

Inquiry Report

Town of Gawler Boundary Change Proposal

South Australian Local Government Boundaries Commission

Affected Councils:

Town of Gawler
The Barossa Council
Light Regional Council
City of Playford

Report and Recommendations to the Minister for Local Government under Section 31 of the *Local Government*Act 1999

19 August 2025

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Introduction

This Inquiry Report into the Town of Gawler Boundary Change Proposal (the Commission's Report) has been prepared by the South Australian Local Government Boundaries Commission (the Commission), in accordance with the requirements of Section 26 and Section 31 of the Local Government Act 1999 (the Act) and the Commission's Guideline 4 – Investigation of General Proposals Initiated by Councils and Guideline 9 – Engagement and Consultation.

Legislative Framework

The Commission is the independent body that assesses and investigates council boundary change proposals and makes recommendations to the Minister for Local Government (the Minister).

The Commission's responsibilities and procedures are set out in Chapter 3, Part 2 of the Act. The Commission has also prepared Guidelines that detail the process by which it will receive, assess and consider council boundary change proposals. Under the Act, changes to council boundaries can be referred to the Commission by a council or councils, the Minister for Local Government, Parliament, or members of the public who are eligible electors (referred to as a 'public initiated proposal').

The Act sets out two pathways for a boundary change proposal – an Administrative Proposal or a General Proposal. Section 30 of the Act sets out the requirements for Administrative Proposals and section 31 sets out the requirements for General Proposals.

The Commission's *Guideline 3 – Submitting a General Proposal to the Commission* outlines the steps that must be followed by the body or person/s submitting a General Proposal to the Commission.

Stage 1 – Potential Proposal

This is the first step in the process. Submitting a potential proposal to the Commission allows it to ensure that a proposal broadly meets the intent of the Act and Guidelines.

Upon receipt of a Stage 1 Potential Proposal, the Commission may advise the initiator that a more detailed Stage 2 proposal may be referred to the Commission.

Stage 2 – Referral of a General Proposal to the Commission

The General Proposal must set out in detail the grounds on which it is made, including the information outlined in Guideline 4. Upon receipt of a Stage 2 proposal, the Commission will consider the proposal in the context of the Section 26 principles and the objectives of the Act and will determine whether or not to inquire into the proposal.

Key Steps - a General Proposal

Stage 1

- Submission of a Potential Proposal to the Commission
- Commission consideration of the Proposal, and advice to the proponent.

Stage 2

- Submission of a General Proposal to the Commission
- Commission decision whether or not it will inquire into the Proposal, and whether an investigator will be appointed
- Appointment of investigator
- Investigation
- Investigator's report to the Commission
- Commission report to the Minister
- Minister determination.

The Act requires the Commission to have guidelines that set out its procedures for receiving, considering and inquiring into proposals. This must include a guideline specifying consultation that must be undertaken for inquiries, including consultation with the community, councils affected by proposals and entities that represent the interests of council employees affected by proposals.

Town of Gawler Boundary Change Proposal

Part 1 - The Commission's Process

Stage 1 – Potential Proposal

On 3 December 2019, the Town of Gawler submitted a Stage 1 Potential Proposal to the Commission.

The Town of Gawler proposed to alter its council boundaries by including seven areas from the Light Regional Council, The Barossa Council and the City of Playford into its area and moving two areas from the Town of Gawler into the City of Playford (See **Attachment 1** – Map of Affected Areas as Proposed by the Town of Gawler).

Town of Gawler Boundary Change Submission Key Rationales

In its submission, the Town of Gawler provided several key rationales for the proposed boundary change, summarised below:

Community of interest

Residents within the affected areas are, and consider themselves to be, members of the Gawler community.

Service provision

The equity of residents living adjacent to the Town of Gawler's boundaries utilising the Gawler community's services needs to be addressed to provide the Town of Gawler with capacity to provide quality infrastructure and services to its community of interest and the region.

Representation

Future generations forming part of the Gawler community in real and functional terms should have equal and appropriate representation in local decision making rather than being governed by distant entities.

Coordinated decision making

Coordinated local governance (including but not limited to urban development expansion) by one entity will ensure more coordinated decision making, the most cost-effective provision of services and best facilitate investment to drive job creation and economic prosperity for the region.

Proposed local government boundary change

Based on the above rationales, the Town of Gawler proposed that its boundary be modified to <u>include the following areas as part of the Town of Gawler</u>:

From Light Regional Council:

- The locality of Hewett
- A portion of the area known as Gawler Belt
- A portion of the locality of Reid

From The Barossa Council:

- The Concordia Growth Area, as identified by the State Government
- Two portions of the locality of Kalbeeba, including the balance of the area that includes the Springwood Development

From City of Playford:

- A portion of the locality of Evanston Park
- A portion of the locality of Hillier.

<u>The Town of Gawler also proposed to move the following areas from the Town of Gawler into</u> the City of Playford:

- A portion of the locality of Bibaringa
- A portion of the locality of Uleybury.

On 20 January 2020, the Commission considered the Town of Gawler Stage 1 Potential Proposal and determined that the Council could submit a Stage 2 Boundary Change General Proposal (the Proposal) to the Commission.

Stage 2 – General Proposal

The Town of Gawler submitted a Stage 2 General Proposal to the Commission on 22 December 2020.

On 3 March 2021, the Commission assessed the Town of Gawler's Proposal against *Guideline* 3 – Submitting a General Proposal to the Commission and determined that further information was needed to fully satisfy the requirements of Section 26(c) of the Act.

The Town of Gawler provided the requested additional information on 16 August 2021.

On 20 October 2021, the Commission determined to inquire into the Town of Gawler General Proposal and notified all affected councils of its determination.

Inquiry

On 8 March 2022, the Commission consulted the affected councils about a draft Inquiry Plan, outlining five matters for investigation, being:

- 1. Financial Matters
- 2. Land Use and Planning Matters
- 3. Employee Matters
- 4. Representation Matters
- 5. Community and Services Matters.

Feedback from the affected councils was considered by the Commission and incorporated into the final Inquiry Plan, as determined by the Commission.

As required by s 27(3) of the Act and Guideline 8, the Commission provided the Town of Gawler with an estimate of the costs of the Inquiry.

The Council resolved to proceed with the Inquiry at its meeting on 23 August 2022.

On 25 August 2022, the Town of Gawler advised the Commission to proceed with the Inquiry, noting that the Commission would recover the reasonable costs of the Inquiry in accordance with s 32B.

Appointment of an Investigator

In October 2023, following an open tender and procurement evaluation process, the Commission consulted with the affected councils about the appointment of an investigator in accordance with Section 31(2)(b) of the Act.

After consideration of feedback from the affected councils together with recommendations from the procurement process, the Commission, on 23 November 2023, resolved to appoint BDO Services Pty Ltd (the Investigator) to undertake the Inquiry. The investigation commenced in early 2024 and the Commission formally received the Investigator's Report on 15 July 2025.

The Investigator's Report is attached as **Appendix 1** - Town of Gawler Boundary Change Proposal – Investigator's Report (the Investigator's Report). The Investigator's Report is structured around the five matters identified in the Inquiry Plan and tests the rationales provided by the Town of Gawler for the proposed boundary changes, making recommendations in relation to each of the affected areas outlined in the Proposal.

Engagement

The Investigator developed an Engagement Plan in consultation with the Commission and the affected councils and implemented the Engagement Plan in accordance with Guideline 9 to ensure that local communities, affected councils, landowners and all parties with an interest in the affected areas, including the Town of Gawler, were well-informed as the Inquiry progressed and able to make their views known on the Proposal.

Stakeholder engagement was undertaken in accordance with the Engagement Plan and included:

- Public information including newspaper notices and a letterbox drop to all residents in the affected areas (See Attachment 2 – Newspaper Notice and Letterbox Flyer)
- Online consultation via the YourSAy website that included information about the proposal
 and the opportunity for any person to complete a survey and provide comments or
 submissions to the Investigator. See **Attachment 3** for the Town of Gawler Inquiry Public
 Consultation YourSAy What We Heard Report.
- Two in-person community forums and one online forum
- The provision of electronic and printable material to all affected councils for distribution to residents as each council deemed appropriate.

The Commission extended the initial period of consultation from 30 August 2024 to 30 September 2024. The Investigator's summary and analysis of the community feedback is included within the Investigator's Report.

Affected Councils

The Investigator worked with the affected councils to obtain information and data relating to the five areas of the Inquiry Plan and in particular relating to the nine affected geographical areas. The information provided by the councils was analysed by the Investigator against the Inquiry Plan requirements, the principles set out in section 26(1)(c) of the Act and the rationales provided by the Town of Gawler in its proposal. The Investigator provided its financial and assets analysis to the affected councils for validation of method, content and observations.

The affected councils also provided information on key community groups and potential locations for community consultation.

Inquiry Report

A Draft Investigator's Report was provided to the Commission on 31 October 2024. The Commission reviewed the Draft Investigator's Report and requested that the Investigator provide the four affected councils with factual information from the Draft Report for final validation. The councils did not receive the whole report at this time, only sections for validation.

The Investigator considered feedback received from the councils and the Commission on the Draft Investigator's Report and provided the Commission with a final Investigator's Report. The Commission formally received the Investigator's Report on 15 July 2025.

The Investigator's Report includes the Investigator's detailed findings for each of the five elements of the Inquiry Plan in relation to each of the affected geographical areas. The Investigator's recommendations and reasons for those recommendations are included in detail for each affected area in **Appendix 1** - Town of Gawler Boundary Change Proposal – Investigator's Report.

Part 2 - The Commission's Report

The Commission's Approach

Each boundary change proposal referred to the Commission for consideration and potential inquiry is made with particular rationales for change that reflect the initiator's views of key issues and the considered impact on council boundaries.

Section 26(1) of the Act states that the Commission should have regard to the principles contained in this section, <u>taking into account the nature of the proposal under consideration</u> (emphasis added). The unique nature of, and reasons for, a proposal will naturally lead to a lesser or greater emphasis on particular principles.

In the case of the Town of Gawler's Proposal, the key elements of the Commission's assessment have involved:

- The communities of interest within the affected areas and Gawler, and how these can best be represented through council boundaries now and into the future
- Community feedback received through the Inquiry
- The estimated net financial impact of any proposed change
- Local government arrangements that are fit-for-purpose, now and in the future
- Planning for the urban expansion of metropolitan Adelaide to the north and what impacts this may have now and into the future.

The Commission has arrived at recommendations to reflect its conclusions, <u>on balance</u>, about the best interests of the communities affected by any proposed change, including the township of Gawler, suburb of Hewett, growth area of Concordia and the other affected areas, having regard to the principles outlined in section 26 of the Act.

The Commission notes that the Investigator sought 'compelling evidence' to demonstrate or prove the Town of Gawler's rationale for change before recommending any change. Having regard to the Investigator's evidence-based approach and recommendations, the Commission has sought to identify where local government boundary change being considered in this Inquiry would, on balance, deliver long-term community benefits. It has also sought to interpret the extent and nature of feedback from stakeholders in each affected area and the degree to which responses can be taken to reflect overall community sentiment about the proposals.

Looking to the future

The Commission has considered both:

- The basis for boundary <u>change which is reactive and retrospective</u> to community or other changes, and generally non-controversial; and
- <u>Leading change</u>, which takes a <u>forward-looking view</u>, <u>enabling councils to deliver the best possible services/functions and meet future communities' needs.</u>

Communities of interest

'Communities of interest' are a key consideration in determining local government boundaries, including how they may need to change to reflect changing circumstances.

While the term 'community of interest' is not formally defined and may incorporate a number of considerations, the Commission believes that each council should represent and serve a community that shares identifiable characteristics and interests.

The Commission also considers that the approach to and understanding of 'communities of interest' will be informed for local government boundary change purposes by the specific circumstances of the council/s, community/s, area/s and proposed change/s.

The Concept of Community of Interest (a discussion paper prepared by Ms Helen Fulcher in 1989¹) defines three 'dimensions' that have provided a useful framework for the Commission's considerations within the scope of the matters outlined in section 26 of the Act:

- 1. The **perceptual dimension** of community of interest a sense of belonging to an area or locality which can be clearly defined.
- 2. The **functional dimension** the interactions of the community, the sense of common activities such as trade, sport and schooling, and common needs for area-based facilities and amenities.
- 3. The **political dimension** the community's local representation and capacity to participate in local governance and decision-making.

The Commission's key considerations and conclusions in relation to each of the nine proposals for boundary change submitted by the Town of Gawler are detailed with each recommendation below.

With respect to the communities of interest that may be best represented through the relevant boundaries of the Town of Gawler, Light Regional Council, The Barossa Council and the City of Playford, the Commission makes the following general observations:

- Community responses strongly indicated that respondents' community of interest is commonly described as locality or suburb – more 'local' than a local government area or authority
- The Town of Gawler is fast becoming part of northern metropolitan Adelaide due to significant actual and planned urban development in both the Town of Gawler and surrounding areas
- The location of and access to services and activities, including those operated by the Town of Gawler and by others (Government, not-for-profit and community) in the Gawler township and community, was demonstrated in information provided by the Town of Gawler in response to the validation consultation on the Draft Investigator's Report. This wider view of communities of interest not simply local government service provision but indicators of where citizens belong, connect and find the 'communities' they need from time to time has informed the Commission's conclusions about the extent of the affected areas' communities of interest in the Town of Gawler.
- While the survey responses indicate that the first choice of Light Regional Council and The Barossa Council respondents for community services and facilities is within their own council area, and this alignment is even more evident for Town of Gawler, the consistent second choice for Light Regional Council and The Barossa Council residents is Gawler. Shopping activity is more strongly directed to the Town of Gawler and to the City of Playford further south.

¹ The Concept of Community of Interest by Helen Fulcher, 1989, for the South Australian Department of Local Government

Urban growth and communities

The Commission notes that urban areas are a key driver of demand for local government services, including via infrastructure assets. Planning for and assuring timely and efficient capacity to meet new urban community needs (including management of the development roll-out process itself) can be enhanced by aligning urban and growth areas with local government boundaries so that councils are empowered and best prepared to deliver the outcomes their communities need.

The Commission considered the zoning, land uses and character in each of the affected areas and identified two broad categories:

- 1. Low-density 'rural living' and small-holding rural activity, and
- 2. Higher density, metropolitan, suburban neighbourhoods.

In principle those areas that have, or will have, a suburban metropolitan identity are more closely aligned with the Town of Gawler, its community and economy, and best aligned with the 'service profile' established and planned by the Town of Gawler.

The lower density, less urban nature of rural and rural living affected areas aligns more closely with the capabilities, service profiles and management practices of Light Regional Council and The Barossa Council, with their focus on high value landscapes, primary production and discrete townships integral to the rural economy and community.

Community feedback and concerns

The Commission acknowledges and thanks the many people and bodies that contributed to the Inquiry through correspondence, submissions, surveys and attendance at public forum/s.

The Commission has carefully considered all of this feedback, which has provided insight into the level of support or otherwise for elements of the Proposal, informed the Commission on communities of interest and identified key issues of concern for stakeholders about local government boundary change.

Three key common concerns were identified from the Inquiry community feedback, relating to some of the affected areas becoming part of the Town of Gawler. The Commission's conclusions after consideration of those concerns and issues are set out below:

1. Council rates increases

The rates and charges determined by the Town of Gawler are currently higher than those of The Barossa Council and Light Regional Council for equivalent properties. However, as Commission Guideline 6 highlights, dissatisfaction with council rates and charges, paid to a current council or to a future council, is not a factor that should fundamentally affect the location of council boundaries. The rating policies of councils are subject to regular review and consultation and can change in response to current community needs, equity principles and property owners' capacity to pay.

Recognising that 'new' rates and charges may have an impact on former landowners of The Barossa Council or Light Regional Council, relative to their current rates and charges, the Commission recommends that any proclamation/s made to change local government boundaries include appropriate measures to transition any change in council rates and charges equitably as allowed by the Act.

2. Reduced service levels

The Commission considers that the Town of Gawler can and would provide services – including access to community, cultural, sport, recreation and other facilities and infrastructure and maintenance levels to any new parts of the council area, to a standard at least equivalent to those now being provided. In some cases, those services are already available to and used by residents of areas adjoining the Town of Gawler.

3. Zoning concerns

Respondents were concerned that if areas currently zoned for rural living or rural land uses become part of the Town of Gawler, there would be changes to the planning rules for those areas, allowing for more urban forms of development. The Commission notes that changes to the Planning and Design Code are managed by a separate process under the *Planning*, *Development and Infrastructure Act 2016* and not achieved, proposed or implied in a council boundary change process. Zoning changes are not identified in, or as a basis for, the Town of Gawler Proposal.

Council support for the General Proposal

The Commission considered the extent of support for the Town of Gawler Proposal from the councils affected by the Proposal, in accordance with section 31(3)(b)(iii) of the Act. Affected Councils were consulted during the Inquiry and in summary:

- The Barossa Council is opposed to moving the area of Concordia Growth Area and portions of Kalbeeba from its Council to the Town of Gawler
- The Light Regional Council is opposed to moving Hewett and the affected portions of Gawler Belt and Reid from its Council to the Town of Gawler
- The City of Playford has no formal position on the proposal to move the affected portions of Evanston Park and Hillier from City of Playford to the Town of Gawler.

Assessment of financial impacts

The Investigator's Report provides significant detail and analysis of the nature and estimated financial impact of each proposed boundary change, including estimated changes to each council's FTE staff requirements.

Estimated financial impacts for each affected area, particularly expenses, are indicative, based on the Investigator's methodology. The <u>actual net effect</u> of increases (or reduction) in rates and other revenue, and additional (or reduced) expenses (including non-cash depreciation) on the operating result of the receiving (or ceding) council for each affected area <u>will be determined over time</u> through the practical decisions and actions taken by each council to adjust to and manage the new (or reduced) obligations and opportunities associated with providing local government functions for the respective area/s.

Representation

The Investigator's Report provides detail on representation matters for each affected area. Engagement feedback indicated that representation matters were a relatively low priority for the affected communities. The Commission notes that should the Proposal proceed in its entirety, significant change to representation would be realised, in particular within the areas of Hewett and Gawler Belt. The future population growth of the Concordia Growth Area will result in a significant change in representation, for whichever council it is located in.

Material considered by the Commission

The Commission has closely considered the following in forming this report and its recommendations to the Minister:

- The Investigator's Report, including:
 - The detailed material included for each affected area in accordance with the five elements of the Inquiry Plan
 - o The collated material received by the Investigator through community engagement
 - Material provided by each affected council in response to the Investigator's fact-check process for the Draft Investigator's Report
 - The recommendations made by BDO in the context of this material
- An analysis of the matters that section 26(1) of the Act requires the Commission have regard to (taking into account the nature of the proposal under consideration):
 - The objects of the Act
 - o The roles, functions and objectives of councils under the Act
 - The principles listed in s 26(1)(c)
 - The extent and frequency of previous changes affecting the council or councils under Chapter 2 of the Act or under the previous Act
- The matters that an inquiry into a general proposal must consider in accordance with s 31(3)(b) of the Act:
 - The financial implications and impact on resources that the proposal is likely to have on any affected council
 - The extent of support for the general proposal (in particular) and boundary reform in the area (in a general sense) within the community affected by the general proposal
 - The extent of support for the general proposal of any council affected by the general proposal
 - The impact on the various rights and interests of any council employees affected by the general proposal
- Information relating to the Concordia Growth Area provided to the Commission by the Department for Housing and Urban Development (Attachment 4 DHUD Town of Gawler Boundary Change Proposal Advice on the Approach to Planning for the Concordia Growth Area).

Part 3 – The Commission's Recommendations

The Commission's recommendations to the Minister are listed below.

Attachment 5 provides a comparison table of the Town of Gawler's General Proposal, the Investigator's Report recommendations and the Commission's Report recommendations for each affected area.

Attachment 6 provides a Map outlining the affected areas with respect to the Commission's recommendations.

Concordia Growth Area - Area 1

The Commission recommends that the Concordia Growth Area – Area 1 move from The Barossa Council to the Town of Gawler.

The Commission notes the rationale and recommendation of the Investigator in relation to this affected area.

The Commission identified and considered the very significant impact of the scale and urban nature of the planned Concordia development, expected to house 25,000 to 30,000 residents in 10,000 homes. A measure of this scale is that this projected population will roughly double the current population of The Barossa Council, or Town of Gawler, in a contemporary suburban land use and form, with a wide range of living, shopping, services, community, recreation, education and other facilities planned within the Concordia area.

On 19 June 2025 the Minister for Planning released a Code Amendment for the Concordia Growth Area for consultation "proposing to rezone approximately 995 hectares ... to facilitate the development of a new master planned community ... within the Barossa Valley region", noting that this community "... will form a logical extension to the existing township of Gawler ...". An extensive planning process and related key decisions have preceded the proposed Code Amendment.

The Commission identifies two possible medium-term futures with regard to the role of local government in the Concordia development implementation and subsequent provision of services (including infrastructure and assets), ie:

- Retain Concordia in The Barossa Council, requiring fundamental change in the role and identity of The Barossa Council as it progressively adapts planning, services and representation to meet the needs of the Concordia Growth Area, together with the existing 'Barossa' area and communities; or
- Extend the Town of Gawler's boundary to include Concordia as a major new urban growth area to be integrated with the predominantly suburban form and nature of Gawler.

The Commission's recommendation has been informed by both the Investigator's Report and additional information it has received from the Department for Housing and Urban Development (DHUD) in relation to planning for the Concordia Growth Area (See **Attachment 4** - DHUD - Town of Gawler Boundary Change Proposal - Advice on the Approach to Planning for Concordia Growth Area).

After careful consideration, the Commission concludes that the immediate proximity of Concordia Growth Area to the Town of Gawler and its future fully urbanised nature, within the Greater Adelaide Regional Plan (GARP) 'Future Greenfields Growth Area', will result in a

practical extension of Metropolitan Adelaide, the Gawler township and Gawler communities of interest.

Key matters informing this conclusion include:

- The Concordia Growth Area, located on the northern boundary of Gawler, will result in strong connection with communities, facilities and services located within the Town of Gawler
- The information provided by DHUD in advance of finalised structure planning for the area indicates that where new needs are not met within Concordia itself, the Town of Gawler is expected to be the primary 'service hub' for the Concordia Growth Area, and that services and infrastructure will be planned in this context
- Residents of Concordia are unlikely to regularly and consistently travel north to townships in The Barossa Council area for the majority of their community activities, livelihoods and service needs, either as Concordia is being developed or when it is completed
- While the natural environment, agricultural character and townships in 'the Barossa' will
 no doubt contribute to the liveability and attraction of Concordia, the majority of
 residents are very likely to work, undertake most activities and have connections in
 metropolitan Adelaide
- It is anticipated that Concordia will be a suburb of Adelaide abutting and very similar to the Town of Gawler, and thus a natural extension of the Town of Gawler place, economy and community.

The Commission also notes the DHUD advice, that when the development commences, services used by early Concordia residents (and hence the connections made by that community) are likely to be predominantly reliant on the Town of Gawler – both council-delivered services and the wide range of other services and activities based in the Town of Gawler - until such time as infrastructure and services within Concordia are fully developed. Those communities of interest are expected to continue and endure; at least insofar as higher order services and activities are not available within the Concordia area itself.

Vehicular access to and from Concordia will be through the Town of Gawler until any new connector road/s and access point/s to the Sturt Highway are constructed. The Town of Gawler will need to plan for and manage a significant portion of traffic movements related to the Concordia Growth Area.

While The Barossa Council has undertaken considerable and important forward planning to prepare for developing, managing and servicing the Concordia Growth Area, the Commission does not anticipate any substantive practical or financial matters precluding the location of this major suburban extension of metropolitan Adelaide within the Town of Gawler.

The Investigator's Report does not conclude that either The Barossa Council or Town of Gawler would be better prepared and able to manage the development and future needs of the Concordia growth area. Strategic management plans adopted by the two councils both address Concordia:

• The Barossa Council's Community Plan 2024-2044 includes references to the Concordia area including growth and employment forecasts, a Strategic Outcome and a 'vision, mission and principles for Concordia' (cited), in the context of the Council's Vision for "... a vibrant and growing community ... [with] a sense of ... connection to the Barossa".

• The Town of Gawler identifies both boundary realignment and management of urban growth in two of its Community Plan 2030+ Goals, together with Key Actions in each goal area recognising the need to plan for the Concordia area. The Town of Gawler's Vision is for "a liveable, cohesive, active, innovative and sustainable community", recognising that it sits on the northern edge of metropolitan Adelaide but retains an identity as a separate township with connections to both Adelaide and the lower mid-north region.

The Commission notes that The Barossa Council submitted a Stage 1 potential proposal in October 2019 to realign The Barossa Council, the Town of Gawler, the Light Regional Council and the Mid Murray Council to encompass the Barossa Geographical Indication (GI) area. The rationale behind the submission was that The Barossa Council should encompass all of the areas that best represent 'the Barossa' identity to:

- "Bring together the communities of interest that sit within the GI so that the cultural, identity, place, social, economic and environmental interest reside together under the banner of one council", and
- "... maximise the opportunities and better coordinate the land use policy, economic development, tourism integration, and service delivery across the communities of interest."

While The Barossa Council subsequently withdrew that submission, the rationale recognised the great importance of 'the Barossa' to South Australia based around its identity as a world class wine region and related tourism identity. The major cultural, organisational, service and representation changes needed to successfully manage both world class primary production areas, natural environments and rural townships, <u>and</u> a major suburban growth area and the needs of that new population, would, in the Commission's view, reduce The Barossa Council's focus on - and risk optimisation of - 'the Barossa' brand and its significant contribution to the State.

The Investigator's Report does not identify any specific financial or other risks to either The Barossa Council or the Town of Gawler in relation to managing the Concordia Growth Area. Nevertheless, the Commission notes that the whole-of-life investment in and commitment to Concordia will be very significant for whichever council is responsible and will include significant risks both financial and other.

Any representation issues arising from increased elector numbers in the Town of Gawler and a reduced number of electors in The Barossa Council by moving the Concordia Growth Area would be straightforward to resolve in the short term. As the community grows to at least 25,000 people, the normal cycle of representation review will enable consideration of changing representation needs for the council in which Concordia is located.

The Commission considers that, on balance, the Concordia Growth Area should be located in the Town of Gawler.

Hewett – Area 2

The Commission recommends that the area of Hewett – Area 2 move from the Light Regional Council to the Town of Gawler.

The Commission notes the rationale and recommendation of the Investigator in relation to this affected area.

The Commission concludes that while originally and presently included within the Light Regional Council area, Hewett is and will be part of the Town of Gawler's urban form and communities of interest and can be most effectively and efficiently serviced by the Town of Gawler.

Hewett has strong physical links with the Town of Gawler, through roads and linear parks. The bordering Gawler River to the east also forms a natural boundary that geographically aligns and orientates Hewett with Gawler.

The area of Hewett is a typical suburban development that is consistent and physically contiguous with the built environment and community profile of the Town of Gawler, rather than the primary production and rural towns character and nature typically found in the Light Regional Council.

The Light Regional Council has invested significantly in infrastructure and assets in the Hewett area. The Commission recommends that compensation from the Town of Gawler to the Light Regional Council be considered and, if appropriate, provided for as part of any boundary change, specifically for the established Hewett Centre asset (see Recommendations for Implementation). The Investigator's Report identifies that the Hewett Centre currently makes a negative contribution to the Light Regional Council's operating result made up of (circa) \$114,000 in revenue and \$280,000 in operating costs, plus \$130,000 in depreciation.

While the majority of community feedback received from Hewett residents opposed the boundary change proposal to some extent, and the key issues raised by the affected communities must be considered, the Commission considers that this feedback alone does not provide a persuasive basis to retain Hewett within Light Regional Council.

139 Hewett residents responded from a population of 3,133, with 69 community members attending the public forum held in the Hewett Centre. The large majority of respondents opposed moving Hewett into the Town of Gawler, with very limited support for this proposal. While the Commission understands these views, this response alone has not defined the Commission's recommendation, noting:

- The information and consultation process included a letterbox drop to all Hewett properties and an extension of time to make submissions, ensuring sufficient opportunity for any resident to be aware of the Proposal and Inquiry and make their views known. However, a relatively small proportion of Hewett residents responded. While the views and concerns of those who did respond have been carefully considered, the Commission considers that the low numbers of responses received should not drive the Commission's recommendation.
- Respondents' opposition to the Proposal is largely centred on the concern that their council rates would increase, with no corresponding increase in services from the Town of Gawler. The Commission notes that the Town of Gawler Proposal rationale includes the

proposition that Hewett residents (in this case) can and/or do already benefit from access to Town of Gawler services and facilities (while presently not contributing to funding them or being represented in Council decision-making about them). However, the Commission recommends that if this change occurs, any change to Council rates for the Hewett area should be introduced over multiple years, while maintaining or improving the service levels available from the Town of Gawler.

Any representation issues arising from increased elector numbers in the Town of Gawler and a reduced number of electors in the Light Regional Council by moving the area of Hewett would be straightforward to resolve.

The Investigator's Report highlights that 2,309 electors would move from Light Regional Council to the Town of Gawler and that the corresponding council ward of Mudla Wirra in Light Regional Council would be affected. However, the Commission believes that this can be addressed and is not a significant factor in its recommendation to move Hewett to the Town of Gawler.

The Investigator's Report forecasts change in full time equivalent staff (FTE) employee numbers associated with this part of the Proposal. FTE in the Light Regional Council are estimated to reduce by 3.9 and FTE's in the Town of Gawler are estimated to increase by the same number. This is not considered significant in the context of total employee numbers of both councils, and it is anticipated that employee numbers actually required by each council for service delivery to the increased (or reduced) area and communities will be reviewed and adjusted over time.

The estimated financial impact to Light Regional Council if Hewett was to be moved to the Town of Gawler is a net negative effect of \$514,000 on annual operating result (\$2.91m revenue loss and \$2.396m expenditure savings). This would be 1.7% of Light Regional Council's total operating revenue of \$29.7m (in 2022-23). While the estimated net financial impact is material, the Commission considers that it would not represent a risk to Light Regional Council's long-term financial sustainability or negate the other considerations that will determine the most appropriate location of council boundaries for the best long-term community outcomes.

The Commission notes that should its recommendation in relation to Area 1 (Concordia Growth Area) proceed, then Hewett would be bordered on three sides by the Town of Gawler and form an anomaly at the very southern edge of Light Regional Council requiring urban services from the Light Regional Council (based approximately 16 km to the north), but ultimately physically contiguous with Gawler's suburban neighbourhoods to the east, south and west.

The Commission considers that the information available firmly supports the conclusion that the best long-term future for the suburb of Hewett would be in the Town of Gawler.

Kalbeeba Rural Living Portion – Area 3A

The Commission recommends that the portion of Kalbeeba – Area 3A that is south of Calton Road - be retained in The Barossa Council <u>and</u> the portion of Area 3A – the area of Kalbeeba that is north of Calton Road - move from The Barossa Council to the Town of Gawler.

The Commission notes the rationale and recommendation of the Investigator in relation to this affected area.

The Greater Adelaide Regional Plan (GARP) includes a portion of the area of Kalbeeba (ie, part of Area 3A to the north of Calton Road) in the Concordia Growth Area.

The Commission considers that this portion of Kalbeeba should be located in the Town of Gawler, consistent with the Commission's recommendation for the Concordia Growth Area.

However, the area south of Calton Road is zoned and generally developed as rural living and not identified for urban growth. The Commission considers that this results in stronger and on-going communities of interest with The Barossa Council, and that this part of Kalbeeba should remain within The Barossa Council.

The conclusions above would result in the area zoned Rural Living at the western edge of Kalbeeba being located in the Town of Gawler (being north of Calton Road). While this area also has rural living zoning and characteristics similar to the area south of Calton Road, the Commission considers it impractical and ultimately not in the interests of the community in this precinct or The Barossa Council as service provider to create an "island" within Kalbeeba that would have no contiguous boundary with The Barossa Council.

Kalbeeba Springwood Development Portion – Area 3B

The Commission recommends that the portion of Kalbeeba – Area 3B that includes the Springwood Development – move from The Barossa Council to the Town of Gawler.

The Commission accepts and supports the rationale and recommendation of the Investigator in relation to this affected area.

To the extent that The Barossa Council has already invested in infrastructure – notably stormwater infrastructure – in the Springwood Development area, anticipating that it would be funded over future years primarily by new rate revenue from the area served by that infrastructure, it may be appropriate for Town of Gawler to compensate The Barossa Council. Refer to General Recommendations for Implementation.

Portion of Gawler Belt – Area 4

The Commission recommends that the portion of Gawler Belt – Area 4 be retained in the Light Regional Council.

The Commission accepts and supports the rationale and recommendation of the Investigator in relation to this affected area.

Should the Gawler Belt area move to the Town of Gawler, the Light Regional Council would realise an estimated net negative effect of \$705,000 to its operating result. This represents approximately 2.4% of the Light Regional Council total operating revenue of \$29.7 million (in 2022-23), and if added to the estimated net financial effect of the recommended boundary change for Hewett (-1.7%) this may affect the Light Regional Council's ability to sustainably maintain services across the remaining Council area (without imposing a significant increase in rates charges to those remaining properties).

The Gawler Belt area is zoned and developed as Rural Living and is not identified within the GARP as a future urban growth area. On this basis, at least for the foreseeable future, the Gawler Belt area is unlikely to become 'urban' in nature and would benefit from the continued management, representation and administration of the Light Regional Council.

Portion of Evanston Park – Area 5

The Commission recommends that the portion of Evanston Park – Area 5 move from the City of Playford to the Town of Gawler.

The Commission accepts and supports the rationale and recommendation of the Investigator in relation to this affected area.

Portion of Reid – Area 6

The Commission recommends that the portion of Reid – Area 6 move from the Light Regional Council to the Town of Gawler.

The Commission accepts and supports the rationale and recommendation of the Investigator in relation to this affected area.

Portion of Hillier – Area 7

The Commission recommends that the portion of Hillier – Area 7 move from the City of Playford to the Town of Gawler.

The Commission notes the rationale and recommendation of the Investigator in relation to this affected area.

The affected area of Hillier is bounded to the west by the relatively new alignment of the Northern Expressway, which now forms a major man-made physical barrier that has effectively separated Hillier from the remainder of the City of Playford and re-orientated this portion of Hillier towards the Town of Gawler.

The current boundary of the Town of Gawler is on the western side of Wingate Road and the Town of Gawler maintains Hillier Road up to the boundary with the City of Playford, resulting in this affected area being supported by infrastructure owned and managed by the Town of Gawler. The Commission considers that the Town of Gawler would more effectively and efficiently offer services to and manage council assets in the unique portion of Hillier east of the Northern Expressway given its proximity, contiguity and practical access advantages relative to the City of Playford.

The Greater Adelaide Regional Plan (GARP) identifies the new Kudla Growth Area abutting the affected area of Hillier to the south-east, with Kudla largely contained within the existing Town of Gawler. Including this portion of Hillier within the Town of Gawler would result in both ultimately contiguous areas being managed by a single and capable council.

Community feedback received from residents and owners in Hillier indicated concerns about possible development restrictions, a potential negative effect on property values and the potential for higher rates.

The Commission has considered the matters raised and noted that changes to planning rules are managed through a separate process and not determined or implied by a council boundary change. The Commission does not believe that a council boundary change would, in itself, negatively affect property values in the affected area of Hillier. Any increase in rates charges resulting from the proposed change to the Town of Gawler should be subject to a

variation of rates schedule established for the transition to the Town of Gawler (see Recommendations for Implementation).

Portion of Bibaringa – Area 8

The Commission recommends that the portion of Bibaringa – Area 8 move from the Town of Gawler to the City of Playford.

The Commission accepts and supports the rationale and recommendation of the Investigator in relation to this affected area.

Portion of Uleybury – Area 9

The Commission recommends that the portion of Uleybury – Area 9 move from the Town of Gawler to the City of Playford.

The Commission accepts and supports the rationale and recommendation of the Investigator in relation to this affected area.

General Recommendations for Implementation

If the Minister decides to proceed with any or all of the proposed boundary changes, the Commission also recommends that any proclamation under s 10(6) of the Act provide for:

- 1. the alignment of differential rates in the affected areas over an appropriate period of time;
- 2. appropriate compensation by the Town of Gawler to affected councils for any transfer of community centre and Springwood development stormwater infrastructure assets between councils; and
- 3. reimbursement by the Town of Gawler to the affected councils for reasonable administrative expenses incurred in the implementation of the boundary adjustment/s.

In its comprehensive Final Report to Parliament in September 1998, the former Local Government Boundary Reform Board developed and published a set of principles to assist in determining any compensation amount to be paid when council boundary change is implemented, intended to minimise financial disadvantage to a council as a result of an alteration to boundaries.

The principles are set out in Appendix O of the Board's report (See **Attachment 7** - Appendix O – Local Government Boundary Reform Board Report to Parliament).

Assets identified with respect to the Town of Gawler Proposal that may require this compensation are:

- Hewett Centre Light Regional Council.
- Springwood development area, stormwater infrastructure The Barossa Council.

Future Northern Metropolitan Adelaide Council Boundary Considerations

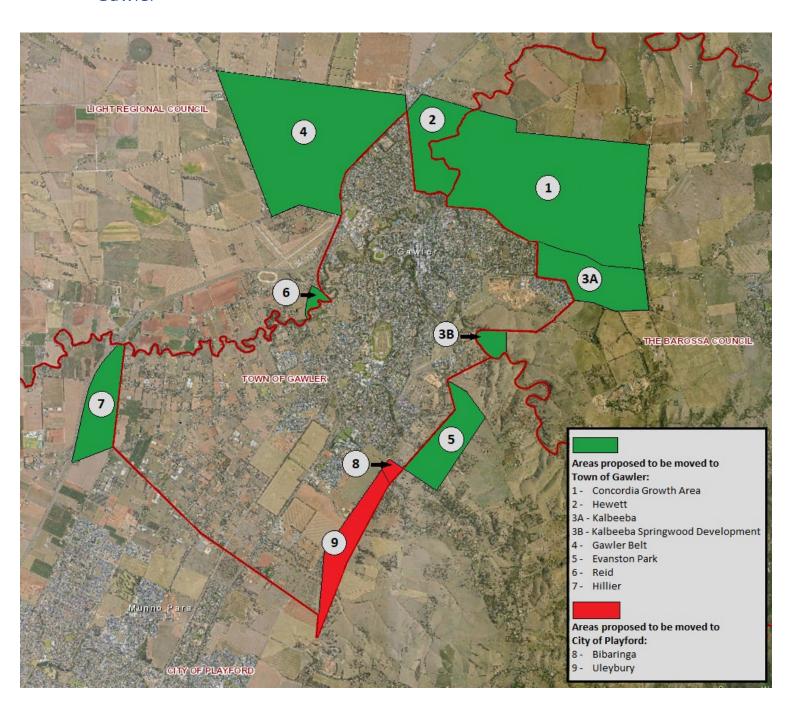
While the Commission may recommend variations to a proposal submitted to it (and has done so in relation to the Town of Gawler Proposal), the Commission recognises that the Town of Gawler's Boundary Change Proposal is in the context of very significant changes enabling urban growth in and adjacent to northern metropolitan Adelaide, which will continue as envisaged by the Greater Adelaide Regional Plan.

This has informed the Commission's deliberations and recommendations in relation to the Town of Gawler Proposal. In particular, the incorporation of Hewett and the Concordia Growth Area into the Town of Gawler would align the council boundaries and the delivery of local government functions with the currently planned northern boundary of metropolitan Adelaide (in the vicinity of the areas affected by the Town of Gawler Proposal).

However, the Commission also recognises that <u>other responses may be considered if there is a view that the current and planned changes in and adjacent to northern Adelaide may warrant wider rationalisation of council boundaries in this area. These responses could include:</u>

- Consideration of the amalgamation of Light Regional Council, the Town of Gawler and The Barossa Council to create a very large council that covers urban, peri-urban, urban fringe and high value primary production land, ie, a council similar to the City of Onkaparinga, or
- Broader consideration of all council boundaries at the northern Adelaide fringe, encompassing the Light Regional Council, the Town of Gawler, The Barossa Council, the <u>City of Playford and the Adelaide Plains Council</u> to determine the optimal structure and capacity of councils in the area of (and adjacent to) metropolitan Adelaide that will be subject to transformational urbanisation and community growth over the next 20 to 30 years.

Attachment 1 - Map of Affected Areas as Proposed by the Town of Gawler







HAVE YOUR SAY ON A PROPOSED CHANGE TO THE TOWN OF GAWLER'S BOUNDARIES

The Town of Gawler has proposed to include within its boundaries seven areas currently in Light Regional Council, The Barossa Council, and the City of Playford. The proposal also includes moving two areas from the Town of Gawler to the City of Playford.

Until 30 August 2024, you are invited to have your say about the proposal by:

- Find out more and complete a short survey at yoursay.sa.gov.au/Gawler-Boundary-Review
- Sending written feedback to: Email: GawlerBoundaryReview@bdo.com.au Postal address: BDO Level 7, 420 King William Street

Level 7, 420 King William Stre Adelaide SA 5000 AUSTRALIA

- Attending Public Forums RSVP at GawlerBoundaryReview@bdo.com.au
 - Tuesday, 20 August 2024, 5:30-7pm
 Curdnatta Recreation Park, Lot 209 Davies Rd, Sandy Creek
 - Wednesday, 21 August 2024, 12pm-1:30pm
 Online
 - Wednesday, 21 August 2024, 6-7:30pm
 Hewett Centre, 28-30 Kingfisher Drive, Hewett

W24722

www.sa.gov.au

Have Your Say:On a Proposed Change to the Town of Gawler's Boundaries

The Town of Gawler has submitted a proposal to the SA Local Government Boundaries Commission (the Commission) to move seven areas currently in Light Regional Council, The Barossa Council, and the City of Playford into the Town of Gawler. The proposal also includes moving two areas from the Town of Gawler to the City of Playford.

The Commission appointed BDO to investigate the proposal and BDO held public forums on 20 and 21 August to provide community feedback on the proposal.

Issues raised by community members included how the proposal would impact on council rates, local government service delivery by the current and proposed councils, and future changes in land zoning. Community feedback also strongly recommended that the Commission provide further time to respond to the proposal.

The consultation period on the Town of Gawler boundary change proposal has now been extended to **30 September 2024** to provide feedback on the proposal. You are invited to provide feedback to inform BDO's report to the Commission. Your feedback will also inform the Commission's recommendations on the proposal to the Minister for Local Government. The Minister will make the final decision on whether any boundary change proceeds or not.

Find out more about the proposal including maps of the affected areas and complete a short survey at yoursay.sa.gov.au/Gawler-Boundary-Review

You can also send written feedback to BDO by email or mail to:

Email

GawlerBoundaryReview@bdo.com.au

Postal address

BDO Advisory C/O Kyffin Thompson Level 7, 420 King William Street ADELAIDE SA 5001

Closing date for feedback submissions is 30 September 2024.





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Attachment 3 - Town of Gawler Inquiry - Public Consultation - YourSAy - What We Heard Report

Background

The South Australian Local Government Boundaries Commission (the Commission) is the independent body responsible for receiving and investigating council boundary change proposals and making recommendations to the Minister for Local Government (the Minister).

The Commission has conducted an Inquiry into a boundary change proposal submitted by the Town of Gawler. The proposal includes changes to nine distinct areas currently on the boundary of the Town of Gawler.

The proposal includes moving seven affected areas are currently in either the Light Regional Council, The Barossa Council, or the City of Playford, being:

- Hewett (the Light Regional Council)
- Portions of Gawler Belt and Reid (the Light Regional Council)
- Portions of Concordia and Kalbeeba (The Barossa Council)
- Portions of Evanston Park and Hillier (the City of Playford)

The proposal also includes moving two areas from the Town of Gawler to the City of Playford, being:

Portions of Bibaringa and Uleybury

Community Engagement

The Commission and the Investigator (BDO Services Pty Ltd) developed an Engagement Plan for the Town of Gawler boundary change proposal in consultation with the affected Councils. The Engagement Plan was designed to provide opportunities for affected communities and stakeholders in all nine affected areas to provide feedback on the proposal as part of the Inquiry.

Community engagement opportunities were advertised in *The Bunyip* and the *Barossa Leader* newspapers. The Investigator contacted 323 targeted stakeholders by email to inform them about the proposal, provide options for engagement and invite submissions.

The Investigator also provided the affected councils with information about the proposal to assist in providing information to residents, ratepayers and other stakeholders about the Inquiry, provide them with additional information on the proposal and invite input.

A Town of Gawler Boundary Change Inquiry YourSAy page was established with information about the proposal and to give opportunities for the community to provide feedback.

The YourSAy website recorded over 6,600 visits, and:

- more than 71,000 people were informed of the engagement opportunity through an email from YourSAy, with 29,000 people opening the email; and
- 421 on-line surveys were completed.

In addition to this:

- An organic Facebook campaign from YourSAy reached 10,235 people;
- A paid Facebook campaign reached another 10,048 people;

- A call for submissions from the general public and identified stakeholder organisations resulted in:
 - o nine stakeholder organisations providing a submission, and;
 - o 73 rate payers and residents providing a submission.
- Three community forums were held by the Investigator, including two in-person community forums and one online. The in-person community forums were held at Hewett in Light Regional Council and at Sandy Creek in The Barossa Council
 - o Approximately 138 people in total attended the public forums.
- The Investigator held engagement sessions with the elected member bodies of all four affected councils.
- The investigator provided for targeted invitations for interviews, with one stakeholder organisation participating in an interview.
- The Commission conducted a letterbox drop, providing an information flyer to all residents in the affected areas with information about the inquiry and an invitation to provide feedback.

Community Feedback Summary

- 446 survey responses were received; 421 from online responses and 25 submitted a hardcopy.
- A total of 445 surveys were received from residents within the four affected councils, with one survey received from a resident of City of Tea Tree Gully.

Affected Council	Number of Survey Responses Received	Number of Residents in the Affected Areas
Light Regional Council	310	Hewett – 3133
		Gawler Belt – 780
		Reid – 0
		Total - 3913
The Barossa Council	57	Concordia – 58
		Kalbeeba – 344
		Total – 402
Town of Gawler	66	Evanston Park – 11
		Hillier – 66
		Total - 77
City of Playford	12	Bibaringa – 78
		Uleybury – 30
		Total – 108

- Noting a total of 4500 residents located within the nine affected areas, the 445 surveys received provides a response rate of 9.9% across the four affected councils.
- 290 respondents (65%) stated they live, own a property or pay rates in an area affected by the boundary proposal realignment. This indicates that 156 surveys (35% of respondents) were received from residents <u>outside</u> of the nine affected areas, however still residing within one of the four affected councils.

- 241 respondents (54%) had strong concerns that this proposal would negatively impact them and 22 (5%) thought it would positively impact them, however 352 respondents (79%) expressed some level of opposition to the proposal. Council rates were a key concern for many respondents who opposed the proposal, with 46% of concerns due to potential rate increases and 23% due to potential impact on council services.
- 310 responses (69%) came from residents or rate payers in Light Regional Council.
 From this, 149 Light Regional Council respondents stated they live in Hewett and 90 reported they live in Gawler Belt.
- Within the survey responses, 82% of all opposition to the proposal came from people who live in Light Regional Council.

Community Services Responses

From the survey responses, it was noted that people who live, work, or own property in Light Regional Council are 3 times more likely to visit community services (e.g. libraries, justice of the peace) in their own council than to visit The Barossa Council or the Town of Gawler.

32 out of 57 respondents from The Barossa Council report that they use community services within their own council compared to 18 respondents using community services within the Town of Gawler.

46 out of 66 Town of Gawler respondents report using community services in their own council, compared to travelling to Light Regional Council (7 respondents) or The Barossa Council (4 respondents).

Although survey respondents were not equally represented across the four council areas (with 310 out of 446 respondents living or paying rates in Light Regional Council), the survey results did not indicate a disproportionate use of Town of Gawler council-provided facilities by residents of other councils.

For example, 139 respondents from the Light Regional Council claim their use of community services (such as libraries) occurs in Light Regional Council, with only 53 using similar services in the Town of Gawler. 9 respondents living or paying rates in The Barossa Council claim they use the Town of Gawler's community services.

Organised Community Groups/Social Clubs Responses

Residents of the Town of Gawler are 6.3 times more likely to participate in organised community groups and social clubs in their own council than visit other councils. This compares to residents of The Barossa Council who are 2.8 times more likely to participate in organised community groups and social clubs in their own council than visit other councils. Light Regional Council residents are 2.4 times more likely to participate in organised community groups and social clubs in their own council than visit other councils.

Recreational and Sporting Facilities Responses

People who reported being rate payers or residents of The Barossa Council are only 1.5 times more likely to visit their own council to use <u>recreational</u> and sporting facilities than in another council. This compares to residents of Light Regional Council who are 2 times more likely to frequently use their own council's facilities than another council. The Town of Gawler residents are 6.8x more likely to frequently use their own council's facilities than another council.

Respondents who are rate payers or residents of the Town of Gawler participate in <u>organised</u> sport, sporting or swimming lessons 6.5 times more in their own council than in other council areas. This compares to residents of Light Regional Council (1.4 times) and The Barossa Council (2.1 times). Data collected during the Inquiry suggests that approximately 13% of Aquatic Centre swim school participants are from one of the nine potentially affected areas.

Data for individual sporting and social clubs provided by the Town of Gawler had membership from residents in an area of interest ranging between 7% (Gawler Ranges Baseball Club, with 128 members) up to almost 58% (Willaston Cricket Club, with 104 members).

Retail Services Responses

The only area where survey respondents did not report a significant difference in using facilities in their own council related to retail facilities. Of the respondents from the Light Regional Council, 208 reported visiting retailers in the Town of Gawler, compared to 186 visiting retailers in Light Regional Council.

The retail data was similar for residents of The Barossa Council, with a slightly higher preference for shopping within their own council, with 38 Barossa respondents reporting visiting Gawler for retail, compared to 42 shopping within The Barossa Council.

Inquiry Investigation Matters

The investigation concentrated upon five areas of inquiry:

- 1. Financial Matters
- 2. Land Use and Planning Matters
- 3. Employee Matters
- 4. Representation Matters
- 5. Community and Services Matters

What we heard in these five areas of the Inquiry are summarised below:

1. Financial Matters

Financial Matters were ranked as the most important of the five areas of the Inquiry, with council rates of particular importance to survey respondents. The greatest concern for those residents in areas proposed to be moved into the Town of Gawler was an increase in rates. 205 respondents (46%) were concerned about potential rate increases and 102 respondents (23%) were concerned about potential impacts on council services.

2. Land Use and Planning Matters

There were also significant concerns raised in relation to future development and its implications. Respondents for and against the proposal raised concerns about growth in the area, how it will be managed, including any cost implications for councils, and how these will impact residents. General concerns about traffic were also raised, particularly within the Gawler township and how residential traffic from Concordia will be managed in the future.

Those supportive of the Town of Gawler's proposal suggest that adjustment of council boundaries will provide resources so they can manage growth and the increased traffic. The assumption is that growth will have a negative impact unless these issues are managed by the Town of Gawler. We also heard concerns that the required infrastructure for developments, particularly in relation to the Concordia growth area may be delayed resulting in a temporary increase in use of Town of Gawler services and assets.

Those opposing the proposal, particularly in the Light Regional Council and The Barossa Council, specifically residents from Hewett and the Concordia/Kalbeeba areas, expressed concerns about management of growth and increased traffic whilst maintaining the rural character of the area.

Respondents within Concordia, Kalbeeba, Gawler Belt and Evanston Park raised concerns that, should the boundary change proceed, potential rezoning of current rural living zoning to residential zoning will result in higher density housing and therefore reducing the rural living character of the area.

3. Employee Matters

No significant feedback was received relating to Employee Matters, indicating that this area was not a major concern to respondents.

4. Representation

When asked about the relative importance of the five streams of the Inquiry, survey respondents ranked Representation Matters as the least important factor for considerations in the Inquiry.

5. Community and Services Matters

Through the engagement process, a community of interest was defined as where 'people feel a connection with a group of people or an area.'

78 out of 138 (57%) forum participants expressed that their community of interest was their suburb or locality, or their existing council, with only a minority of respondents indicating their community of interest did not align to their current locality or suburb.

To a lesser extent, 62 survey respondents (14%) identified their community of interest as a club. The highest proportion of respondents who reported sporting participation reported it to be within their own council area, with only 43 (14%) Light Regional Council respondents and 9 (17%) of The Barossa Council respondents reporting that their organised sporting occurs within the Town of Gawler.

Next Steps

The Investigator, BDO Services Pty Ltd, provided the Commission with an independent Investigator's Report, outlining the findings from its investigation and recommendations for each of the nine affected areas.

The Commission has considered the Investigator's Report and prepared its own report with recommendations on the boundary change proposal to the Minister. At the same time that the Commission provided its report to the Minister, the Commission published the report on its website.

The Minister will make the final decision as to whether any or all elements of the boundary change proposal will proceed or not proceed.

The Commission's report to the Minister can be found on the Commission's website at: <u>Town of Gawler Boundary Change Inquiry</u>.

When the Minister makes his decision on the Town of Gawler Boundary Change Inquiry, it will also be made available on the Commission's website.

Attachment 4 - DHUD - Town of Gawler Boundary Change Proposal - Advice on the Approach to Planning for the Concordia Growth Area



Planning Future Services and Infrastructure for Concordia

This briefing provides an outline of the approach to planning future infrastructure and services as part of the Code Amendment process for the Concordia Growth Area.

Background to the Concordia Code Amendment

The 2010 and 2017 iterations of the 30-Year Plan for Greater Adelaide identified the Concordia Growth Area for future urban growth, which was reinforced in the 2025 Greater Adelaide Regional Plan (GARP).

In 2021 the Concordia Land Trust, representing the majority land holder, sought to initiate a proponent-led Code Amendment for a portion of the Concordia Growth Area. After considering the proposal, the State Planning Commission recommended that State Government should lead the Code Amendment, given the significance of the site as a logical urban extension of Adelaide.

The Commission further recommended that a cross-government approach to infrastructure provision needed to be resolved before the Code Amendment process could commence. This led to the establishment of the Growth and Infrastructure Coordination Unit (formerly called Housing, Infrastructure, Planning and Development Unit) in 2023, to facilitate the cross-government approach to infrastructure planning.

The Growth and Infrastructure Coordination Unit (GICU) is leading the investigations and planning required for the Concordia Code Amendment. The timeline for finalisation of the Code Amendment, as specified in the state government Housing Roadmap, is September 2025 to allow for the necessary approvals, infrastructure and civil works required for dwelling construction to commence by December 2029.

Area Summary

The following points are provided as an update to the draft inquiry report prepared for the Local Government Boundaries Commission by BDO Consulting:

- The total land area comprising the Concordia Growth Area is approximately 995 hectares, inclusive of existing road infrastructure, or approximately 950 hectares if road infrastructure is excluded.
- The Concordia Growth Area includes a portion of land directly south of Barossa Valley Way, which was not depicted in the BDO report. Figure 1 provides a map of the total Concordia Growth Area.
- The estimated development capacity of the site is anticipated to be able to support
 a forecast population of between 25,000 to 30,000 people in 10,000 to 12,000
 dwellings. This is a higher yield than was previously forecast.
- The expected timeline for development will be approximately 25 to 30 years.
- The intent of the current draft master plan is to provide a series of urban precincts which will include community, education, recreation, commercial and retail services within easy access to residents.

Figure 1 Map of Concordia Growth Area



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Planning Infrastructure and Services for the Concordia Growth Area¹

Planning without borders is an important aspect of planning future infrastructure and services for Concordia. This approach is holistic, coordinated and collaborative, recognising that land development presents challenges and opportunities that cross political and administrative boundaries. Coordinated planning across these borders supports the development of communities based on how people actually live, work and play. It also involves recognition of the impacts that large-scale development will have on neighbouring areas, and planning interventions that seek to mitigate the negative impacts.

For the Concordia Growth Area, planning has recognised that the development must function in its own right, but also within its regional and sub-regional context. It should service the needs of its future population but not to the detriment of nearby towns and communities. It is, however, a desired outcome that the Concordia development will add value to the regional area by offering new services and facilities that will be accessed by the wider population, for their benefit and enjoyment. It is likely that in the future Concordia will serve the needs of the broader regional population, in addition to the residents of Concordia.

The Growth and Infrastructure Coordination Unit (GICU) has coordinated the investigations and planning for the Concordia Growth Area on behalf of the Chief Executive of the Department for Housing and Urban Development (the designated entity). This has included a review and update (as necessary) of the previous investigations carried out for the site on behalf of the Concordia Land Trust, including:

- Biodiversity Survey and Restoration Report, Donovan, 2016
- Ecological Review, EBS Ecology, 2016
- Economic Strategy, Urbis, 2016
- Market Analysis, Holmes Dyer, 2017
- Market Analysis Update, Holmes Dyer, 2018
- Urban Growth in Northern Metropolitan Adelaide, Holmes Dyer, 2019
- The Economic Contribution of the Concordia development to South Australia, PWC. 2018
- Social Infrastructure Strategy, AECOM, 2016
- Services Infrastructure Review Report, Wallbridge and Gilbert, 2017
- Transport Overview Urban Framework, GTA Consultants, 2017
- Infrastructure Funding and Charging Plan Framework, PWC, 2018
- Regional Framework Structure Plan, Urbis, 2017
- Land Urban Framework Plan, 2018
- Track Alignment Study at Gawler East, Precision Rail Australia, 2019

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¹ NOTE ON CONFIDENTIALITY – This section of the report contains information that will be released to the public as part of the Code Amendment consultation in May 2025. This section should be treated as confidential until the Code Amendment is released for consultation.

- · Preliminary Geotechnical Investigations, Wallbridge and Gilbert, 2019
- Design Review Report, Tract, 2019

A range of new investigations, and updates to previous investigations, were undertaken in 2024 and 2025. This includes the following:

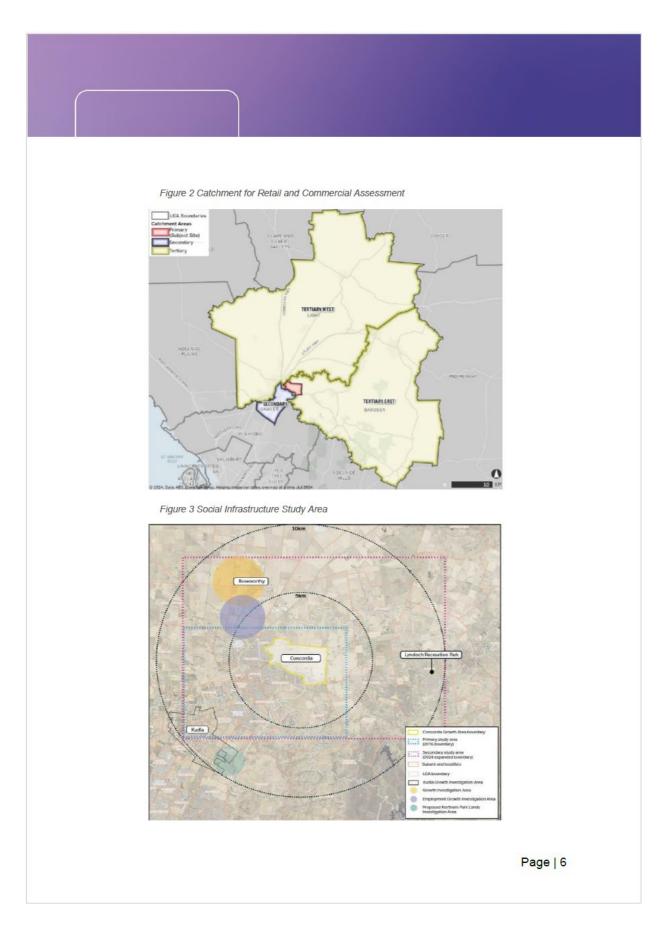
- Social Infrastructure Strategy, AECOM, 2024 (update)
- Stormwater Management Strategy, Tonkin Consulting, 2024 (new investigation)
- Aboriginal Cultural Heritage Assessment, GHD, 2024 (new investigation)
- Economic Strategy Addendum, Urbis, 2024 (update)
- Preliminary Site Investigation, SENVERSA, 2024 (new investigation)
- Transport Infrastructure Strategy, AECOM, 2025 (update)
- Geotechnical Assessment, WGA, 2024 (new investigation)
- Rural Interface Assessment, Future Urban, 2024 (new investigation)
- Landscape Visual Impact, Ethos/Future Urban, 2024 Assessment (new investigation)
- Urban Design, MESH, 2025 (new investigation)
- Infrastructure Funding Plan, MESH, 2025 (new investigation)

The investigations undertaken examined the site specific, sub-regional and regional contexts to identify the likely needs and impacts created by the development, inclusive of facility/service gaps. For example:

- Transport network analysis and modelling was undertaken at regional and local levels to identify the hierarchy of upgrades and additions needed to cater for regional traffic flows. This analysis identified significant road upgrades required within Gawler due to increased traffic volumes. Development of major intersections to Barossa Valley Way and connection to the Sturt Highway were identified to facilitate connectivity for Concordia, whilst reducing traffic flows through the Gawler town centre. Additionally, the analysis recommended a significant regional walking trail along the North Para River and pedestrian connections to existing Gawler walking trails via Clonlea Reserve. The aim is to increase pedestrian and cycle access, thereby improving active transport permeability and connection. It is anticipated that this will likely result in increased utilisation of the walking trail by both Concordia and Gawler residents.
- Stormwater investigations analysed Concordia within its regional catchment and
 identified a need for downstream management of stormwater in Gawler due to
 significant increases in stormwater runoff generated by development in Concordia.
 Proposed future interventions include the need for appropriate flood and erosion
 controls, as well as opportunities for potential water harvesting strategies. While
 initial stormwater management works (beyond the growth area site) will be
 required as part of the overall development works undertaken, their ongoing
 management and maintenance will have longer term impacts for the Town of
 Gawler.

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- Economic analysis was based on a regional catchment (shown in figure 2) and aimed to ensure that the regional hierarchy of activity centres, with Gawler functioning as the district centre within the catchment, are protected and remain commercially viable. It is likely in the early/mid-stages of the Concordia development there will be increased demand for retail and services located in Gawler. This demand will be driven by the early Concordia residents needing access to shops and services before the planned retail centres in Concordia are developed. Increased retail and service demand may initially exacerbate traffic and parking issues within the Gawler CBD but will likely lessen as the development progresses and the Concordia retail centres are constructed.
- Social infrastructure analysis was based on a regional catchment (shown in figure 3), with infrastructure and services mapped within the region to assist with identifying likely gaps in facility and service provision as the Concordia population grows. The social infrastructure and services looked at in this investigation include (but are not limited to) education, childcare, aged care, youth centres, health services, libraries, community centres, cultural centres, recreation and sporting facilities. The analysis utilised benchmark population standards to identify the social infrastructure required to service the majority of needs of Concordia residents. However, due to several compounding factors (such as public transport access, social service locations, existing service relationships, development staging and individual preferences), there will likely be higher demand for services and facilities located within Gawler - particularly in the early/mid-stages of the Concordia development. This may see increased patronage of some Council facilities, such as the library, aquatic, sport and recreation facilities. The existing location of key services in Gawler (such as Centrelink, Medicare, Services SA, banks, health services and education) will almost certainly result in increased service demand - in addition to the associated traffic and parking issues this creates.



Further Considerations

Future planned development at Roseworthy and Kudla was identified in the March 2025 release of the GARP. Both developments are in the regional catchment of the Town of Gawler and the Concordia Growth Area. While planning for the developments is in the early initial stages, it is reasonable to anticipate that there will be impacts on neighbouring townships and communities. It is likely that the Town of Gawler will experience greater impacts due to its closer proximity to both development areas, and due to its well-established retail and service offerings — in addition to public transport connectivity. Impacts may be more acutely felt in the areas of transport planning, car parking, stormwater management, retail and commercial planning, environmental and biodiversity, health and other services.

The Concordia development is likely to be less impacted by development in Roseworthy and Kudla. As Concordia is still in the planning stages there is sufficient time and flexibility to respond to identified challenges or opportunities arising through either development.

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Attachment 5 - SA Local Government Boundaries Commission - Town of Gawler - Summary of Town of Gawler Proposal, Investigator Recommendations and Commission Recommendations

Affected Area	Town of Gawler Proposal	Investigator Recommendation	Commission Recommendation
Area 1 Concordia Growth Area	Concordia Growth Area, currently within The Barossa Council, is proposed to move to Town of Gawler.	It is recommended that the Commission not accept the proposal for changing the local government boundaries for the Concordia Growth Area (Area 1) as there is insufficient evidence to support this proposed change.	The Commission recommends that the Concordia Growth Area – Area 1 move from The Barossa Council to the Town of Gawler. For the Commission's rationale for this recommendation, see page 15.
			Note: Refer also to General Recommendations for Implementation: 1. Alignment of differential rates; 2. N/A; 3. Reimbursement by the Town of Gawler to the affected councils for reasonable administrative expenses incurred in the implementation of the boundary adjustment/s.
Area 2 Hewett	Hewett, currently within Light Regional Council, is proposed to move to Town of Gawler.	It is recommended that the Commission not accept the proposal for changing the local government boundaries for Hewett (Area 2) as there is insufficient evidence to support this proposed change.	The Commission recommends that the area of Hewett – Area 2 move from the Light Regional Council to the Town of Gawler. For the Commission's rationale for this recommendation, see page 18. Note: Refer also to General Recommendations for Implementation: 1. Alignment of differential rates; 2. Compensation for transfer of assets, and; 3. Reimbursement by the Town of Gawler to the
			affected councils for reasonable administrative expenses incurred in the implementation of the boundary adjustment/s.

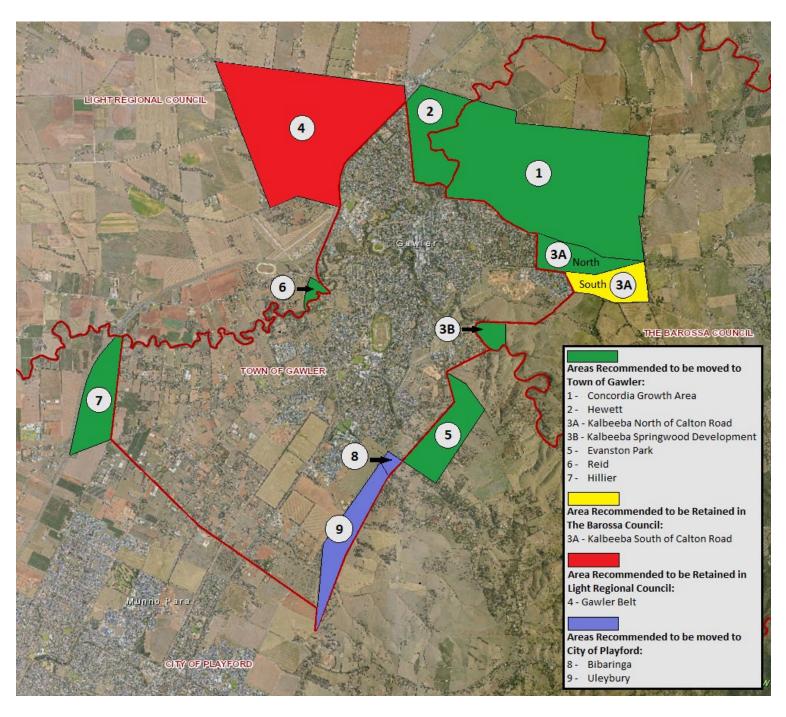
Kalbeeba — Rural Living portion Council, is proposed to move to Town of Gawler. Area 3B Kalbeeba — Springwood Development portion Kalbeeba — Springwood Development portion Kalbeeba, the Springwood Development portion Gawler. Kalbeeba, the Springwood Development portion of Gawler, on Gawler to a proposed to move to Town of Gawler. Kalbeeba — Springwood Development portion on Gawler. Kalbeeba — Springwood Development portion, currently within The Barossa Council, is proposed to move to Town of Gawler to a prescribed limitation on increase in rates for the impacted properties for the maximum period allowed by the applicable legislation. Kalbeeba — Rara 3A that is south of Ca Road - be retained in The Barossa Council to Raod - be retained in The Barossa Council to the Town of Cawler. Kalbeeba — Area 3A that is south of Ca Road - be retained in The Barossa Council to the Town of Gawler. Kalbeeba — Area 3A that is south of Ca Road - be retained in The Barossa Council to the Town of Gawler. Kalbeeba — Area 3A that is south of Ca Road - be retained in The Barossa Council to the Town of Gawler. Kalbeeba — Area 3B that increase in rates for the Town of Gawler, subject to a prescribed limitation on increase in rates for the impacted properties for the maximum period allowed by the applicable legislation. Kalbeeba — Area 3A that is south of CaRoad - be retained in The Barossa Council to the Town of Gawler. Kalbeeba — Area 3B that includes Springwood Development — move from Barossa Council to the Town of Gawler. For the Commission's rationale for recommendation, see page 20. Note: Refer also to General Recommendation of the Town of Gawler. For the Commission's rational for recommendati	Affected Area	Town of Gawler Proposal	Investigator Recommendation	Commission Recommendation
recommendation, see page 20. Note: Refer also to General Recommendation In Implementation: 1. Alignment of differential rates; 2. N/A; 3. Reimbursement by the Town of Gawler to affected councils for reasonable administrate expenses incurred in the implementation of boundary adjustment/s. Kalbeeba – Springwood Development portion, currently within The Barossa Council, is proposed to move to Town of Gawler. Kalbeeba, the Springwood Development portion, currently within The Barossa Council, is proposed to move to Town of Gawler. Kalbeeba, the Springwood Development portion, currently within The Barossa Council, is proposed to move to Town of Gawler as Barossa Council to the Town of Gawler as Barossa Council to the Town of Gawler as Barossa Council to the Town of Gawler, subject to a prescribed limitation on increase in rates for the impacted properties for the maximum period allowed by the applicable legislation. Kalbeeba, the Springwood Development by the Commission recommends that the por of Kalbeeba – Area 3B that includes Springwood Development – move from Barossa Council to the Town of Gawler. For the Commission's rationale for recommendation, see page 20. Note: Refer also to General Recommendation for Implementation: 1. Alignment of differential rates; 2. Compensation for transfer of assets, and,	Kalbeeba – Rural Living	currently within The Barossa Council, is proposed to move to	accept the proposal for changing the local government boundaries for Kalbeeba Rural Living portion (Area 3A) as there is insufficient	The Commission recommends that the portion of Kalbeeba – Area 3A that is south of Calton Road - be retained in The Barossa Council and the portion of Area 3A – the area of Kalbeeba that is north of Calton Road - move from The Barossa Council to the Town of Gawler.
for Implementation: 1. Alignment of differential rates; 2. N/A; 3. Reimbursement by the Town of Gawler to affected councils for reasonable administrate expenses incurred in the implementation of boundary adjustment/s. Area 3B				For the Commission's rationale for this recommendation, see page 20.
Development portion Development portion, currently within The Barossa Council, is proposed to move to Town of Gawler. Development portion Gawler. Development portion, currently within The Barossa Council, is proposed to move to Town of Gawler as proposed by the Town of Gawler, subject to a prescribed limitation on increase in rates for the impacted properties for the maximum period allowed by the applicable legislation. Development portion, currently within The Barossa Council, is Government that the Kalbeeba Springwood Development — move from Barossa Council to the Town of Gawler. For the Commission's rationale for recommendation, see page 20. Note: Refer also to General Recommendat for Implementation: 1. Alignment of differential rates; 2. Compensation for transfer of assets, and,				 Alignment of differential rates; N/A; Reimbursement by the Town of Gawler to the affected councils for reasonable administrative expenses incurred in the implementation of the
within The Barossa Council, is proposed to move to Town of Gawler. Gawler. Government that the Kalbeeba Springwood Development – move from The Barossa Council to the Town of Gawler as proposed by the Town of Gawler, subject to a prescribed limitation on increase in rates for the impacted properties for the maximum period allowed by the applicable legislation. Springwood Development – move from Barossa Council to the Town of Gawler. For the Commission's rationale for recommendation, see page 20. Note: Refer also to General Recommendat for Implementation: 1. Alignment of differential rates; 2. Compensation for transfer of assets, and,	·	,		The Commission recommends that the portion
proposed to move to Town of Gawler. Development portion (Area 3B) move from The Barossa Council to the Town of Gawler as proposed by the Town of Gawler, subject to a prescribed limitation on increase in rates for the impacted properties for the maximum period allowed by the applicable legislation. Barossa Council to the Town of Gawler. For the Commission's rationale for recommendation, see page 20. Note: Refer also to General Recommendat for Implementation: 1. Alignment of differential rates; 2. Compensation for transfer of assets, and,				
Barossa Council to the Town of Gawler as proposed by the Town of Gawler, subject to a prescribed limitation on increase in rates for the impacted properties for the maximum period allowed by the applicable legislation. For the Commission's rationale for recommendation, see page 20. Note: Refer also to General Recommendat for Implementation: 1. Alignment of differential rates; 2. Compensation for transfer of assets, and,	Development portion	,		, ,
period allowed by the applicable legislation. for Implementation: 1. Alignment of differential rates; 2. Compensation for transfer of assets, and,			Barossa Council to the Town of Gawler as proposed by the Town of Gawler, subject to a	For the Commission's rationale for this
			the impacted properties for the maximum	

Affected Area	Town of Gawler Proposal	Investigator Recommendation	Commission Recommendation
Area 4 Portion of Gawler Belt	Portion of Gawler Belt, currently within Light Regional Council, is proposed to move to Town of Gawler.	It is recommended that the Commission not accept the proposal for changing the local government boundaries for a portion of Gawler Belt (Area 4) as there is insufficient evidence to support this proposed change.	The Commission recommends that the portion of Gawler Belt – Area 4 be retained in the Light Regional Council. For the Commission's rationale for this recommendation, see page 20.
Area 5 Portion of Evanston Park	Portion of Evanston Park, currently within City of Playford, is proposed to move to Town of Gawler.	It is recommended that the Commission recommend to the Minister for Local Government that it be considered to accept the proposal to move the proposed portion of Evanston Park (Area 5) from the City of Playford to the Town of Gawler, subject to a prescribed limitation on increase in rates for the impacted properties for the maximum period allowed by the applicable legislation.	The Commission recommends that the portion of Evanston Park – Area 5 move from the City of Playford to the Town of Gawler. For the Commission's rationale for this recommendation, see page 21. Note: Refer to General Recommendations for Implementation: 1. Alignment of differential rates; 2. N/A; 3. Reimbursement by the Town of Gawler to the affected councils for reasonable administrative expenses incurred in the implementation of the boundary adjustment/s.
Area 6 Portion of Reid	Portion of Reid, currently within Light Regional Council, is proposed to move to Town of Gawler.	It is recommended that the Commission recommend to the Minister for Local Government that the <i>entirety</i> of the locale of Reid (Area 6) be within the Town of Gawler, with the portion currently in Light Regional Council to move the Town of Gawler, subject to a prescribed limitation on increase in rates for the impacted properties for the maximum period allowed by the applicable legislation.	The Commission recommends that the portion of Reid – Area 6 move from the Light Regional Council to the Town of Gawler. For the Commission's rationale for this recommendation, see page 21. Note: Refer to General Recommendations for Implementation: 1. Alignment of differential rates; 2. N/A; 3. Reimbursement by the Town of Gawler to the affected councils for reasonable administrative expenses incurred in the implementation of the boundary adjustment/s.

Affected Area	Town of Gawler Proposal	Investigator Recommendation	Commission Recommendation
Area 7 Portion of Hillier	Portion of Hillier, currently within City of Playford, is proposed to move to Town of Gawler.	It is recommended that the Commission not accept the proposal for changing the local government boundaries for a portion of Hillier (area 7) as there is insufficient evidence to support this proposed change.	The Commission recommends that the portion of Hillier – Area 7 move from the City of Playford to the Town of Gawler. For the Commission's rationale for this recommendation, see page 21. Note: Refer to General Recommendations for
			Implementation: 1. Alignment of differential rates; 2. N/A; 3. Reimbursement by the Town of Gawler to the affected councils for reasonable administrative expenses incurred in the implementation of the boundary adjustment/s.
Area 8 Portion of Bibaringa	Portion of Bibaringa, currently within Town of Gawler, is proposed to move to the City of Playford.	It is recommended that the Commission recommend to the Minister for Local Government that it be considered to accept the proposal to move the proposed portion of Bibaringa (Area 8) from the Town of Gawler to the City of Playford, subject to a prescribed limitation on increase in rates for the impacted properties for the maximum period allowed by the applicable legislation, noting that council rates will likely reduce for affected residents if transferred to the City of Playford.	The Commission recommends that the portion of Bibaringa – Area 8 move from the Town of Gawler to the City of Playford. For the Commission's rationale for this recommendation, see page 22. Note: Refer to General Recommendations for Implementation: 1. Alignment of differential rates; 2. N/A; 3. Reimbursement by the Town of Gawler to the affected councils for reasonable administrative expenses incurred in the implementation of the boundary adjustment/s.

Affected Area	Town of Gawler Proposal	Investigator Recommendation	Commission Recommendation
Area 9 Portion of Uleybury	Portion of Uleybury, currently within Town of Gawler, is proposed to move to the City of Playford.	It is recommended that the Commission recommend to the Minister for Local Government that it be considered to accept the proposal to move the proposed portion of Uleybury (Area 9) from the Town of Gawler to the City of Playford, subject to a prescribed limitation on increase in rates for the impacted properties for the maximum period allowed by the applicable legislation, noting that council rates will likely reduce for affected residents if transferred to the City of Playford.	The Commission recommends that the portion of Uleybury – Area 9 move from the Town of Gawler to the City of Playford. For the Commission's reasoning for this recommendation, see page 22. Note: Refer to General Recommendations for Implementation: 1. Alignment of differential rates; 2. N/A; 3. Reimbursement by the Town of Gawler to the affected councils for reasonable administrative expenses incurred in the implementation of the boundary adjustment/s.
General Recommendations for Implementation	No Recommendation	No Recommendation	 The Commission also recommends that: The alignment of differential rates in the affected areas over an appropriate period of time; Appropriate compensation by the Town of Gawler to affected councils for any transfer of community centre and Springwood development stormwater infrastructure assets between councils; and, Reimbursement by the Town of Gawler to the affected councils for reasonable administrative expenses incurred in the implementation of the boundary adjustment/s.

Attachment 6 - Map of Affected Areas - As Recommended by the Commission



Attachment 7 - Appendix O — Local Government Boundary Reform Board Report to Parliament

LOCAL GOVERNMENT BOUNDARY REFORM BOARD

APPENDIX 0

PRINCIPLES FOR TRANSFER PRICES IN BOUNDARY ALTERATIONS

The Board commissioned Anderson Collins to provide some broad principles to assist in determining a price for the transfer of areas from one Council to another (1998).

In determining these principles, consideration has been given to the Board's guidelines, 'The Alteration of Council Boundaries — Series 10' (1997). These guidelines make specific reference to ensuring that neither Council will experience any significant ongoing financial disadvantage as a result of alterations to boundaries.

PRINCIPLES

- 1. Balance sheet asset valuations should not be used for calculating financial consideration.
- The exception to Principle 1 above should be for large infrastructure assets such as community centres or major drainage. In this case existing liabilities should be transferred.
- Economic valuation using Present Value (PV) techniques are the most appropriate method for calculating financial consideration.
- The annual net gain to the purchasing Council should be utilised as a basis for calculation.
- There is no direct link to strategic or business planning time frames (that is, it is a financial issue not a strategic planning issue).
- Payments made by the purchasing Council per annum should not exceed the annual financial advantage.
- The Local Government Finance Authority (LGFA) borrowing rate should be utilised as the discount rate in the calculation of the present value amount.
- 8. The present value calculation term should be within a $7-10\,\mathrm{year}$ time frame.

FINANCIAL CONSIDERATION

Principle 1

A private sector approach to the calculation of financial consideration would incorporate examination of:

- · the balance sheet position
- · current and future anticipated cash flows
- · market conditions
- · cost of capital.

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In the Local Government context, valuation using the balance sheet position has considerable limitations including:

- asset valuation methods and techniques are subjective at best, and hence there is uncertainty in calculating real future liabilities
- · net assets have little or no market value.

Balance Sheet asset valuations should not be used for calculating financial consideration.

Principle 2

In certain circumstances there may be unique one-off capital expenditure associated with the area being transferred. In this case, the 'selling' Council should transfer the outstanding liability.

The exception to Principle 1 above should be for large infrastructure assets such as community centres or major drainage. In this case existing liabilities should be transferred.

Principle 3

It was concluded that a discounted cash flow approach is the only logical method to calculate a reasonable sum, based on the economic value of cash inflows less cash outflows to the 'purchasing' Council, discounted over a set term.

Principle 4

The primary factor driving the transfer for this study is community preference. The net impact on the 'purchasing' Council should be utilised in calculating remuneration, which in most cases would be the annual net gain to the purchasing Council.

Principle 5

The calculation of the financial payment is an economic issue. Whilst there are strategic outcomes, it does not necessarily link with any arbitrary planning period and there is no direct link to strategic or business planning time frames. Remuneration is linked to economic returns and therefore the terms in years should logically not be linked to a three or five year planning timeframe.

There is no direct link to Strategic or Business Planning time frames (that is, it is a financial issue not a strategic planning issue).

Principle 6

Given the size of the financial advantage received by the 'purchasing' Council in this case, it would seem inappropriate to make payment up-front, as the total net advantage occurs over many years. Arguably, the Present Values (discounted cashflows) approach addresses this, however, incurring considerable up front debt, or reduction in cash reserves, would generally not be acceptable at a political level.

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LOCAL GOVERNMENT BOUNDARY REFORM BOARD

It is therefore appropriate that payment occur on an annual basis over an agreed term. Ideally, this payment should not exceed the annual financial advantage gained from the 'purchasing' Council. While there would be a set term utilised for calculating the present value figure, the annual repayments can be adjusted to ensure they do not exceed the annual financial advantage. Payments made by the purchasing Council per annum should not exceed the annual financial advantage.

Principle 7

The LGFA borrowing rate is recognised as a benchmark for the industry.

The LGFA borrowing rate should be utilised as the discount rate in the calculation of the present value amount.

Principle 8

The term of payment is perhaps the most difficult issue to resolve.

The following points need to be considered:

- the 'transferring' Council has reduced ongoing cash flow for the long term
- the actual 'real' loss in income for the transferring Council will, in the medium term, be
 greater than the annual financial advantage to the purchasing Council. This is due to the
 fact that its overall cost structure would probably not be reduced initially, rather
 resources will be reallocated elsewhere
- there is no guarantee that the 'purchasing' Council will not have to increase resources in the area to enable equitable service levels
- the amount required for future asset replacement is unclear (that is, it could be greater than anticipated)
- · further legislative charges may increase the amount and type of services to be delivered.

There is no doubt that there is a long term financial loss for the 'transferring' Council. It seems unrealistic for them to receive compensation only over a 3–5 year period. On the other hand, the long term uncertainty with regard to asset replacement and service levels for the 'purchasing' Council indicates a 15–20 year term to be also unrealistic. Some form of compromise seems appropriate.

The present value calculation term should be within a 7-10 year time frame.

CONCLUSION

The term of payment should reflect a long term loss of income for the 'transferring' Council (that is, repayment calculated 0–5 years is not appropriate).

The normal term of Present Value (PV) analysis 15–20 years does not reflect the risk associated with taking on the new areas.

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Appendix	1	-	Town	of	Gawler	Boundary	Change	Proposal	_
Investigato	or's	Re	eport						

The Investigator's Report is issued separately to this Report.