CONFIDENTIAL ITEMS 2003 – JULY 2026

#	Date	Item Title	Confidential Order Details	Item being kept confidential - Agenda/ Attachment/ Minutes	Reason regarding retention or recommend-action to release	Resolution Regarding Action	Last Review Date	Next Review Date	Date Released
290	14 August 2025	Audit and Risk Committee Debt Write Off	Section 90 (3) (b) Order 1. Pursuant to Section 90(3)(b) Pursuant to Section 90(2) of the Local Government Act 1999 the Audit and Risk Committee orders that all members of the public except the Chief Executive Officer, Executive Manager, General Manager Corporate Services, Manager Financial Services and the Minute Secretary be excluded from attendance at the meeting for Agenda Item 12.3 Confidential Item: Debt Write Off. The Audit and Risk Committee is satisfied that pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this agenda item is information the disclosure of which could reasonably be expected to prejudice the commercial position of the Council In addition the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may severely prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter and in relation to other contract negotiations. Section 91(7) Order 4. Pursuant to Section 90 (3) (b) That having considered Agenda Item 12.3 Debt Write Off, in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Audit and Risk Committee pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until Council determines that this information is able to be publicly released or such lesser period as may be determined by the Chief Executive Officer and that this order be reviewed every 12 months.	Council report, related documents and all minutes	The Audit and Risk Committee is satisfied that pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this agenda item is information the disclosure of which could reasonably be expected to prejudice the commercial position of the Council In addition the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed	Council report, related documents and all minutes be retained in confidence until Council determines that this information is able to be publicly released or such lesser period as may be determined by the Chief Executive Officer and that this order be reviewed every 12 months.		Within 12 mo6nths	*Report and minutes released on website 6 November 2026*

RELEASED

CONFIDENTIAL ITEMS 2003 – JULY 2026

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					in the circumstances because the disclosure of Council's commercial position may severely prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter and in relation to other contract negotiations.				

RELEASED

12.3 REPORT TITLE: CONFIDENTIAL ITEM: DEBT WRITE OFF

DATE OF MEETING: 14 AUGUST 2025

FILE NUMBER: DOC/25/76167

ATTACHMENTS: NIL

Key Contact Dan Rouse, Team Leader Procurement and Creditors

Manager/Sponsor Steven Ireland, Manager Financial Services

Executive Alex Oulianoff, General Manager Corporate Services

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Community Plan 2044

The following objective from the Community Plan 2044 is relevant to this report:

Objective 27. Efficient Public Services: enhance the efficiency and effectiveness of public services provided by Council, ensuring timely delivery of services that meet the evolving needs of the community and provide value for money.

Audit & Risk Committee Terms of Reference:

1.1 Financial Report

1.1.2 The Committee shall review and challenge where necessary:

a) The consistency of, and/or any changes to, accounting policies
b) The methods used to account for significant or unusual transactions where different approaches are possible
c) Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor
d) The clarity of disclosure in the Council's financial reports and the context in which statements are made; and
e) All material information presented with the financial statements.

Purpose:

To provide information to the Audit and Risk Committee to recommend to Council to write off impaired debts.

Summary – Key Issues:

1. Advice from a Restructuring Practitioner (BCR Advisory) has been received relating to $27,837.91 of debt owed to Mount Barker District Council.

2. It is recommended that $22,259.20 (including GST) of this debt is written off.

Recommendation:

Section 90 (3) (b) Order

1. Pursuant to Section 90(3)(b)

Pursuant to Section 90(2) of the Local Government Act 1999 the Audit and Risk Committee orders that all members of the public except the Chief Executive Officer, Executive Manager, General Manager Corporate Services, Manager Financial Services and the Minute Secretary be excluded from attendance at the meeting for Agenda Item 12.3 Confidential Item: Debt Write Off.

The Audit and Risk Committee is satisfied that pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this agenda item is information the disclosure of which could reasonably be expected to prejudice the commercial position of the Council

In addition the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may severely prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter and in relation to other contract negotiations.

2. That the Audit and Risk Committee recommends that Council write off $22,259.20 (including GST) related to debts of the Company as outlined in this report.

Section 91(7) Order

3. Pursuant to Section 90 (3) (b)

That having considered Agenda Item 12.3 Debt Write Off, in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Audit and Risk Committee pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until Council determines that this information is able to be publicly released or such lesser period as may be determined by the Chief Executive Officer and that this order be reviewed every 12 months.

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Background:

1. Council received written advice from BCR Advisory that the entity "Prancing Pony Brewery Pty Ltd" ACN 150 581 310 (known as the Company) was undergoing a restructure under s452A of the Corporations Act 2001.

2. Pursuant to Section 452A of the Act, this allows companies to:

    a. Retain control of the business, property and affairs while developing a plan to restructure (with the assistance of a Restructuring Practitioner – in this instance BCR Advisory); and

    b. Enter into a restructuring plan with creditors.

Discussion

3. The amount owed to Mount Barker District Council at the time the letter was received (September 2024) was $27,837.91 out of a total of $935,568.85 in unsecured creditors. The main creditors was the Australian Taxation Office that accounted for $872,362.19 of the total. This amount was invoiced for the volumetric and load charge for the provision of trade waste services.

4. Prior to receiving this advice, the Company had been adhering to a payment plan that had been organised and agreed between Council's Financial Services staff and the Company.

5. The proposal gave context as to why the Restructuring Plan had been developed as the financial position of the Company had deteriorated as a result of:

    a. 2019 bushfires in the Adelaide Hills that resulted in stock losses and lost retail trade.
    b. 2020-21 COVID-19 restrictions and its follow-on effects in the economy, in particular hospitality venues.
    c. 2021-23 rapidly increasing input costs, logistics costs, wages and excise tax rate.
    d. 2023-24 increased competition from large national breweries that made entry into various wholesale markets difficult.
    e. 2023-24 cost of living pressures resulting in a reduction in beer sales Australia wide.

6. The plan advised that, if accepted by unsecured creditors, Council would receive 20.04 cents in the dollar or $5,578.72 resulting in a shortfall of $22,259.19.

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7. The proposal also advised that, if not accepted by unsecured creditors, Council may not receive any payment as this may result in the company's liquidation with assets not sufficient to cover secured liabilities let along unsecured liabilities.

8. Council elected to not accept the Restructuring Proposal. BCR Advisory advised Council in late 2024 that a majority of creditors accepted the proposal.

9. Council has further explored avenues to collect the shortfall and has received Legal Advice and advice from Council's debt collection partner ARMA Debt Resolution.

   Council was advised that even though it rejected the Restructuring Proposal, as a majority of creditors accepted it is forbidden to commence or continue enforcement proceedings without the leave of the Court. No special circumstances were identified for leave to be granted by the Court.

10. Council has received a letter in late December 2024 confirming the payment structure as follows:

December 2024	7 (cents in the dollar)	$1,948.65 (received)
February 2026	13.04 (cents in the dollar)	$3,360.06
Total		**$5,578.71**

Community Engagement:

Informing only	Audit Committee agenda is available on Council's website

Policy:
DOC/23/77870: Accounts Receivable Procedure (internal)

Budget:
This will be an unbudgeted expense in the 2024/25 financial year.

Statutory/Legal:
Sec 143 SA Local Government Act 1999

Staff Resource Requirements:
Managed within existing staff resources

Environmental:
N/A

Social:

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N/A

Risk Assessment:
N/A

Asset Management:
N/A

Conclusion:
Council needs to continue to monitor Accounts Receivable balances and ensure that debts are managed and recovered on a timely basis.

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12.3 REPORT TITLE: CONFIDENTIAL ITEM: DEBT WRITE OFF
DATE OF MEETING: 14 AUGUST 2025
FILE NUMBER: DOC/25/76167
ATTACHMENTS: NIL

Moved Mark Davies that the Audit and Risk Committee:

Section 90 (3) (b) Order

1. Pursuant to Section 90(3)(b)

Pursuant to Section 90(2) of the Local Government Act 1999 the Audit and Risk Committee orders that all members of the public except the Chief Executive Officer, Executive Manager, General Manager Corporate Services, Manager Financial Services and the Minute Secretary be excluded from attendance at the meeting for Agenda Item 12.3 Confidential Item: Debt Write Off.

The Audit and Risk Committee is satisfied that pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this agenda item is information the disclosure of which could reasonably be expected to prejudice the commercial position of the Council

In addition the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may severely prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter and in relation to other contract negotiations.

Seconded Kym Della Torre CARRIED

ARCM20250814.16

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Moved Deputy Mayor Jones that the Audit and Risk Committee recommends that Council:

2. Write off $22,259.20 (including GST) related to debts of the Company as outlined in this report.

3. Consider reviewing its threshold for write off of debts.

Seconded Kym Della Torre CARRIED
ARCM20250814.17

Moved Mark Davies that the Audit and Risk Committee

Section 91(7) Order
4. Pursuant to Section 90 (3) (b)
That having considered Agenda Item 12.3 Debt Write Off, in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Audit and Risk Committee pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until Council determines that this information is able to be publicly released or such lesser period as may be determined by the Chief Executive Officer and that this order be reviewed every 12 months.

Seconded Deputy Mayor Jones CARRIED
ARCM20250814.18

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