the areas closer to the main towns of Penola and Coonawarra are expected to experience greater use than those further away. These sections closer to towns also act as links to existing walking and cycling trails and may require a sealed surface, while unsealed surfaces would suit areas further from towns.

Connectivity and Accessibility

Good connectivity and accessibility supports trails use within a network and strong linkages between trails allow users to choose appropriate routes and experiences according to personal preference or difficulty. Good accessibility is determined by factors including:

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- proximity to transport such as the road network or public transport
- linkages to other trails and the wider trails network
- proximity to natural attractions such as scenic views, lookouts, parks, native vegetation, waterfalls and creeks
- the presence of existing facilities that support or facilitate use such as car parks, toilets, picnic facilities and proximity to shops and cafes
- the nature of the terrain, landform and the difficulty rating of a trail (as identified in AS2156.1-2001)

With the trail linking the towns of Penola and Coonawarra, there is good access to natural attractions, tourism destinations and visitor facilities. As well, linkages to local trails in Penola and potential to include the Aussie Camino Trail create opportunities to form part of a greater network that extends through Mount Gambier and onto Portland in Victoria.

User Experience

When designing a trail it is important to consider the human experience as well as the trail's physical attributes. A trail might meet technical requirements but not provide an engaging experience. On the other hand, a trail may provide an exciting experience but not meet the technical requirements. It is generally accepted that there are two primary experience criteria - human experience and human feelings. Some of the key contributors to user experience are as follows.

- *Natural Features:* Areas of native vegetation, varied and challenging terrain, watercourses and native fauna, natural 'anchors' such as trees, large rocks etc.
- *Views:* Viewing points and lookouts allow users to pause and enjoy views of the landscape and additional opportunities for interpretation
- *Trail Shape and Playfulness:* The way a trail fits with the site, trail flow and rhythm, natural shapes, anchors and features and how users respond to the trail with anticipation, excitement, curiosity and surprise
- *Difficulty and Safety:* Perceived levels of safety or comfort zone for using a trail. Some users may seek out trails that challenge their endurance and ability to overcome natural obstacles. Other users may prefer a gentle and smooth trail or have specific access requirements. While preferred user difficulty is subjective, it highlights the need to provide a wide variety of trails for a range of intended uses and capabilities
- *Cultural Interpretation:* Heritage features can provide an interpretive experience when integrated with effective signage and accessible information (sign or web based)

The proposed trail has potential to deliver very positive user experiences based on these criteria. Key aspects include the flora of the area, the relative ease of the terrain and sense of safety and comfort, and the access to cultural, interpretive and tourist focused activities spread across the length of the trail.

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Water Points and Toilets

It is acknowledged that while these are important items, they can be expensive to construct and maintain, and can be subject to vandalism. While opportunities exist to install them at picnic spots and shelters along the trail, access to water and toilets will also be available at wineries off the main trail and at Penola and Coonawarra. Utilising existing infrastructure would save on capital and ongoing maintenance costs.

Picnic Areas, Shelters, Seating and Water Tanks

This equipment should be provided at trail heads and potential key destination areas. Further to these installation points, seating can also be installed at viewing areas. When water tanks are provided, it is recommended that they are installed with shelters so that they can be plumbed from the shelter's roof.

While tourism destinations off the main trail such as wineries will provide good facilities, seating, shelters and picnic spaces will need to be factored into the trail's design. It is anticipated that one or two shelters will be constructed at key points and that these areas would incorporate picnic spots. The siting of benches and low key rest stops would be identified following a determination of the alignment however it is anticipated that seats could be located at intervals of around two to three kilometres.

Medical Assistance

Access to first aid and medical assistance is available at Penola and the closest hospital is at Mount Gambier approximately 50 kilometres from Penola.

Car and Bike Parking Areas

It is expected that walking, cycling and horse riding will be major travel modalities and accordingly car, bike and parking areas for horse floats as well as hitching points will need to be factored into the design of trail heads and key destination points including the cellar doors of wineries. It is anticipated that many tourism destinations will have some existing parking provisions and there may be an opportunity to have these areas accessible by trail users. There may also be opportunities to develop bike parking facilities in some of these destinations if they are not already present.

SECTION FOUR: TRAIL SIGNAGE

Effective signage is important to allow users to navigate trails and it plays an important role in a trail user's experience – particularly in regard to safety and enjoyment. A number of signage types can be used to provide information on distance, directions, safety warnings, promotions, etiquette and interpretation. While the messages relayed by these signs will vary depending on the information they are providing, the individual signs along the trail should ideally be uniform in their shape, size and colour. This approach provides consistency for users as well as providing the trail with its own identity and branding. In determining the appearance and types of signage for the trail, consideration should also be given to other established trails in the area that these regional trails will link to.

Signs should be in accordance with the Australian Standard AS 2156.1-2001 and where appropriate in South Australia, the Department of Planning Transport and Infrastructure's Road Sign Guidelines. The Australian Standard specifies the:

- Size, colour and content of signs which ensure they are legible and easily understood (colours recommended from Australian Standard AS2700)
- Materials which make up the sign and post which are resistant to fire and corrosion
- Location and frequency of signage to assist navigation (dependent on trail type, classification and length)

In recent years technology has seen the development of smart phone applications that can offer interactive experiences with some forms of signage. Trail users can access information on their smart phone by scanning the Quick Response (QR) code on signage at specific points and download information that shows videos, printed guides, details of surrounding sites and audio commentary. Available information could also include details regarding surrounding wineries such as direction to cellar door sales, local businesses, available accommodation, the natural, cultural and historic particulars of specific sites and other relevant information for trail users and tourists. This type of application could also be particularly useful for people with sight and hearing impairments. An overview of signage types that may be utilised on the trails is provided below.

Direction Markers

Direction markers identify the way. They need to be consistent in their markings and presentation, and easily understood. They can also provide information on distances to or from a destination.

While it is not necessary to have them at prescribed distances where a trail is discernible, markers must be visible from one point to the next where the route is not clear.



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Distance & Direction Signs

These signs can take many forms – they indicate distances and directions to a destination and provide information to users, whether they have just entered the trail or they have been on it for some time. It is suggested these signs are placed at regular intervals along the trail. They assist users to orientate to a location and provide them with a sense of safety, security and confidence in knowing where they are and how much further they need to travel. This signage is also important in managing risk and providing emergency services with locations if there is a need to extract a user from a trail. Some trails also provide GPS details on markers.



Interpretive Signage

This form of signage is important in creating a positive experience for users. These signs provide limited but sufficient details about the history or significance of a place, building, event or person. This signage can be supported by a physical and/or web based trail booklet that is accessible to users when on the trail to provide further information on the specific details of the point of interest. Trail users are interested in seeing plenty of this type of trail information.



Trail Warning Signage

These signs are used to warn users of potential physical risks when walking a trail such as extreme temperatures, and also to alert them to situational risks including flooding, erosion and also to approaching road crossings.

For on-trail risks, an impending warning sign would ideally be provided some distance from the area of concern as well as a specific sign at the site, e.g. using a Road Ahead sign to provide notice of an approaching road crossing, followed by a Give Way sign at the point of the crossing. In some situations, these signs can also provide a GPS location to assist emergency services and users in case of an emergency.



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Code of Use Signage

These signs are designed to inform users about who is anticipated to be using the trail (for example walkers, runners, cyclists, horses) and their expected behaviour. These signs should be located at main access and egress points to ensure that users are aware of these expectations.



Trail Head Signage

Detailing the trail's name and logo will raise awareness of its existence and also support safety by informing passers-by of its presence. This information is provided in conjunction with information regarding route distances and directions, interpretation and warnings, including relevant information in relation to emergency contacts and telephone numbers.



While public telephones are not as prevalent as in the past, identifying the nearest phone could be included in the information if relevant. On some trails in remote areas, emergency telephones or satellite devices are provided and their locations should be noted on these signs.

Tourism Signage

Signs providing information on nearby tourist destinations, trail services and other attractions needs to be placed at relevant areas along the trail to direct users to these sites (e.g., wineries, restaurants, eateries, shops, accommodation and bed and breakfast stays, etc).



This signage would ideally also be prepared in conjunction with a user booklet and/or information that is downloadable.

SECTION FIVE: PROJECT PROPOSAL

The section of trail proposed for development runs for approximately 16 kilometres (excluding links to wineries and tourist attractions) from the historic town of Penola through a number of vineyards and wineries to Coonawarra. Figure 4 identifies the section within the greater regional trail context as proposed for the initial Rail Trail concept. An opportunity also exists to connect to the Aussie Camino Trail as a part of this section that would link through Mount Gambier and continue to Portland Victoria.

To progress the project, a Detailed Trail Construction Plan will be required to identify the trail's route and surfaces along with infrastructure including resting places, shelters and other amenities. It will also undertake consultation and negotiations with land owners and Government agencies, and identify the cost implications for establishing the trail.

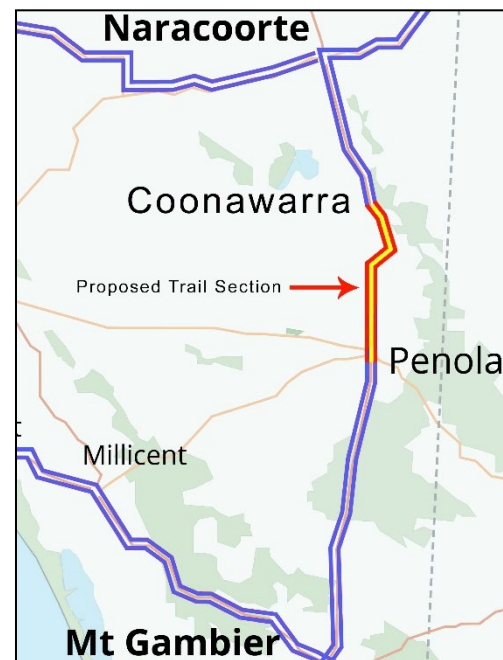


Figure 4: High Level Trail Alignment

The detailed plan will be prepared to enable the construction of a trail that offers quality visitor experiences for a range of user types. The first phase of planning will identify a high level trail alignment that will form the basis for further trail investigations and design work. Following this first phase of the project, the plan will then undertake:

- A defined trail alignment
- Approximate costs of construction, ongoing maintenance and management
- A recommendation for the staging of any works
- A series of maps and photo montages to illustrate the plan (suitable for tendering)
- Specifications, drawings & design documentation for trail heads and viewing areas
- Signage and wayfinding
- Consultation with stakeholder groups and individuals including land owners and relevant State Government departments and agencies,
- Negotiation of land use agreements to provide secure and long term access to land

It is anticipated the following stages will be required to undertake the study.

Stage 1: Consultations and Initial Land Owner Negotiations

Consultation with relevant stakeholders will be a significant and integral aspect of this plan. Gaining support from stakeholders and property owners who own and /or control land that the trail will pass through is a key to the trail's construction.

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Consultation with land owners will ultimately aim to negotiate *Statements of Intent* or similar documents that indicate their willingness to enter into a *Land Use Agreement* in the future to secure long term tenure for the trail. It is anticipated that individual meetings and initial negotiations will be held with the following key stakeholders:

- Private land owners holding property on or adjacent to the proposed trail alignment
- Relevant Government agencies which may include DEWNR, DPTI, Native Vegetation
- Relevant local Aboriginal groups
- Other interested groups identified during the planning stages of the project

Stage 2: Identification of High Level Trail Alignment

To establish the draft alignment of the trail, information obtained during consultations with council, private landowners and other stakeholders will be assessed. The information will provide the basis for a draft trail route to be determined at a desk top level. Following this process, the draft trail alignment will then be physically inspected – preferably with the private land owners in attendance to identify any specific issues and matters that will need addressing. This approach will support the project's progression in the future. Once the actions of this stage are completed the proposed trail alignment will then be mapped and high level resource requirements identified.

Stage 3: Concept Design and Development

The concept design will resolve the relationship between various spaces and elements. The Landscape Plans will include information on hard landscape elements with regard to location, alignments, materials and finishes to schematic design level. They will illustrate the landscape at sufficient level to describe materials, surfaces and layout within the scope of landscape works. These drawings will be coloured and of an illustrative graphic standard.

It is proposed that in order to streamline the planning and design process, plans will be developed in conjunction with trail construction and signage contractors. This stage of the project will undertake the following tasks:

- Identifying key areas to be targeted and undertaking detailed site assessments
- Undertake a survey for proposed infrastructure such as viewing areas & trail heads
- Prepare draft detailed concept drawings that articulate the design intent for the identified areas
- Concept drawings will include landscape sketches illustrating the trail alignment, preferred location of structures, elevations, typical sections & material selections. An artist impression (photomontage) of each element will be provided
- In parallel with concept development, cost estimates will be prepared
- Develop signage and wayfinding concepts

Stage 4: Negotiation of Land Tenure

Following the preparation of plans and the identification of the trail's alignment, long term *Land Use Agreements* will be negotiated with property holders owning land along the trail.

Wattle Range Council: Coonawarra Trails Project

Stage 5: Construction Documentation

Following written approval of the Concept Drawings, a fully coordinated set of construction documentation of the landscape works for the trail network will be prepared to a level of detail required for tendering and implementation as follows.

- Construction documentation will be suitable for tender as a single package and show detailed information on alignments, materials and setout of hardscape and other site elements within the scope of the landscape works.
- Landscape Materials and Surfaces Drawings will define the location and types of elements in the landscape works. Key Levels Plans will show key levels of landscape elements in defined sites.
- Signage and wayfinding documentation will show detailed information on locations of trailheads, wayfinding, trail information, materiality and setout.
- Setout plans will provide dimensioned setout of all landscape elements where infrastructure is proposed as well as typical dimensions for the proposed trail.
- A Technical Specification for landscape works will be prepared for the works to be complimentary to the drawings. These will include detailed descriptions of materials, finishes, and required works methods.
- A detailed Schedule of Landscape Works for use in issuing the tender.

At the completion of the project, the following outputs will be provided

- Draft trail alignment identifying loops & connections to wineries and tourist attractions
- Concept themes & initial concept plan
- A3 Construction Package including:
 - Coloured plans, sections and elevations.
 - Photo montages to explain the design intent.
 - Cost estimates at concept stage.
- Agency approvals & *Statements of Intent* from property holders indicating a willingness to enter Land Use Agreements to allow the trail to access their properties
- Trail Identity design and signage suite design concepts including:
 - Design of typical trail head sign, trail marker, trail directional signs, interpretive signs
 - Provision for development of overall trail map illustration
 - Provision for design of trail identity and simple style guide including mock-up trail brochure and website homepage, merchandise
- Signage detail design and finished artwork
 - Estimated detail design and specification of all signage structures
 - Provision for engineering of structures as required
 - Preparation of finished artwork for all sign graphics

It is anticipated that a budget of around \$55,000 will be required to complete the project inclusive of all outputs, travel and associated expenditure.

Wattle Range Council: Coonawarra Trails Project

SECTION SIX: PROJECT COSTS

The project is likely to be developed over stages therefore the costing have been broken down into that form. Initial discussion with vigneron is some appetite to develop a share trail using existing maintenance tracks and roadways to provide for a usable trail between Penola and Coonawarra. This would require further negotiation with landowners and some level of lease arrangement for the shared use of the corridor when using private property.

The next stage would be preparation of a survey and detailed design. The design would also included a engineers estimate of cost and staging. The delivery would be subject to finding however the cost below could be used as a guide for delivery of the project.

Additional to the trail works would be establishing a link between the start of the trail in Penola and the Penola Central Business District. This is seen as a separate piece of work that should be incorporated into a pedestrian and cycling plan for Penola. The importance of this work is to ensure that users easily locate the trail from the town centre and accommodation as one of the goals of the trail in terms of tourism is to encourage user to 'stay another day'.

Stage One

Development of first staging being 4km section a trail starting from Penola using existing rail reserve constructed to a sealed standard.

Design	\$5,000
Land Agreement (legal costs)	\$25,000
Signage	\$10,000
Intersection upgrades	\$10,000
Pavement works (\$50,000/km)	\$200,000
Total	\$250,000

Stage two

Survey and Detailed Design remaining section to Coonawarra	\$50,000
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Stage 3 – Construction of the Rail Trail on the Rail Corridor

Total Length of the project from Penola to Glenroy 16km at a cost of \$50,000/km at a total cost of **\$800,000**

SECTION SEVEN: PROJECT SUPPORT

Any letters of support to the project to be provided by Council



Wattle Range
COUNCIL

Correspondence



TONY PASIN MP

Federal Member for Barker



14 December 2018

Mayor Des Noll
Wattle Range Council
PO Box 27
MILLICENT SA 5280

By email: des.noll@wattlerange.sa.gov.au

Dear Mayor

Des,

I am writing to inform you that the Coalition Government has confirmed funding allocations to local governments across Australia through the Roads to Recovery program for the years 2019/20 to 2023/24.

This decision will provide certainty to Councils in their capacity to provide important road improvements over the next five years.

The total annual base allocation through the Roads to Recovery program nationwide is increasing from \$350 million to \$400 million.

I am pleased to advise that as a result, the Wattle Range Council will receive funding from 2019/20 to 2023/24 of \$2,188,810.

Through the Roads to Recovery program, the Coalition Government is providing assistance to Councils to maintain and improve road infrastructure, better connect communities and improve safety.

The Coalition Government's strong economic management means the government is able to continue to fund these important programs that make such a positive difference to our community.

The Department of Infrastructure, Regional Development and Cities will be in touch shortly to formalise Council's funding allocation.

Yours sincerely

Tony Pasin

Tony Pasin MP
Federal Member for Barker

Ref: TP/NP

Cc Mr Ben Gower, Chief Executive Officer

Murray Bridge Office

Shop 5, Murray Bridge Green, Riverview Road, Murray Bridge SA 5253
Phone (08) 8531 2466 Freecall 1300 301 648

Mount Gambier Office

27 Commercial Street East, Mount Gambier SA 5290
Phone (08) 8724 7730 Freecall 1300 723 935

Email tony.pasin.mp@aph.gov.au Web tonypasin.com f TonyPasinMP @TonyPasin



Government of South Australia

South East Natural Resources
Management Board

ABN 93 209 459 406

11 Helen Street
PO Box 1046
Mount Gambier SA 5290

P (08) 8735 1177
F (08) 8735 1135

21 December 2018

Mayor Des Noll
Wattle Range District Council
PO Box 27
MILLICENT SA 5280

Email: mayor@wattlerange.sa.gov.au

Dear Mayor Noll,

Draft South East NRM Board Business Plan 2019/20 - 2021/22

Following my letter in November, please see attached the SE NRM Board's draft Business Plan 2019/20 - 2021/22.

Consultation on the draft plan will run from 18 December 2018 – 4 February 2019.

This Business Plan is a transitional plan to cover the period while the new Landscape SA Act is put in place. The key changes in the Business Plan include:

- A transition to 4 investment priorities that align with the Minister's 'back-to-basics' priorities
 - o Maintain water quality and availability
 - o Minimise impacts of pest plants and animals
 - o Maintain the health of soils and land
 - o Conserve native vegetation, wetlands and coastal habitats
- Clearer definition of services to be delivered and investment of levy funds
- Increased investment on supporting landholders to maintain healthy soils
- Increased investment in compliance for managing pests, soils and water affecting activities
- A stronger focus on monitoring, including developing citizen science within the region.

Please note that the draft Business Plan presents indicative levy rates and council contributions based on 2017/18 data. As per the annual process, we will ask councils in March 2019 for up-to-date numbers of rateable properties to enable levy rates and council contributions to be determined and gazetted for 2019/20.

To organise a workshop with your council or to provide feedback on the draft Plan, please call 8735 1177 or provide written feedback to DEW.SENRMBoard@sa.gov.au.

Subregional Forums

Communities asked the Board to hold Subregional Forums 6 monthly to update them on progress of subregional projects. These forums will also be opportunity for the community to provide feedback on the Business Plan. Please see the locations and dates below for the subregional forums:

- *Mallee and Woodlands*, **Tues 22 Jan 2019**, Tintinara Community and Recreation Centre
- *Volcanic Plains and Southern Dunes*, **Thurs 24 Jan 2019**, City of Mt Gambier Town Hall
- *Dunes and Flats*, **Tues 29 Jan 2019**, Robe Bowling Club
- *Ranges and Cross Border Creeks*, **Thurs 31 Jan 2019**, Gather On Gordon Naracoorte

All forums run from 5.30pm-8pm and include a light meal.

For further information please visit

<https://www.naturalresources.sa.gov.au/southeast/get-involved/events> or register attendance at www.naturalresourcesse.eventbrite.com or call 8735 1177.

Thank you for working together with the SE NRM Board in 2018, and wishing you and your Council a merry Christmas and best wishes for the new year.

Yours sincerely,



Fiona Rasheed
Presiding Member

Encl. Business Plan 2019 Draft for Consultation

South East Regional Natural Resources Management Plan

Volume 3:

Business Plan

2019/20 - 2021/22



Government of South Australia
South East Natural Resources
Management Board



South East Natural Resources Management Plan

I, Honorable David Speirs, Minister for Environment and Water, after taking into account and in accordance with the requirements of section 81 of the Natural Resources Management Act 2004, hereby adopt the Business Plan 2019/20-2021/22 that forms part of the South East Regional Natural Resources Management Plan.



David Speirs MP
Minister for Environment and Water





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Acknowledgement and recognition of Aboriginal people

The South East are the traditional lands of the Meintangk, Potaruwutij, Boandik, Ngarrindjeri, Ngarkat and Tanganekald First Nations peoples.

The South East Natural Resources Management (SE NRM) Board works with these First Nations as the custodians of the region and acknowledges that their cultural heritage and beliefs are important in managing our landscapes today.

The Board recognises the important role of Aboriginal knowledge in natural resources planning, cultural heritage management, conservation and sustainable use of the region's biodiversity.

The Board works with the South East First Nations through:

- the South East Aboriginal Focus Group (SEAFG) in accordance with their Lartara-wirkeri Cultural Governance Framework.
- the Ngarrindjeri Regional Authority (NRA) in accordance with the Kungun Ngarrindjeri Yunnan Agreement.

Burrandies Aboriginal Corporation and the Ngarrindjeri Land and Progress Association are also key partners that are contracted to deliver services, including on-ground revegetation and pest control, cultural education and heritage site assessments.

In the words of the SEAFG *"We walk together to care for Country"*



Foreword

I am proud to have become the Presiding Member of the South East NRM Board in 2018. I live and work with my family on our farm north of Kingston and I am passionate about primary production and improving the landscapes of the South East. I am committed to working with the Board and our community to balance the needs of people, industries and the environment.

The Board has worked hard over the last 18 months to understand what our community values in the South East landscapes and the priorities for action. You have told us that we should focus on:

- Maintaining water quality and availability
- Minimising the impacts of pest plants and animals
- Maintaining the health of soil and land
- Conserving native vegetation, wetlands and coastal habitats.

These priorities align strongly with the Minister for Environment and Water's 'back-to-basics' priorities. Minister Speirs is committed to putting communities at the centre of NRM and reforming the management of the State's natural resources. The State Government has announced that it will introduce a new Landscape SA Bill into Parliament in the first quarter of 2019, to replace the Natural Resources Management Act 2004. The Board welcomes the government's reform and looks forward to the opportunities it will bring to deliver practical on-ground works that address local priorities.

This Business Plan is a transitional plan that will guide the Board's program for up to 3 years while the Landscape SA Act is put in place. The Landscape reform process may affect how NRM levies are raised in future. Therefore, the Board has decided in this Business Plan to retain the current basis for the regional NRM land and water levies, and limit increases in the levy income each year to CPI.

The Board would like to thank the community members who participated in Subregional Forums this year and designed local projects for each subregion. We will continue to run Subregional Forums every 6 months to report back on how projects are being achieved and how the partnerships between the Board, local organisations, local government and community are making a difference. We would love you to come along to a future Subregional Forum to let us know how Board projects are working and to continue to help us to identify priority issues for future investment.

The Board is proud to be partnering with the Australian Government to deliver the Regional Land Partnerships program, as part of the National Landcare Program, over the next 5 years. We are excited about the excellent projects that will be funded, including supporting the recovery of the Red-tailed Black-cockatoo, assisting agricultural industries adapt to changing climate and markets, and managing threats to the Coorong Ramsar site and shorebirds along the coast.

We look forward to working together with you and encourage you to participate in activities that contribute to the sustainable management of our region's natural resources. Whether it be on your farm, around your town, or in your own backyard, every little bit makes a difference.

Fiona Rasheed
Presiding Member
 South East NRM Board



Our current NRM plan

The Regional NRM Plan provides the over-arching framework that guides the Board, industries and community in the long term management of our region’s natural resources.

The Regional NRM Plan has four volumes:

1. Regional Description
2. Strategic Plan
3. Business Plan (this document)
4. NRM Policies

Over the past 18 months, the Board has been developing a revised Regional NRM Plan with the community.

However, given that the Landscape SA reform is currently taking place, this revised plan is on hold, and a draft Regional Landscape Plan will be consulted on once the new Act is in place.

Business Plan 2019/20-2021/22

The Board prepares a Business Plan every 3 years that outlines the income the Board expects to receive and allocates funding to implement NRM programs. This Business Plan takes direction from the subregional priority actions and projects designed at Subregional Forums, as well as other Board consultation processes.

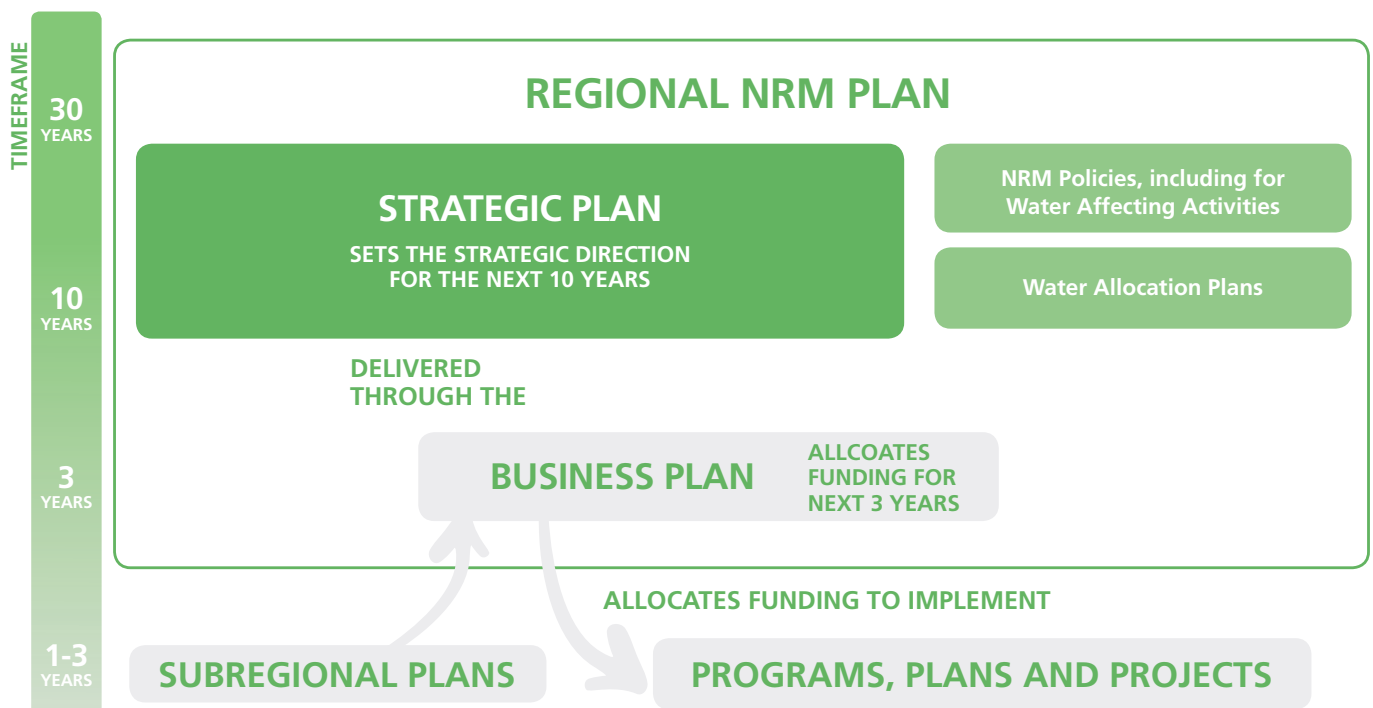
Subregional NRM Plans

As part of developing its new Regional Plan, the Board wanted to first develop locally-relevant plans that landholders and community members could pick up and see the NRM actions needed in their area.

We worked with the community to plan how to manage our landscapes and natural resources in four subregions.

The Board is grateful for the hard work the community has put into helping draft the Subregional NRM Plans. We look forward to working with you to put the Plans into action.

Fig 1. Regional NRM plan and Business plan model



Our subregions

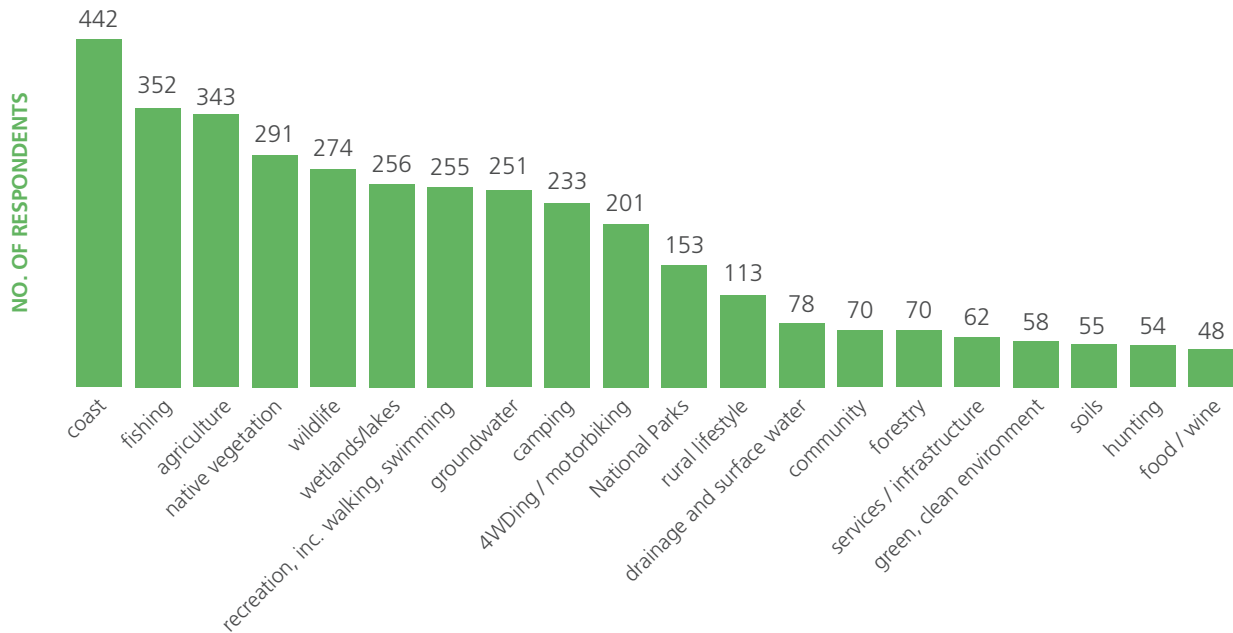
The Subregional NRM Plans (2018) describe the vision and actions the community would like to see addressed for each subregion within the South East region. For detailed information about each subregion and the subregional planning approach, visit the Natural Resources South East website naturalresources.sa.gov.au/southeast.



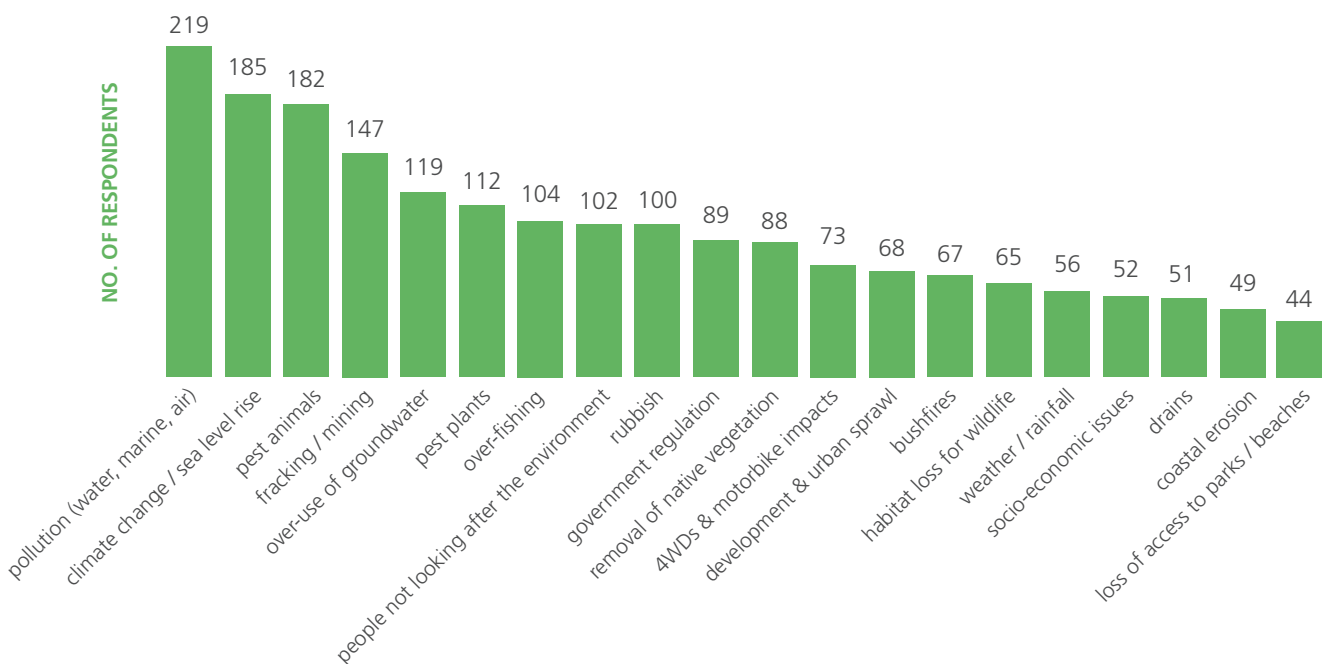
Planning with the community at heart

We asked the community what you value in our landscapes, the threats to these values, and the priorities for action. Through Field Days, Country Shows, a Youth Summit, community group meetings, workshops in the four subregions, meetings with the SE Aboriginal Focus Group, and workshops with 10 key industries in the region, you told us about the places you love, what you want your children to inherit, and how you want your industries supported.

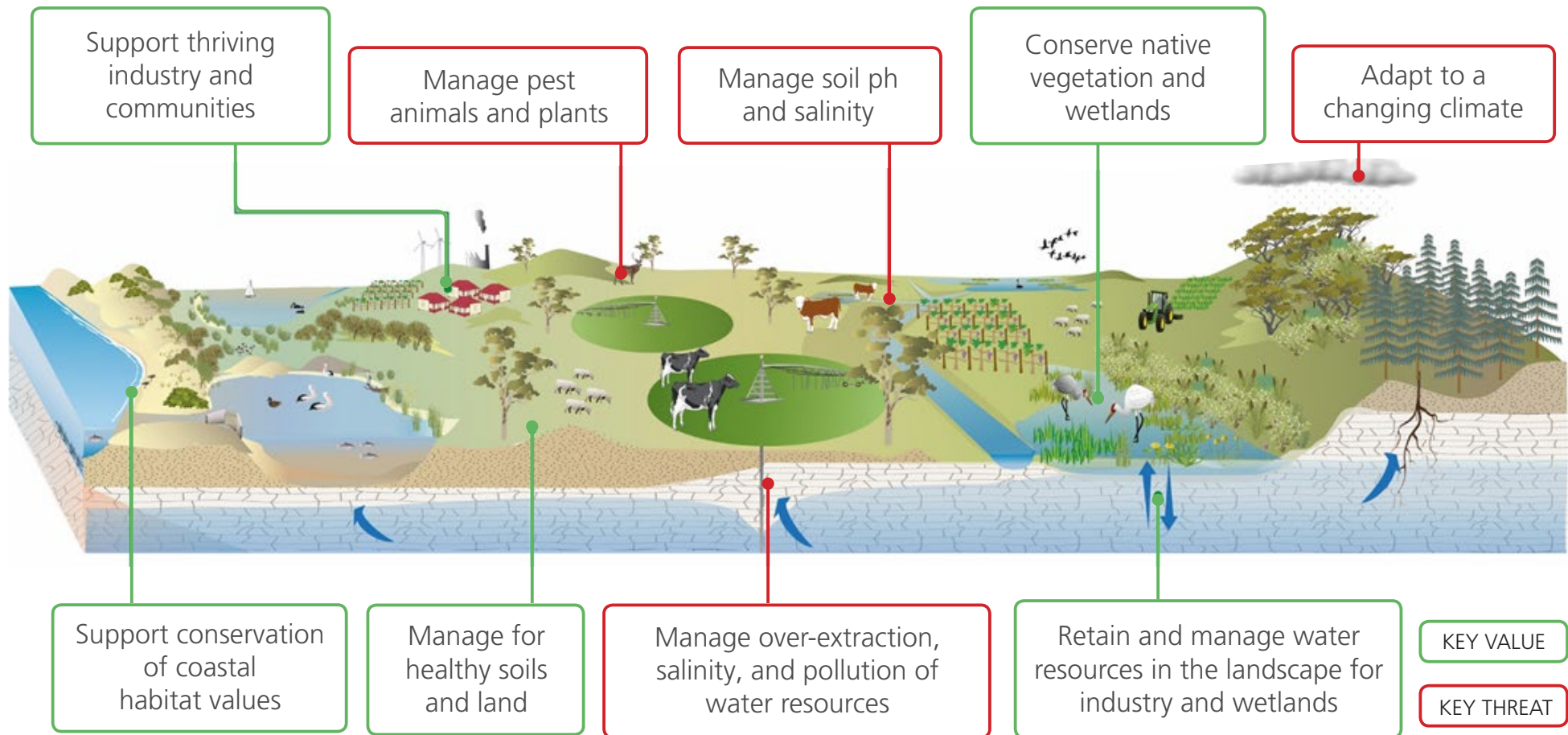
WHAT DO YOU VALUE IN OUR LANDSCAPES?



WHAT ARE THE BIGGEST THREATS TO OUR LANDSCAPES?







Key NRM actions the community identified



Priorities for investment and action

Vision: Healthy landscapes for better living

Investment Priorities ¹	Short term outcomes
<p>Maintain water quality and availability</p> 	<ul style="list-style-type: none"> Enhanced capacity of landholders and industrial users in: <ul style="list-style-type: none"> techniques for improving water use efficiency understanding the rules for water taking and trading processes for minimising pollutants into surface water identifying and effectively carrying out water affecting activities Sustainable limits defined with communities for water resources, and policies in place to bring use within these limits Enhanced community understanding of the value of water resources, and techniques for improving water use efficiency
<p>Minimise impacts of pest plants and animals</p> 	<ul style="list-style-type: none"> Enhanced capacity of landholders and community in: <ul style="list-style-type: none"> identification of declared species techniques for control / eradication of pests timely control of pests Population densities / distributions of existing and new incursions of targeted pest species are mapped and understood by staff and community Populations of targeted pest species controlled
<p>Maintain the health of soils and land</p> 	<ul style="list-style-type: none"> Enhanced capacity of landholders, industries and community in: <ul style="list-style-type: none"> valuing healthy soils identification of soil pH, salinity and erosion issues soil management techniques to improve soil biology and structure Distribution of soil issues are mapped and understood by staff and community Enhanced capacity of agricultural industries to adapt to land management practices for climate change
<p>Conserve native vegetation, wetlands & coastal habitats</p> 	<ul style="list-style-type: none"> Enhanced capacity and involvement of landholders and community in: <ul style="list-style-type: none"> valuing native vegetation, wetlands, biodiversity and threatened species restoration and revegetation techniques citizen science Projects implemented to support native and threatened species recovery and to connect habitats, enhancing resilience to a changing climate

¹ The four investment priorities all contribute to achieving the current goals of the Regional NRM Plan (2010):

- A. Healthy landscapes supporting high value ecological systems
- B. Regional communities active in NRM
- C. Resilient industries taking responsibility for sustainable use and management of natural resources
- D. Leadership, adaptability and partnerships for effective NRM

Board investment 2019/20 - 2021/22

The Board invests NRM levy funding based on priorities identified through planning with the community.

The NRM land and water levies are pooled and used to fund an annual work program that seeks to deliver short-term outcomes that move the region toward the longer term outcomes outlined in the Regional NRM Plan.

The expenditure for the next three years (Table 1 and Figure 2) is broken down by the four investment priorities. The Board raises NRM levies and attracts Australian Government funding as sources of income (Table 2 and Figure 3).

The detailed 2019/20 work program is shown in Appendix 1.

Each year, the Board will evaluate its achievements and review and adapt this work program.

We will publish the annual work program on the website at the beginning of the financial year so that the levy spend and the programs to be delivered are transparent to the community.

Investment decision making

The Board decides how to invest the levy within the region based on the following principles.

Principles for investment decision-making





Programs and projects are to:

1. Meet a statutory requirement or be required for good governance of the Board
2. Meet a priority of the Regional NRM Plan and Subregional NRM Plans
3. Be delivered by or with partner organisations with good governance to enable and build capacity
4. Achieve other social and economic co-benefits
5. Contribute to regional or landscape needs rather than individual needs (public vs private benefit)
6. Have sound methodology, reasonable risks and represent value for money.



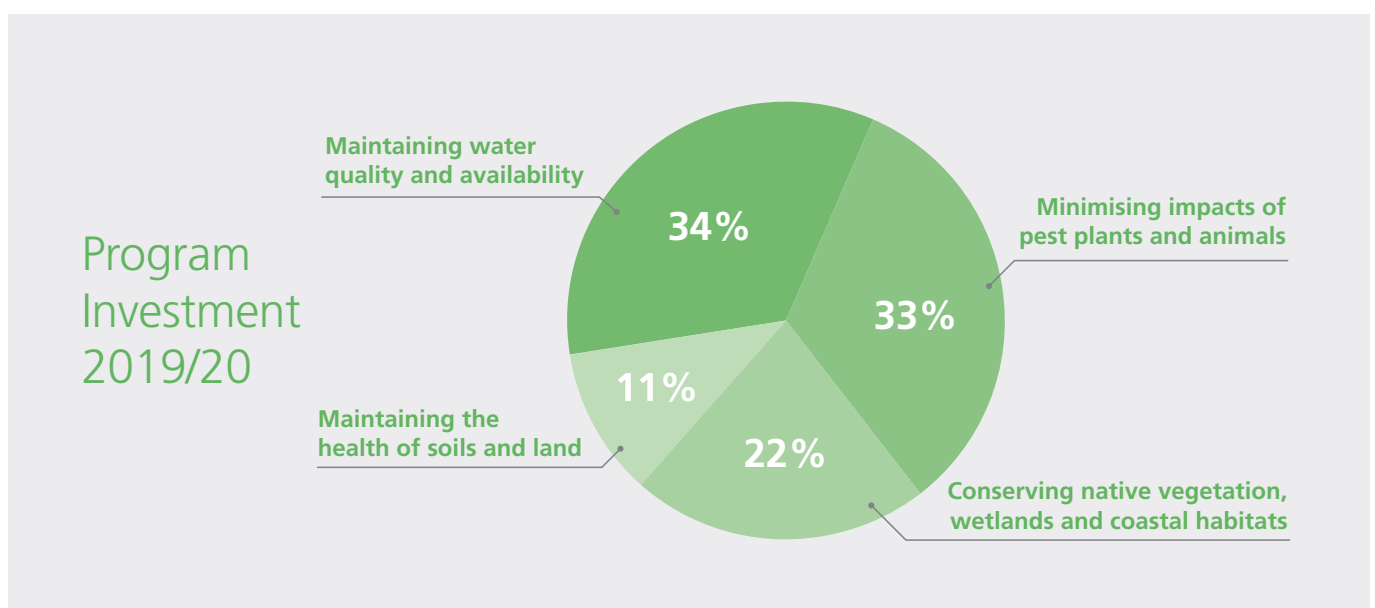
Program investment (expenditure)

Table 1: Expenditure by four investment priorities

Program		\$		
		2019/20	2020/21	2021/22
Maintaining water quality and availability 	Levy-funded regional program	1,343,200	1,369,800	1,397,000
	Levy-funded State Water Planning and Management costs	2,435,400	2,484,100	2,533,800
Minimising impacts of pest plants and animals 	Levy-funded regional program	3,047,100	3,014,700	3,216,500
	Weed Control Service (cost recovery) ¹	538,800	639,300	506,300
Maintaining the health of soils and land 	Levy-funded regional program	874,100	891,400	908,900
	Australian Government National Landcare Program funded core services and projects	330,600	332,400	333,800
Conserving native vegetation, wetlands and coastal habitats 	Levy-funded regional program	784,600	800,100	815,800
	Australian Government National Landcare Program funded core services and projects	1,623,000	1,619,500	1,611,900
Total Expenditure		10,976,800	11,151,300	11,324,000

¹ The SE NRM Board provides a Weed Control Service to landholders that operates on a cost recovery basis. The anticipated income and expenditure for this service is reflected in this table and in Table 2. To support this service, the Board currently maintains and renews pest control equipment using levy funding. It is expected that the costs of renewal of this equipment will be \$45,000 in 2019/20 and \$139,000 in 2020/21.

Figure 2 Proportion of expenditure contributing to the four investment priorities in 2019/20



Sources of funding (income)

Table 2: Sources of funding

Funding Source	2018/2019 adopted budget (\$)	Estimated Budget (\$)		
		2019/2020 CPI 2.7%	2020/2021 CPI (Est) 2.0%	2021/2022 CPI (Est) 2.0%
NRM Levies¹				
Division 1 – NRM land levy	4,458,500	4,578,900	4,670,500	4,763,900
Division 2 – NRM water levy	3,798,000	3,900,500	3,978,600	4,058,100
Australian Government²				
National Landcare Program funding	1,787,200	1,953,600	1,951,900	1,945,700
Other Sources of Income				
Weed Control Service ³	491,000	493,800	500,300	506,300
Interest ⁴	50,000	50,000	50,000	50,000
Total Income	10,584,700	10,976,800	11,151,300	11,324,000

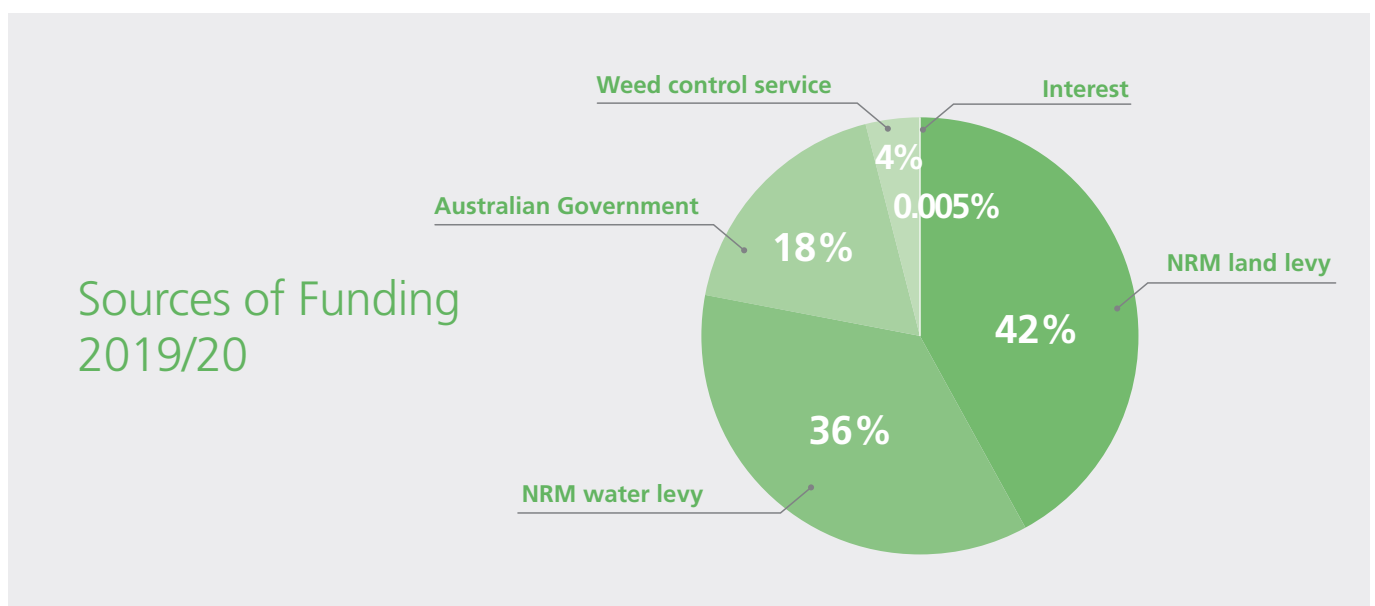
¹ NRM levy income to be raised in 2019/20 is based on 2.7% actual CPI rate (June 2018 quarter in Adelaide) increase on the approved 2018/19 income. In 2020/21 and 2021/22 estimated CPI is shown of 2%, however, the income will be adjusted each year based on actual CPI.

² The Board is delivering Australian Government Regional Land Partnerships funding as part of the National Landcare Program. Additional funding will be sought from other Australian Government and external sources.

³ The SE NRM Board provides a Weed Control Service to landholders that operates on a cost recovery basis. The income from this service increases each year based on financial modelling.

⁴ It is anticipated that interest of approximately \$50,000 will be received during each financial year of the Business Plan.

Figure 3 Proportion of funding to be received from each source in 2019/20



South East Natural Resources Management Board

The South East Natural Resources Management Board is a statutory regional board formed under the Natural Resources Management Act 2004. The Board's role under the Act is to:

- Undertake an active role in NRM in the region
- Prepare and maintain a Regional NRM Plan
- Monitor the trend and condition of natural resources
- Promote community awareness and increase capacity in sustainable NRM through education and engagement
- Prepare Water Allocation Plans for each prescribed water resource in the region and manage water affecting activities
- Ensure declared plant and animal pest species are effectively managed within the region
- Ensure consistency between development plans and the Regional NRM Plan and the objects of the Act
- Ensure soils and land are effectively managed within the region
- Provide advice on activities and proposals referred to the Board under this or other Acts.

The Board consists of nine members from the community appointed by the Minister for Environment and Water on the basis of their skills and knowledge in natural resources management. The Board meets bi-monthly. The current Board members are listed on the Natural Resources South East website www.naturalresources.sa.gov.au/southeast

Partnering with the Department for Environment and Water

The Board contracts the services of Natural Resources South East (a regional branch of the Department for Environment and Water) to deliver the outcomes of this Business Plan. The Regional Director works with the Board and DEW to oversee program implementation.

For the 2019/20 financial year, it is anticipated that there will be 40.9 full-time equivalent (FTE) positions (34.9 FTE funded by NRM levies and 6.0 FTE funded by the Australian Government) that deliver services to the Board through Natural Resources South East.

Physical resources

The Board holds limited physical resources and capital assets. The Board is not planning to acquire infrastructure or land in the coming financial years.

Committees

A Governance, Finance and Audit Committee supports and monitors the effective governance and financial management of the Board. It reviews the internal control policies and procedures and maintains the Governance Framework.

Together with the SA Murray Darling Basin NRM Board, the SE NRM Board supports the Box Flat Dingo Control Committee. The committee oversees the management and monitoring of wild dogs and foxes in the Box Flat area, including the National Park reserves.

The Board has a joint committee with the South Eastern Water Conservation and Drainage Board to develop the South East Drainage and Wetlands Strategy.

The Board also forms Stakeholder Advisory Groups to enable stakeholders to be involved in planning and providing advice to the Board on specific NRM issues. For example, Stakeholder Advisory Groups are formed to support the revision of each Water Allocation Plan.

Past highlights of Board investment

Over the past 3 years, the Board has worked hard to manage our region's natural resources supported by both NRM levy and Australian Government funding. This work has included:



Minimise impacts of pest plans and animals

OVER 5,800 RABBIT WARRENS TREATED

along 506 km of linear roadside network, this distance equals 1,790ha

3,668 DEER SHOT
through aerial culling, more than
50 LANDHOLDER PROPERTIES PARTICIPATED

74 EVENTS HELD
to introduce new or promote best practice pest management, with
OVER 800 ATTENDEES

Compliance activities undertaken to ensure landholders are undertaking their responsibilities for control of declared pests

1,053 COMPLIANCE REQUESTS TO LANDHOLDERS

with 83% of landholders compliant.



Maintaining healthy soil and land

2,290 HA OF LAND MANAGED

to improve soil condition through NRM projects

128 ON-GROUND ACTIVITIES WITH 5,432 LANDHOLDERS



Maintain water quality and availability

WAPs are managing
100% OF PRESCRIBED WELLS AREAS

11 WATER AFFECTING ACTIVITY PERMITS GRANTED

14 COMPLIANCE ASSESSMENTS AND INSPECTIONS CONDUCTED

\$500K LEVY FUNDING SPENT ON SCIENCE STUDIES for a better understanding of our local water resources



Conserve native vegetation, wetlands and coastal habitats

\$1.7M INVESTED

on private properties to conserve or increase the extent of remnant vegetation in our region

OVER 100 MANAGEMENT AGREEMENTS

with landholders to improve habitat

24 PRIORITY REMNANT AREAS

are actively managed

Supported restoration of wetlands on private lands, including **130HA AT ILUKA WETLAND**

Across these outcomes

576 EVENTS
to raise understanding of local NRM issues with
OVER 19,000 PARTICIPANTS

OVER 60 COMMUNITY GROUPS
involved in NRM

25% OF PROJECTS
included Aboriginal people or Aboriginal planning activities

Limestone Coast Regional
CLIMATE CHANGE ADAPTATION PLAN ADOPTED

45 SCHOOLS
participated in environmental education programs

Working together for better outcomes

The Board recognises that to manage our landscapes and natural resources for future generations we need to form strong partnerships with the community, landholders, industry, Aboriginal groups, government and non-government organisations. It is by working together that we can best achieve effective outcomes for our natural resources and community.



The Board partners in 3 ways: by leading, collaborating, and supporting projects that will enhance our landscapes and manage our natural resources.



Partnering with the Australian Government

The SE NRM Board is proud to partner with the Australian Government to achieve outcomes for its Regional Land Partnerships (RLP) program, as a part of the National Landcare Program 2.

The Board is the Service Provider for the South East, delivering significant outcomes for the sustainable management of agricultural lands and conservation and management of ecosystems. This work compliments the programs and projects that are funded by the NRM levies.

In preparing its tender to the Australian Government, the Board collaborated with local, regional and state organisations to develop projects that are a priority for local groups and landholders, and that would target the priorities of the RLP program.

The Board will deliver Core Services to support the effective and efficient delivery of projects and services including:

- Partnering and coordination of delivery
- Communications and media
- Aboriginal participation in project delivery
- Monitoring, evaluation, reporting and improvement



National
Landcare
Program



The projects funded for the next 5 years are listed below:

Regional Agriculture Landcare Facilitator

The Regional Agriculture Landcare Facilitator role provides advice and facilitation to bring primary production industry groups together to discuss regionally relevant issues. The role also acts as a conduit to assist primary production industries in the region access Australian government programs and grant funding.

South East agricultural industries adapting to variable climates and markets

This project will increase the capacity of landholders to adapt their farming systems for changing climatic conditions and subsequent market variability. It is delivered in collaboration with local industry and Aboriginal groups.

Communities helping Cockies: Improving the trajectory of the nationally endangered South-eastern Red-tailed Black-Cockatoos

This project builds on the successful recovery efforts of the Cockies helping Cockies project. It works with landholders, schools and the community to improve Stringy bark and Buloke Woodlands to connect important food sources and habitats for the iconic Red-tailed Black-Cockatoos. It is delivered in partnership with Zoos SA, Trees for Life, Birdlife Australia and Burrandies Aboriginal Corporation.

Enhancing the Coorong and managing Ramsar values along the Limestone Coast

This project will improve the ecological character of the Coorong Ramsar site and address threats to shorebirds, such as the Eastern Hooded Plover along the coast. Work includes controlling foxes, deer and weeds, developing shorebird action plans, monitoring bird populations, and engaging the community to reduce impacts. It is delivered in partnership with Birdlife Australia and Friends of Shorebirds South East, with support from Ngarrindjeri Lands and Progress Association and Burrandies Aboriginal Corporation.



Information on NRM levies

To enable the Board to undertake its functions, the NRM Act provides for two types of levies to be raised:

- Regional NRM land levy (Division 1): A levy collected by constituent councils from rate payers
- Regional NRM water levy (Division 2): A water levy collected from all water licence holders in the region.

Why have levies?

The NRM levies are a primary source of funding for the management of the region's natural resources. Our natural resources benefit everyone, which is why we contribute to the NRM levies. The levies enable the Board to deliver important NRM programs, and also enable it to leverage significant, additional funding, greatly increasing the amount of work achieved in our region.

Basis and rates for NRM levies

Under the NRM Act, each NRM Board defines the most appropriate basis and rates for regional NRM land and water levies, taking into account specific matters of importance for each region. In 2016/17, the Board changed the basis of the water and land levies as a strategic approach to better align with the principle of 'beneficiary pays'. Given the Landscape SA reform process may alter NRM levy requirements in coming years, to reduce confusion the Board has decided to retain the existing basis for the land and water levies for this Business Plan.

Regional NRM land levy

The NRM Act provides the following options as the basis for calculating the regional NRM land levy:

1. the value of rateable land
2. a fixed charge of the same amount on all rateable land
3. a fixed charge of an amount that depends on the purpose for which the rateable land is used
4. the area of rateable land
5. the purpose for which the rateable land is used and the area of the land
6. the location of the rateable land.

In this Business Plan, the Board has retained the basis of the land levy as a fixed charge of an amount that depends on the purpose for which rateable land is used (option 3 above). A land levy based on land use purpose is viewed to align with a 'beneficiary pays' principle (e.g. primary production landholders pay a higher rate for the NRM land levy as they use natural resources to generate an income and they are more likely to receive a benefit from NRM programs). The Board has determined that the purpose of use categories should be commercial, industrial, primary production, and residential/vacant land/other uses.

The total amount of income collected from the NRM land levy will be increased by CPI for 2020/21 and 2021/22.



Levy rates and collection from Local Government

Councils collect the NRM land levy based on the number of rateable properties in each land use category in their area (Table 3).

The proportion of the total NRM land levy income raised from each land use category is determined based on the proportions of the capital value in each category in 2018/19. These same proportions will be used for the next 3 years to minimise fluctuations in the levy rates from year to year.

Where contiguous land holdings are owned and occupied by the same person, or non-contiguous land is farmed as a single enterprise, the combined land holdings may be regarded as

a single piece of rateable land for NRM land levy calculations (Local Government Act 1999). It is Local Governments role to determine the number of single enterprises within their jurisdiction. Levy rates for each land use category can still fluctuate slightly from CPI from year to year due to changes in the number of properties in each land use category.

Table 4 provides the indicative land levies for each land use category.

Table 3: Estimated council contributions to land levy income and collection costs for the levy in 2019/20

Council Area	Number of Rateable Properties ¹	Indicative council contribution (\$)	Indicative council share of levy (%)	Council collection fee (\$)
District Council of Robe	2,084	220,600	5	2,976
City of Mount Gambier	13,969	1,138,800	25	5,829
District Council of Grant	4,309	593,200	13	3,510
Naracoorte Lucindale Council	4,502	683,100	15	3,556
Wattle Range Council	7,068	987,200	21	4,172
Tatiara District Council	3,564	547,900	12	3,331
Kingston District Council	1,990	231,800	5	2,954
Coorong District Council	835	176,300	4	2,676
Total	38,321	4,578,900	100	29,004

¹ Source: Number of rateable properties by council area, as reported by Councils in April 2018. Updated numbers will be confirmed with Local Government in March / April 2019.

Table 4: Indicative NRM land levy rates per land use purpose

Purpose of Use Category	Percentage of land levy income raised based on capital value (%) ¹	Total no. of properties per land use (April 2018)	Indicative NRM land levy rate per rateable property ² (\$)		
			2019/20	2020/21	2021/22
Residential, Vacant & Other	48.7%	29,849	76	78	79
Commercial	5.1%	2,076	114	117	119
Industrial	2.1%	537	183	187	190
Primary Production	44.1%	5,859	336	342	349
Total	100.0%	38,321			

¹ The percentage of land levy raised per land use category is based on the capital value of properties in that category. The Board has resolved to use the same percentages for the 3 years of the Business Plan to reduce levy fluctuations.

² The levy rates per rateable property are indicative values only; the rates charged will depend upon updated numbers of rateable properties, and the rebates and remissions applied by Local Government.

Regional NRM water levy

The NRM Act provides the following options as the basis for calculating the Division 2 NRM water levy. The levy may include one or more of these components in any combination:

1. a fixed charge
2. the quantity of water allocated
3. the quantity of water received or taken
4. the quantity of water passing through any works
5. the size, type or capacity of any works
6. the quantity of water used
7. the share of the water that makes up the relevant water resource
8. the area of land where the water may be used, or the area of land where the water is used
9. the effect that the taking or using of the water has, or may have, on the environment, or some other effect or impact that, in the opinion of the Minister, is relevant and that is capable of being determined, measured or applied.

In this Business Plan, the SE NRM Board has retained the basis for the water levy for all prescribed water resource areas in the South East NRM Region which is a fixed charge of \$200 plus a rate per ML of water allocated (options 1 and 2 above).

The fixed charge contributes towards the cost of administering the licence, thereby improving alignment with the principle of 'beneficiary pays' and contributing towards the State Water Management and Planning costs for the region.

The total amount of income raised via the NRM water levy will be increased by CPI (June quarter, Adelaide) in 2020/21 and 2021/22. As shown in the indicative levy rates (Table 5), the fixed charge will stay at \$200 each year and the rate per ML of water will be increased.

Social impacts of NRM levies

The Board changed the basis of NRM levies in 2016, and assessed the potential social impacts on landholders and on water licence holders (Econsearch Sept 2015). Based on the assessment, the Board considered that the NRM levies would not place an undue burden on ratepayers and water licence holders. For further information contact Natural Resources South East via naturalresources.sa.gov.au/southeast.

Table 5: Indicative NRM water levy rates

Allocation type	2019/20	2020/21	2021/22
Fixed charge per licence	\$200	\$200	\$200
Tintinara Coonalpyn, Tatiara, Padthaway and Lower Limestone Coast PWAs			
Public water supply	\$16.19 /ML	\$16.60 /ML	\$17.01 /ML
Water holding allocations	\$2.55 /ML	\$2.62 /ML	\$2.68 /ML
Water taking allocations	\$2.55 /ML	\$2.62 /ML	\$2.68 /ML
Specialised production requirement (SPR) allocations	\$2.55 /ML	\$2.62 /ML	\$2.68 /ML
Deliver supplement allocations for confined aquifer	\$2.55 /ML	\$2.62 /ML	\$2.68 /ML
Delivery supplement allocations for unconfined aquifer ¹	\$0.26 /ML	\$0.26 /ML	\$0.27 /ML
Water taking allocations for industrial, aquaculture, industrial-dairy, intensive animal keeping, environmental and recreational uses ²	\$3.37 /ML	\$3.46 /ML	\$3.54 /ML
Lower Limestone Coast PWA only			
Forest water allocation	\$2.55 /ML	\$2.62 /ML	\$2.68 /ML
Specialised production requirements (SPR) frost allocations ³	\$0.85 /ML	\$0.87 /ML	\$0.89 /ML
Morambro Creek watercourse (including Cockatoo Lake and Nyroca Channel) and its surface water area			
Water taking allocations	\$22.27 per share	\$22.83 per share	\$23.39 per share

¹ The levy rate for extraction from the unconfined aquifer is 10% of the regional volumetric levy rate based on the rationale that this water is returned as recharge to the source aquifer.

² Water taking allocations for industrial, aquaculture, industrial-dairy, intensive animal keeping, environmental and recreational uses (formerly referred to as existing volumetric allocations) have a higher levy rate because they are currently exempt from reductions to allocations.

³ Specialised production requirements (SPR) frost protection allocations are allocations to be used only for frost protection of vines. In recognition that some years will require higher frost water use than others, a three-year-rolling-average scheme has been developed for frost control in all South East Water Allocation Plans. In Tatiara and Padthaway PWAs only, an annual allocation of 1/3 of their total frost allocation is issued on the licence. In the LLC PWA, the full 3 years of allocation for SPR frost protection has been issued on the licence, therefore the levy rate for SPR frost in the LLC PWA is 1/3 of the rate in the other PWAs to ensure equity between users.



Appendix 1

SE NRM Board Works Program 2019/20

1.1 Levy funded activities



Maintaining water quality and availability

Why is it important?

Water is a vital resource in our region. The region relies on ground water that is of good quality and quantity for agriculture, industrial and urban use. Surface and groundwater are also critical for the region's diverse and significant wetlands.

Table A: Detailed expenditure

Services	Service description	2019/20 (\$)
Advice	<ul style="list-style-type: none"> Landholder advice on managing surface water, including Water Affecting Activities Education on WAP policy and compliance, and rules around water trading 	27,000
Compliance	<ul style="list-style-type: none"> Provision of Water Affecting Activities policy assessments, permits and compliance Implementing compliance with Landholders across the region 	78,900
Monitoring	<ul style="list-style-type: none"> Loggers and monitoring for groundwater dependent ecosystems Maintaining the SA Wetland Inventory Database with updated data Mapping support for water planning and Water Affecting Activities 	30,000
Strategic planning	<ul style="list-style-type: none"> Revision of the Tatiara Water Allocation Plan Development of science to support revision of the Lower Limestone Coast Water Allocation Plan Revision of the Padthaway Water Allocation Plan Water planning advice and referrals 	580,300
Subregional projects	<ul style="list-style-type: none"> Engage community about water availability and how to reduce impacts on water quality (nitrates and pollution) 	25,700
Engagement and governance	<ul style="list-style-type: none"> Community and Aboriginal engagement School-based NRM education Business and regional NRM planning Governance and leadership 	370,300
Operational support	<ul style="list-style-type: none"> Program support and running costs Communications support Customer centres and Board support 	231,000
State Water Planning and Management costs	<ul style="list-style-type: none"> State water planning and management activities, including administering water licences 	2,435,400
TOTAL		3,778,600



Minimising impacts of pest plants and animals

Why is it important?

Pest plants and animals are a key threat to our agricultural production and ecological values in the region. Minimising the impacts of pest plants and animals is vital to primary production and the restoration of native habitats.

Table B: Detailed expenditure

Services	Service description	2019/20 (\$)
Advice	<ul style="list-style-type: none"> Engagement and advice for landholders on pest plant and animal management, including control techniques and new technology Educating plant wholesalers and resellers in the region on pest plants Support for localised biosecurity and local quarantine 	710,100
Compliance	<ul style="list-style-type: none"> Implementing compliance with landholders across region 	270,200
Monitoring	<ul style="list-style-type: none"> System to monitor, record and map pest plant and animal incursions Provide information to landholder and regional community on pest plant and animal populations and incursions Monitor uptake of new technology in pest management across the region 	268,900
Strategic planning	<ul style="list-style-type: none"> Update Regional Pest Management Strategy, including subregional risk assessment for pest species Provide regional pest management policy advice and referrals 	157,300
Subregional projects	<ul style="list-style-type: none"> Support for management of new incursions of pest plants and animals to the region Feral deer management program Rabbit management program Fox management program Other pests: pigs, goats, cats, dogs management program 	539,900
Engagement and governance	<ul style="list-style-type: none"> Community and Aboriginal engagement School-based NRM education Business and regional NRM planning Governance and leadership 	370,400
Operational support	<ul style="list-style-type: none"> Program support and running costs Communications support Customer centres and Board support 	730,300
Weed control service¹	<ul style="list-style-type: none"> Provide contract weed control service to landholders to manage pest plants on private land 	538,800
TOTAL		3,585,900

¹The weed control service is expected to operate as a cost-recovery business. Asset renewal is required over the coming two years and is levy-funded as part of this total costs (\$45,000 in 2019/20).



Maintaining healthy soils and land

Why is it important?

Our soils underpin our agricultural industries and natural landscapes. The health of our soils and landscapes is vital to the continued prosperity of industries and the regional economy, and biologically diverse ecosystems.

Table C: Detailed expenditure

Services	Service description	2019/20 (\$)
Advice	<ul style="list-style-type: none"> • Technical engagement and advice to landholders on soils, land management and water use efficiency through on farm visits, soil and water testing and regional workshops 	175,700
Compliance	<ul style="list-style-type: none"> • Land degradation assessment and compliance under the Act • Implementing compliance with landholders across the region 	28,100
Monitoring	<ul style="list-style-type: none"> • Monitoring of regional soil and land resources • Landholder survey conducted for State Report Cards • Mapping and data support for regional monitoring 	69,200
Strategic planning	<ul style="list-style-type: none"> • Planning on regional soils and land management, including establishing management benchmarks and researching barriers to changing practices • Regional soils and land management policy, advice and referrals 	79,200
Subregional projects	<ul style="list-style-type: none"> • Support for community-led subregional projects such as reinvigorating local soil action groups and planning for healthier soil biodiversity 	21,600
Weather stations	<ul style="list-style-type: none"> • Support for maintenance and management of regional Automatic Weather Stations 	30,000
NRM Farm	<ul style="list-style-type: none"> • Upkeep and management of on-farm mapping tool for landholders 	3,000
Engagement and governance	<ul style="list-style-type: none"> • Community and Aboriginal engagement • School-based NRM education • Business and regional NRM planning • Governance and leadership 	311,000
Operational support	<ul style="list-style-type: none"> • Program support and running costs • Communications support • Customer centres and Board support 	156,300
TOTAL		874,100



Conserving native vegetation, wetlands and coastal habitats

Why is it important?

Our community values native vegetation and wildlife and its diversity across our landscape. The region has unique wetlands, coastal habitats, woodlands and scattered paddock trees that host native species. Landholders value on-farm native vegetation and biodiversity for shelter, pollination, nutrients and biological control.

Table D: Detailed expenditure

Services	Service description	2019/20 (\$)
Advice	<ul style="list-style-type: none"> Landholder engagement and advice on conserving and establishing native vegetation on private land, and for implementation of threatened species action plans Support landholders to manage surface water and wetlands on their land 	137,600
Compliance	<ul style="list-style-type: none"> Basic landholder advice on native vegetation clearance 	14,000
Strategic planning	<ul style="list-style-type: none"> Biodiversity planning, including prioritisation of sites to be protected, restored or revegetated Biodiversity policy advice and referrals 	125,000
Subregional projects	<ul style="list-style-type: none"> Support for community-led subregional projects, including working on improved management of cross border creeks and protecting and establishing paddock trees 	61,100
Engagement and governance	<ul style="list-style-type: none"> Community and Aboriginal engagement School-based NRM education Business and regional NRM planning Governance and leadership 	311,000
Operational support	<ul style="list-style-type: none"> Program support and running costs Communications support Customer centres and Board support 	135,900
TOTAL		784,600



1.2 Australian Government funded projects



The Board will deliver the following services and projects for the Australian Government's Regional Land Partnerships program.

The projects meet the following primary Regional Land Partnership outcomes of the program:

- **Outcome 1** - By 2023, there is restoration of, and reduction in threats to, the ecological character of Ramsar sites, through implementation of priority actions.
- **Outcome 2** – By 2023, the trajectory of species targeted under the threatened Species Strategy, and other EPBC Act priority species is stabilised or improved.
- **Outcome 6** – By 2023, there is an increase in capacity of agriculture systems to adapt to significant changes in climate and market demands for information on provenance and sustainable production.

Services/projects	Deliverables	2019/20 (\$)
 Projects contributing to Board investment priority of maintaining healthy soils and land		
Regional Agriculture Landcare Facilitator	<ul style="list-style-type: none"> • Facilitating partnerships across the region's primary production sector • Conduit for Australian Government grants and funding programs 	330,600
South East agricultural industries adapting to variable climates and markets	<ul style="list-style-type: none"> • Advice on industry adaptation to climate change • Facilitate cross-sector collaboration on climate change and markets • Capacity building of regional primary production industries to be climate-change ready 	
Core services	<ul style="list-style-type: none"> • Partnering, coordination and communications • Monitoring, evaluation, reporting and improvement 	
 Projects contributing to Board investment priority of conserving native vegetation, wetlands and coastal habitats		
Communities helping Cockies: Improving the trajectory of the nationally endangered South-eastern Red-tailed Black-Cockatoo	<ul style="list-style-type: none"> • Working with landholders to restore and revegetate feeding habitats • Raising community and school awareness and participation in population monitoring and on-ground activities 	1,623,000
Enhancing the Coorong and managing Ramsar values along the Limestone Coast	<ul style="list-style-type: none"> • Managing threats to coastal habitats and shorebirds, including fox, deer and boxthorn control • Working with the community to promote Coorong Ramsar values and reduce threats to shorebirds 	
Core services	<ul style="list-style-type: none"> • Partnering, coordination and communications • Monitoring, evaluation, reporting and improvement 	
TOTAL		1,787,263

References

EconSearch 2015, *Socio and Economic Impact Assessment for 2016/17 Levy Proposal*, report prepared for South East Natural Resources Management Board.

South East NRM Board 2018, *Dunes and Flats Subregional NRM Plan 2018-2021*. Natural Resources South East.

South East NRM Board 2018, *Mallee Woodlands Subregional NRM Plan 2018-2021*. Natural Resources South East.

South East NRM Board 2018, *Ranges and Cross-border Creeks Subregional NRM Plan 2018-2021*. Natural Resources South East.

South East NRM Board 2018, *Volcanic Plains and Southern Dunes Subregional NRM Plan 2018-2021*. Natural Resources South East.

South East NRM Board 2010, *Regional NRM Plan, Part 2 Strategic Plan*.

Department of Environment, Water and Natural Resources (2017), *Subregional baseline and predicted changes report for the SE NRM Region* (4 reports for Dunes and Flats; Mallee Woodlands; Ranges and Cross-border Creeks; Volcanic Plains and Southern Dunes Subregions)

Regional Development Australia, South East Natural Resources Management Board and Limestone Coast Local Government Association (2016), *Limestone Coast Regional Climate Change Adaptation Plan*.

Acronyms

DEW	Department for Environment and Water
CPI	Consumer Price Index
EPA	Environmental Protection Authority
FTE	Full time equivalents
LLC	Lower Limestone Coast
NRA	Ngarrindjeri Regional Authority
NRM	Natural Resources Management
PIRSA	Primary Industries and Regions SA
PWA	Prescribed Wells Area
RTBC	Red-tailed Black-Cockatoo
SA	South Australia
SE	South East
SEAFG	South East Aboriginal Focus Group
SENRM	South East Natural Resources Management
SPR	Specialised Production Requirements
WPM	Water Planning and Management

Disclaimer

The South East Natural Resources Management Board and the government of South Australia, their employees and their servants do not warrant or make any representation regarding the use or results of use of the information contained herein as to its correctness, accuracy, currency or otherwise. The South East NRM Board and the Government of South Australia, their employees and their servants expressly disclaim all liability or responsibility to any person using the information or advice contained herein.

Further Information

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Anzac Terrace, Keith SA 5267

Ph: 08 8755 1620

DEW.NaturalResourcesSE@sa.gov.au

naturalresources.sa.gov.au/southeast



Government of South Australia

South East Natural Resources
Management Board



**National
Landcare
Programme**



Natural Resources
South East



29 November 2018

Wattle Range Council
PO Box 27
MILLICENT SA 5280

LETTER NO:		1/144491	
FILE OF:	10.14.3/3	REF:	
DATE RCVD	03 DEC 2018		REFER TO
			Mg y0 ✓
CEO	INCS	BOS	DES
			FILE

To the Mayor, Councillors and CEO (please distribute accordingly)

The Australian Local Government Association (ALGA) is now calling for Notices of Motions for National General Assembly 2019 (NGA).

The NGA will be celebrating 25 years in 2019! Over the last 25 years, the NGA has provided a platform for Local Government to address national issues and lobby the federal government on critical issues facing our sector.

The theme for the 2019 NGA is *'future focused'*, this theme acknowledges that the assembly will be held after a federal election and we need to come together as a sector to ensure our voice is heard by the incoming government to deliver in collaboration for our communities.

ALGA received significant feedback on the motions process and topics from the 2018 NGA. In response to the feedback received, ALGA has prepared a discussion paper that explores data which identify critical areas local government needs to consider now and into the future.

To inform the submission of motions, please read the discussion paper (included with this letter) and ensure motions meet the identified criteria.

To be eligible for inclusion in the NGA Business Papers, and subsequent debate on the floor of the NGA, motions must meet the following criteria:

1. be relevant to the work of local government nationally;
2. be consistent with the themes of the NGA;
3. complement or build on the policy objectives of your state and territory local government association;
4. be from a council which is a financial member of their state or territory local government association;
5. propose a clear action and outcome; and
6. not be advanced on behalf of external third parties that may seek to use the NGA to apply pressure to Board members or to gain national political exposure for positions that are not directly relevant to the work of, or in the national interests of, local government.

All motions require, among other things, a contact officer, a clear national objective, a summary of the key arguments in support of the motion, and endorsement of your council. Motions should be lodged online at alga.asn.au no later than 11:59pm on Friday 29 March 2019.

Any administrative inquiries can be directed to ALGA by calling 02 6122 9400.

A handwritten signature in black ink, appearing to read 'Adrian Beresford-Wylie', written in a cursive style.

Adrian Beresford-Wylie
ALGA CEO



**Government
of South Australia**

Office of the Minister for
Environment and Water

81-95 Waymouth Street
Adelaide SA 5000

GPO Box 1047
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Tel 08 8463 5680
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18EW0002956

LETTER NO		1/144677			
FILE NO		2.422/1		PF1	
DATE ROVD		5.3.2/7 - copy		REFER TO	
05 DEC 2018				Mayor	
CEO	DUS	DUS	DES		FILE

Mr Des Noll
Mayor
Wattle Range Council
PO Box 27
MILLICENT SA 5280

Dear Mayor Noll

Congratulations on your election as Mayor of Wattle Range Council.

I am pleased to inform you that the Native Vegetation Council (NVC) has released Interim Guidelines to improve the management of roadside native vegetation. I am aware that the management of roadside native vegetation is a challenging issue for regional communities, particularly councils, who have to balance the protection of remnant native vegetation with the need to maintain safety and visibility along roadsides. I believe these new guidelines demonstrate a true commitment from my department to listen, learn and adapt to regional community's needs.

I invite you and your constituents to comment on the Guidelines. You can find more information and have your say through yoursay.sa.gov.au up to 31 December 2018.

On another note, I would like to inform you of the \$30,000 for Wattle Range Council to repair the Post Office Rock causeway at Beachport as part of the Coast Protection Board's annual grants program.

Managing and protecting South Australia's coast is a key priority for the South Australian Government as climate change impacts of sea level rise and coastal erosion continue to be a challenge to our state. I know that residents of these suburbs and towns are proud of their beaches and coastline. I am pleased that this funding will help restore and protect these beautiful parts of our state.

Once again, congratulations on your election as Mayor. I wish you all the best in the coming years and look forward to working with you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Speirs', written over a circular stamp or mark.

DAVID SPEIRS MP
Minister for Environment and Water

Date: 25/11/2018



LETTER NO: 1/145291 (1/1306607)		PF/	
FILE GF/ 7311	Millicent Business Community Association		
DATE RCVD 17 DEC 2018	REFER TO:		
CEG ✓	DCS	DDS	DES
			FILE

Millicent Business Community Association
 PO Box 859, Millicent SA 5280
 millicentbca@gmail.com
 ABN: 80 490 830 814

Dear Ben Gower,

The MBCA would like to sincerely thank the Wattle range Council once again for the \$2000 contribution made towards a successful 2018 Millicent Lights Up Event on Saturday Nov 24th.

We were able to have a Jumping castle, Putt putt, Apex train, Mainly music along with Girl guides and Centacare entertaining the children. Rotary, Lions and Lionesses and McArthur Park Kindergarten all contributed to keeping everyone fed. The Town piano helped entertain the crowd. The Men's shed worked throughout the year to produce more Christmas cut outs which were displayed on the night to create a Christmas atmosphere at the rotunda alongside the Nativity scene.

We also thank council for providing rubbish bins, roping off the drain and getting the street Christmas decorations up by the event. We appreciate all the support the MBCA get from council.

This was a very successful evening made possible by the support and effort of many community groups coming together and contributing their skills. This is what made it such a pleasure to organise. The children had such a great time and Father Christmas was kept very busy. We are proud to coordinate this event and it was great to see the growth of the event this year with more activities for the children.

We plan to continue and grow this event into the future and thank you for your support

With thanks

Lee Morgan
 Chairperson
 MBCA



Wattle Range
COUNCIL

Motions on Notice



Wattle Range
COUNCIL

*Items for
Consideration in
Confidence*