



NOTICE

of

SERVICES COMMITTEE MEETING

*Pursuant to the provisions of Section 84(1) of the
Local Government Act 1999*

TO BE HELD IN

**COUNCIL CHAMBERS
PLAYFORD CIVIC CENTRE
10 PLAYFORD BOULEVARD, ELIZABETH**

ON

TUESDAY, 17 MARCH 2020 AT 7:00PM

**SAM GREEN
CHIEF EXECUTIVE OFFICER**

Issue Date: Thursday, 12 March 2020

MEMBERSHIP

PRESIDING MEMBER – CR ANDREW CRAIG

Mayor Glenn Docherty	Cr Akram Arifi	Cr Marilyn Baker
Cr Stephen Coppins	Cr Veronica Gossink	Cr Shirley Halls
Cr David Kerrison	Cr Clint Marsh	Cr Misty Norris
Cr Jane Onuzans	Cr Peter Rentoulis	Cr Dennis Ryan
Cr Gay Smallwood-Smith	Cr Katrina Stroet	Cr Cathy-Jo Tame

**City of Playford
Services Committee Meeting**

AGENDA

TUESDAY, 17 MARCH 2020 AT 7:00PM

1 ATTENDANCE RECORD

1.1 Present

1.2 Apologies

Cr Katrina Stroet

1.3 Not Present

2 CONFIRMATION OF MINUTES

RECOMMENDATION

The Minutes of the Services Committee Meeting held 18 February 2020 be confirmed as a true and accurate record of proceedings.

3 DECLARATIONS OF INTEREST

4 DEPUTATION / REPRESENTATIONS

Nil

5 STAFF REPORTS

Matters to be considered by the Committee and referred to Council

Matters which have been delegated to staff but they have decided not to exercise their delegation.

5.1 Smith/Adams Road Handover of Management.....6

6 INFORMAL DISCUSSION

Nil

7 INFORMAL ACTIONS

8 CONFIDENTIAL MATTERS

8.1	Northern School - Council Enhancements Deed (Attachment)	14
-----	--	----

9 CLOSURE

STAFF REPORTS

MATTERS TO BE CONSIDERED BY THE COMMITTEE AND REFERRED TO COUNCIL

***Matters which have been
delegated to staff but they have
decided not to exercise their
delegation.***

5.1 SMITH/ADAMS ROAD HANDOVER OF MANAGEMENT

Responsible Executive Manager : Mr Simon Blom

Report Author : Mr Simon Keith

Delegated Authority : Matters which have been delegated to staff but they have decided not to exercise their delegation.

PURPOSE

To seek support from Council to proceed with the handover of the Smith Road/Adams Road Asset to the Town of Gawler for care and control of this road corridor.

STAFF RECOMMENDATION

Council commits to the co-funding of the Smith Road (Blakeview) Renewal (between Main North Road and Bentley Road) in conformance with the proposed low cost option, subject to:

1. The funding is allocated and endorsed through the 2020/2021 Asset Management Plan and budgetary process
2. The total contribution does not exceed \$65,000 to the Town of Gawler
3. That upon receipt of the contribution, the Town of Gawler takes over full responsibility for all works and infrastructure within the Smith Road and Adams Road (Blakeview)

EXECUTIVE SUMMARY

The City of Playford administration identified Smith and Adams Road (from Main North Road to the NAWMA landfill gates) as being due for renewal in accordance with the Transport Asset Management Plan. At the time, it was investigated to determine if this road renewal should be co-funded by the Town of Gawler, to which it was identified that the Local Government Boundary was on the Southern side of the road reserve boundary (fence line), and therefore the entirety of the road reserve and maintenance/renewal fell within the Town of Gawler's responsibility.

The City of Playford has maintained both the road and road verge since this period, including ongoing road maintenance and removal of illegal dumping.

Using the intention of Section 214 of the *Local Government Act 1999*, it was in the best interest of both parties that the renewal costs would be shared between the two Council's, with each contributing 50% of the costs.

1. BACKGROUND

As part of the Northern Adelaide Waste Management Authority (NAWMA) application for the Uleybury Landfill (balefill) Site on Medlow Road in 1999, they sought and were approved access to the Site via Medlow Road.

The access via Medlow Road was later rescinded in 2004, as part of a Development Application from NAWMA. This application incorporated the upgrade of Smith and Adams Road's from Main North Road to the site entrance, and an acceleration lane on Main North Road, all of which was superintended by the City of Playford staff.

As a result of extensive illegal dumping east of the Bentley Road intersection, and through collaboration of both the Town of Gawler and City of Playford, NAWMA sought a formal closure of Smith and Adams Road from the intersection of Bentley Road. This resulted in the formal exclusion of all non NAWMA vehicles along this section of road being endorsed by City of Playford (28/6/2005) and Government Gazettal in September 2005.

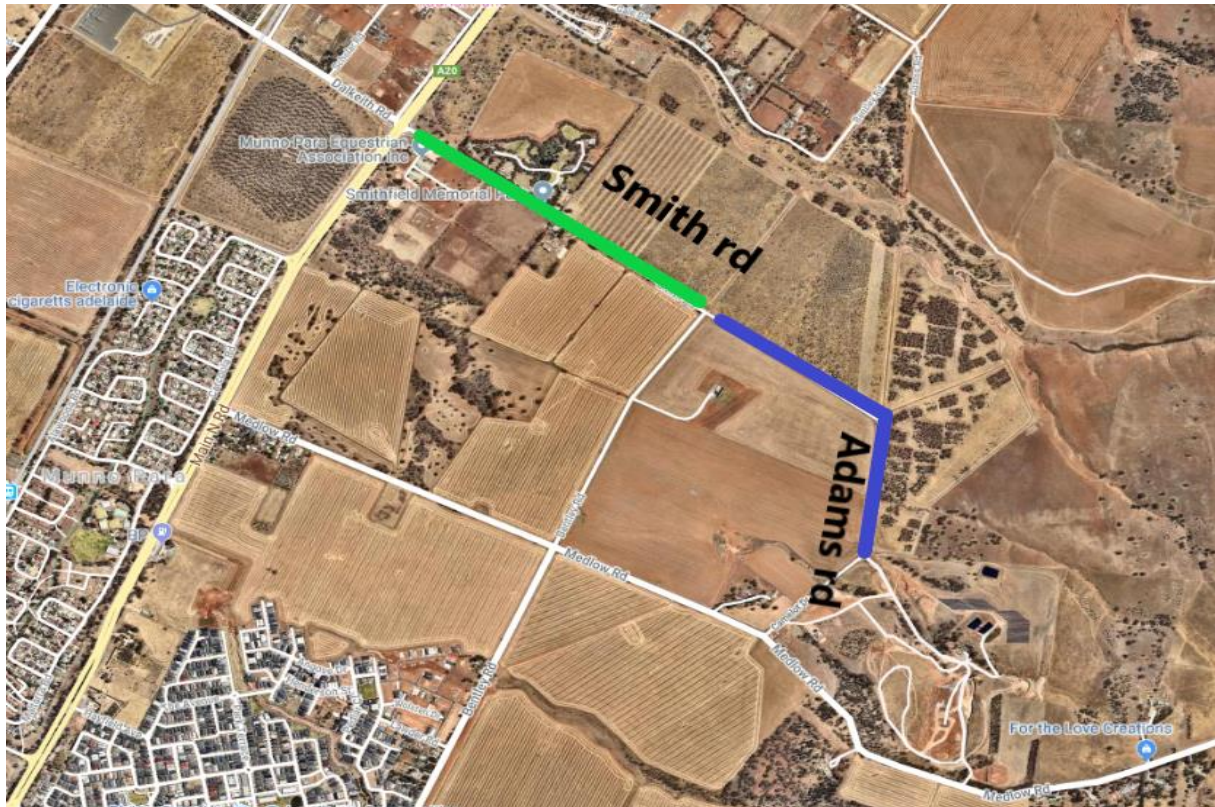
The City of Playford has maintained both the road and road verge since this period, including ongoing road maintenance and removal of illegal dumping.

The City of Playford administration identified Smith and Adams Road (from Main North Road to the NAWMA landfill gates) as being due for renewal in accordance with the Transport Asset Management Plan. At the time, it was investigated to determine if this road renewal should be co-funded by the Town of Gawler, to which it was identified that the Local Government Boundary was on the Southern side of the road reserve boundary (fence line) as per the below map, and therefore the entirety of the road reserve and maintenance/renewal fell within the Town of Gawler's responsibility.



As the City of Playford had been maintaining this section of road since 2005, it was negotiated with the Town of Gawler that upon renewal that the future maintenance and ownership of this road would be handed back to the Town of Gawler. Using the intention of Section 214 of the *Local Government Act 1999*, it was in the best interest of both parties that the renewal costs would be shared between the two Council's, with each contributing 50% of the costs.

The section of Smith Road between Bentley Road and Adams Road is not included in the road renewal, as this segment has been precluded to all vehicles except NAMWA vehicles since 2005, and therefore the Town of Gawler are in negotiations with NAWMA in relation to future maintenance levels (identified in the map below).



NAWMA wrote to the City of Playford in May 2019 seeking a revocation of the abovementioned road closure, effectively returning the full ownership (including repairs and maintenance) of Smith and Adams Road to Town of Gawler.

Following receipt of this request, and noting the Local Government Boundaries, the City of Playford sought Legal advice, which concluded that while the City of Playford would ordinarily have the ability to restrict access to roads within its area pursuant to Section 359 of the *Local Government Act 1934*, this does not extend to Smith Road or Adams Road in that neither road has been vested to the Council in fee simple. The purported exercise of power in relation to the restriction of access to these roads has been performed where the Council did not hold the appropriate power. It was Norman Waterhouse's view that the restrictions and gazettal of restrictions of access to Smith Road and Adams Road have been made beyond the powers of the City of Playford and are consequently void, therefore no action was taken on the requested revocation.

2. RELEVANCE TO STRATEGIC PLAN

1: Smart Service Delivery Program

Outcome 1.2 Improved service delivery

As this is, and will continue to be, a no through road, this decision will only impact the property owners that utilise this road to access their properties.

3. PUBLIC CONSULTATION

There will be no direct effect to residents along this road as a result of this decision, with the Town of Gawler taking over responsibility for road maintenance and removal of illegal dumping.

4. DISCUSSION

- 4.1** The Northern Adelaide Waste Management Authority (NAWMA) is a regional subsidiary formed under the *Local Government Act (SA) 1999* to provide best practice waste management and resource recovery services. NAWMA receives and processes material for a range of clients including businesses, industry and regional SA Councils with its predominant services being for its three (3) Constituent Councils, City of Salisbury, City of Playford and the Town of Gawler.

The Uleybury landfill is owned and operated by the Northern Adelaide Waste Management Authority (NAWMA). It is situated on the site of a former quartzite quarry and has been in use since 2005. It is a best-practice landfill (balefill) operation with strict adherence to monitoring and controls, which protect the surrounding environment.

Each year around 86,000 tonnes of household and commercial waste is baled at NAWMA's Edinburgh North Waste Processing Facility. The bales, which each weigh around 1.5 tonnes, are then transported via purpose-built wing-liner semi-trailers to the landfill site.

- 4.2** Access to the Uleybury Landfill (since 2004) has been via Smith and Adams Road (Blakeview), with the segment of Smith Road between Bentley Road and the site gates being excluded to non NAWMA vehicles since publication via Government Gazettal in June 2005. This exclusion was as a result of a City of Playford Council report and decision to restrict access via a lockable gate for this segment, to reduce the extent of illegal dumping that was occurring through Section 359 of the *Local Government Act 1934*. Section 359 of the *Local Government Act 1934*, as it stood in 2005, provides:

4.2.1 The Council may by resolution, supported by a majority of all members of the Council, exclude vehicles generally or vehicles of a particular class from a particular street, road or public place or part of a particular street, road or public place.

4.2.2 The Council may by resolution revoke or vary any such resolution.

4.2.3 Subject to the *Road Traffic Act 1961*, the Council may erect such barricades or other traffic control devices as are necessary to give effect to a resolution passed under this section.

4.2.4 A resolution passed under this section cannot take effect before it has been published in the Gazette and in a newspaper circulating in the area.'

- 4.3** At the time of upgrading Smith Road and Adams Road, as the City of Playford oversaw the construction, the full length of these segments were added to the City of Playfords Asset Register.

- 4.4** As the segment from Bentley Road to the NAWMA site has been operating under exclusive access to NAWMA vehicles, it was considered appropriate that NAWMA funds these works, with Council funding between Bentley Road and Main North Road.

The works between Main North Road and Bentley Road were estimated between \$130,000 and \$240,000, with the ongoing risk of future treatment and maintenance being the driving factor between the variance. Through ongoing negotiation with the Town of Gawler, they have agreed that in alignment with Section 214 of the *Local Government Act 1999*, they would co-fund the proposed renewal works, with a preference to undertake the cheaper option, noting that there is an inherent risk of potential future maintenance and treatment works being required.

Section 214 of the *Local Government Act 1999*, provides for 'Contributions between Councils where road is on boundary between Council areas'. Namely;

- 4.4.1 If a Council carries out roadwork on a road on the boundary between two Council areas, the Council is entitled to a reasonable contribution from the other Council towards the cost of the work

This section of the Local Government Act does not specifically deal with the location of the boundary relative to the road in question, however leaves this open to individual negotiation.

5. OPTIONS

Recommendation

Council commits to the co-funding of the Smith Road (Blakeview) Renewal (between Main North Road and Bentley Road) in conformance with the proposed low cost option, subject to:

1. The funding is allocated and endorsed through the 2020/2021 Asset Management Plan and budgetary process
2. The total contribution does not exceed \$65,000 to the Town of Gawler
3. That upon receipt of the contribution, the Town of Gawler takes over full responsibility for all works and infrastructure within the Smith Road and Adams Road (Blakeview)

Option 2

Council does not commit to any funding towards the renewal of Smith Road or Adams Road, noting that as this road asset is entirely within the Town of Gawler's boundary that it will cease to undertake any future works, and will remove these assets from the City of Playford's Asset Register.

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

Although the Asset does not reside within the Local Government Boundary of the City of Playford, it has been treated as an asset in our financial statements due the key factor of "control". There are three specific elements that define an asset as per Accounting Standards:

- Future economic benefits – in the case of public sector entities, future economic benefits (or service potential) are the goods and services to be provided by the asset, whether or not the entity receives a net cash inflow for their provision.
- Control by the entity - control means the ability of the entity to benefit from the future economic benefits and/or to restrict the access of others to those benefits.
- Occurrence of past event – the asset must be in existence.

In 2005, the decision was made that this road met the technical definition of an asset under accounting standards, based on the following:

- Although Council did not legally own the asset, we did have enough control and responsibility for the asset, that it met the technical definition of an asset.

- As Council was responsible for constructing the asset (financial control) and for managing the asset (road closures etc), Council had effective control of the asset.

It is therefore considered that Smith and Adams Roads are City of Playford Assets until these are returned to the Town of Gawler, and only then should be removed from Council's Asset Register.

As part of the Asset Management Planning process, both Smith and Adams Road had been identified for renewal. Through scoping and discussion with both Town of Gawler and NAWMA, there were various renewal treatment options identified to extend the current road service level to the end of the Uleybury Landfill life which is predicted to be within the next 5 - 7 years.

It was considered that as the current service level is greater than what the Town of Gawler wish to continue to provide post the life of the Uleybury Landfill, the lower costs option was considered the most appropriate.

The recommended option recognises that the City of Playford oversaw the original construction of the road, and has been maintaining these asset since 2005, despite the assets being within the Town of Gawlers Local Government Boundary. It further complements the ongoing discussion and collaboration between the staff at the Town of Gawler and the City of Playford, including robust discussions around treatment methodologies and service standards moving forward.

6.1.2 Financial Implications

Through the removal of this asset from Council's Asset Register, there will be a reduction in ongoing maintenance and operating expenses.

In terms of funding pathways for the funding contribution towards the renewal:

- The road cannot be funded out of an operating budget as it is capital in nature.
- The asset is not new so it will not be a "new capital budget".
- The funding pathway is proposed to be from the AMP budget as it would be deemed to be renewal per Councils Capital Budget Guidelines.

It is therefore proposed to utilise the 2020/2021 Asset Management Plan to fund these works.

	Current Year 2019/20 \$'000	Future Years 2020/21 \$'000	Ongoing \$'000
Operating Revenue	0	0	0
Operating Expenditure	18	(18)	(18)
Net Operating Impact	18	(18)	(18)
Capital – Investing Revenue	0	0	0
Capital Expenditure	0	65	0
Total Capital	0	65	0

6.2 Option 2 Analysis

6.2.1 Analysis & Implications of Option 2

Option 2 formalises the position that as the Asset sits within the Town of Gawler Local Government Boundary area, that they should be fully responsible for all and any upgrades or maintenance expenses.

This option may result in some negative reputational damage, as Council staff have been negotiating and discussing treatment options in good faith.

6.2.2 Financial Implications

As this recommendation includes the removal of the Assets within Smith and Adams Road, there will be an annual reduction in Council operating expenses to the value of approximately \$18,000pa (\$8,840pa of Maintenance and \$9,236pa of Depreciation).

CONFIDENTIAL MATTERS

8.1 NORTHERN SCHOOL - COUNCIL ENHANCEMENTS DEED

Contact Person: Ms Grace Pelle

Why is this matter before the Council or Committee?

Matters which cannot be delegated to a Committee or Staff.

Purpose

Council is participating in commercial negotiations with TESA Project Co, Sarah Constructions and ISS Facility Management regarding the development of shared use facilities as part of the Northern School PPP Project.

For Council to make a determination on whether to deal with this matter in confidence.

A. COUNCIL/COMMITTEE TO MOVE MOTION TO GO INTO CONFIDENCE

STAFF RECOMMENDATION

Pursuant to Section 90 (2) of the Local Government Act 1999 an order is made that the public be excluded from attendance at the meeting, with the exception of:

- Chief Executive Officer;
- General Manager Strategy and Corporate;
- General Manager City Services;
- General Manager City Assets;
- Acting Senior Manager Finance;
- Acting Senior Manager City and Corporate Planning;
- Acting Senior Manager Corporate Services;
- Manager Governance, Risk & WHS;
- Minute Taker;

in order to consider in confidence agenda item 8.1 under Section 90 (3) (g) of the Local Government Act 1999 on the basis that:

- (g) matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.

This matter is Confidential because the disclosure of this information could reasonably be expected to prejudice the commercial position of Council through the negotiations with TESA Project Co, Sarah Constructions and ISS Facility Management. Clause 13 of the Council Enhancements Deed also states that each party agrees to keep the Deed confidential.

On the basis of this information, the principle that meetings should be conducted in a place open to the public has been outweighed in this instance; Committee consider it necessary to consider this matter in confidence.

Section B below to be discussed in the confidential section of the agenda once the meeting moves into confidence for each item.

B. THE MATTERS AS PER ITEM 8.1**C. COUNCIL/COMMITTEE TO DECIDE HOW LONG ITEM 8.1 IS TO BE KEPT IN CONFIDENCE****Purpose**

To resolve how long agenda item 8.1 is to be kept confidential.

STAFF RECOMMENDATION

Pursuant to Section 91(7) of the Local Government Act 1999, the Committee orders that the following aspects of Item 8.1 be kept confidential in accordance with Committee's reasons to deal with this item in confidence pursuant to Section 90 (3) (g) of the Local Government Act 1999:

- Report for Item 8.1
- Attachment(s) for Item 8.1
- Minutes for Item 8.1

This order shall operate until the Council Enhancements Deed has expired, or will be reviewed and determined as part of the annual review by Council in accordance with Section 91(9)(a) of the Local Government Act 1999, whichever comes first.