



NOTICE

of

ORDINARY COUNCIL 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, 28 MAY 2019 AT 7:00PM

**SAM GREEN
ACTING CHIEF EXECUTIVE OFFICER**

Issue Date: Thursday, 23 May 2019

MEMBERSHIP

MAYOR GLENN DOCHERTY – Principal Member

Cr Akram Arifi	Cr Marilyn Baker	Cr Stephen Coppins
Cr Andrew Craig	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 STRATEGIC PLAN

1. Smart Service Delivery Program	
<p>This program is about continuing to provide for the changing needs and expectations of our diverse community, delivering the services they require. It means making the most of our community's existing strengths, talents and diversity, and working smarter to connect our community with each other to contribute to overall wellbeing and the economic life of the City.</p>	<p><i>Outcomes</i></p> <ul style="list-style-type: none"> 1.1 High quality services and amenities 1.2 Improved service delivery 1.3 Working smarter with our community 1.4 Enhanced City presentation, community pride and reputation
2. Smart Living Program	
<p>This program is about Council playing its part to make the City more liveable and connected. As our older suburbs age and our population and urban footprint expands, we will find innovative ways to renew and 'future proof' the liveability of our neighbourhoods. It also means ensuring our community has access to smart technologies.</p>	<p><i>Outcomes</i></p> <ul style="list-style-type: none"> 2.1 Smart development and urban renewal 2.2 Enhanced City presentation, community pride and reputation 2.3 Liveable neighbourhoods
3. Smart Jobs & Education Program	
<p>This program is about Council leading by example and advocating to other organisations to support the diversification of our local economy and improve the employment prospects for our community. This includes providing the right environment for investment and business attraction and connecting our community up with the right skills and education for the transitioning economy.</p>	<p><i>Outcomes</i></p> <ul style="list-style-type: none"> 3.1 Growth and diversification of local jobs matched with relevant education and training 3.2 Commercial and industrial growth 3.3 Sustainable economic transformation 3.4 International market connections
4. Smart CBD Program	
<p>This program relates to Council's long term strategy for the redevelopment and expansion of the Elizabeth Regional Centre. In the longer term Elizabeth can expect to be home to a number of facilities and services such as hospitals, a university, significant retail services, medium to high density commercial offices, peak business organisations and high density housing.</p>	<p><i>Outcomes</i></p> <ul style="list-style-type: none"> 4.1 Expanded range of local services 4.2 Growth and diversification of local jobs in the CBD 4.3 Greater housing choice 4.4 Increased social connections 4.5 Commercial growth
5. Smart Sport Program	
<p>This program is about Council's long term vision to create the Playford City Sports Precinct providing local community, state and national level sporting facilities. It will create a focus on healthy communities and promote greater participation in sport and physical activity. It will also support the renewal of adjoining suburbs.</p>	<p><i>Outcomes</i></p> <ul style="list-style-type: none"> 5.1 Enhanced community pride and reputation 5.2 Healthy and socially connected community 5.3 Access to elite sporting facilities
6. Smart Health	
<p>In the longer term the Playford will see expansion of the area around the Lyell McEwin Hospital into a key precinct with tertiary training, research, allied health facilities and residential accommodation. It will have potential links to advanced manufacturing in assistive devices in health, aged and disability. This program is about raising the profile and amenity of the precinct and facilitating new investment.</p>	<p><i>Outcomes</i></p> <ul style="list-style-type: none"> 6.1 Access to quality, local health services 6.2 Increased employment opportunities in health, disability and aged sectors

**City of Playford
Ordinary Council Meeting**

AGENDA

TUESDAY, 28 MAY 2019 AT 7:00PM

1 ATTENDANCE RECORD

1.1 Present

1.2 Apologies

1.3 Not Present

2 CONFIRMATION OF MINUTES

RECOMMENDATION

The Minutes of the Ordinary Council Meeting held 23 April 2019 be confirmed as a true and accurate record of proceedings.

The Minutes of the Special Council Meeting held 14 May 2019 be confirmed as a true and accurate record of proceedings.

3 DECLARATIONS OF INTEREST

4 MAYOR'S REPORT

5 REPORTS OF REPRESENTATIVES OF COUNCIL ON OTHER ORGANISATIONS

6 REPORTS BY COUNCILLORS

7 REPORTS OF REPRESENTATIVES (CONFERENCES & TRAINING PROGRAMS)

8 QUESTIONS WITHOUT NOTICE

9 QUESTIONS ON NOTICE

Nil

10 PETITIONS

Nil

11 DEPUTATION / REPRESENTATIONS

11.1 City of Playford 2019/20 Business Plans

As per Section 123 of the *Local Government Act 1999* a council must invite interested persons to attend a public meeting to ask questions, and make submissions, in relation to the Annual Business Plan for a period of at least 1 hour.

Council also invites submissions and deputations in relation to the Long Term Financial Plan and Asset Management Plans.

11.2 2019/20 Annual Business Plan and Budget
Peter and Margaret Watson**12 MOTIONS WITHOUT NOTICE****13 MOTIONS ON NOTICE**

Nil

14 COMMITTEE REPORTS**Chief Executive Officer Review Committee**

Nil

Civic Events Committee

Nil

Corporate Governance Committee

Nil

Services Committee

Matters which cannot be delegated to a Committee or Staff.

14.1	Building Upgrade Finance (Attachment)	7
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Strategic Planning Committee

Nil

15 STAFF REPORTS

Matters for Information.

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16 INFORMAL DISCUSSION

Nil

17 FORWARD AGENDA

17.1 Ordinary Council Forward Agenda (Attachment)61

18 CONFIDENTIAL MATTERS

Nil

19 CLOSURE

COMMITTEE REPORTS

SERVICES COMMITTEE

***Matters which cannot be
delegated to a Committee or
Staff.***

14.1 BUILDING UPGRADE FINANCE

Responsible Executive Manager : Mr Greg Pattinson

Report Author : Mr Dermot Cussen

Delegated Authority : Matters which cannot be delegated to a Committee or Staff.

Attachments : 1 [↓](#). Building Upgrade Finance Policy

PURPOSE

To consider the implementation of the Building Upgrade Finance program into the City of Playford services and operations.

STAFF RECOMMENDATION

Council endorses the Building Upgrade Finance Policy (Attachment 1) and implementation of the Building Upgrade Finance program.

COMMITTEE RECOMMENDATION

3557

Council endorses the Building Upgrade Finance Policy (Attachment 1) and implementation of the Building Upgrade Finance program.

EXECUTIVE SUMMARY

- Building Upgrade Finance (BUF) is an innovative way to finance a building upgrade, consistent with:
 - improving the energy, water and environmental efficiency of buildings that are used primarily for non-residential purposes, constructed at least 2 years ago. This also includes:
 - works that prevent or reduce pollution or eliminate or reduce the discharges of wastes or other substances harmful to the environment; or
 - works that reduce the use of materials or enable the recovery or recycling of materials.
 - heritage building: restoration, facilitating ongoing occupation; and compliance with the Building Rules or the Disability Discrimination Act 1992 of the Commonwealth.
- BUF involves three parties:
 - The building owner, who wishes to use the scheme to fund a building upgrade;
 - A finance provider who agrees to lend the building owner, Building Upgrade funds; and
 - Council, which agrees to collect the loan repayment, through levying a Building Upgrade Charge (BUC) against the land on which the building is situated, ie the loan is tied to a property rather than a property owner and loan repayments are collected via a local government charge that is levied on the property and passed on to the financier.

- The BUC is ranked senior to mortgages, taxes and other charges in the event of default. This provides heightened security to the finance provider, allowing them to offer finance to the building owner at more attractive terms.
- Similarly to council rates, the BUC becomes a debt on the property if unpaid. The encumbrance can be passed on with the sale of the property.
- This three party arrangement is conducted under a Building Upgrade Agreement (BUA) which is completed by the finance provider and signed off by the building owner and Council.
- Only the Council's Chief Executive Officer (CEO) has delegation to execute a BUA. The CEO cannot sub delegate this authority.
- From a Council perspective, BUF supports:
 - local economic development through the upgrading of local buildings, the resultant reduction in utility costs and the ability to attract and retain tenants;
 - environmental and sustainability improvements;
 - climate change adaptation;
 - revitalisation and activation of precincts / buildings; and
 - Increased building valuations.
- Financial risks of default rest with the finance provider.
- BUF has been enabled through amendments to the Local Government Act 1999, and Local Government (Building Upgrade Agreements) Regulations 2017.
- Council participation in the BUF mechanism is voluntary; however its uptake in Playford strongly aligns with a number of objectives in Council's Strategic Plan. In addition, four metropolitan Councils: Onkaparinga, Marion, Adelaide and Salisbury are participating in the BUF mechanism.
- Participation in the BUF mechanism will generate an additional administrative workload for staff, and particularly for the Finance team. The BUF mechanism, however allows councils to collect fees to offset the additional administrative workload of being involved in the mechanism.
- Other than the ability to collect (administration offset) fees, which would generate a small operational revenue, there are no other financial impacts.

1. BACKGROUND

1.1 What is Building Upgrade Finance

- 1.1.1 BUF is an innovative way to finance a building upgrade. It allows building owners to access longer-term fixed-interest finance, as well as share the costs and benefits of the upgrade with their tenants.
- 1.1.2 It also provides an opportunity for commercial building owners and tenants to work together to improve the performance of their buildings, realise financial savings, and achieve win-win outcomes.
- 1.1.3 BUF allows for building owners to:
 - improve the energy, water and environmental efficiency of buildings that are used primarily for non-residential purposes, constructed at least 2 years ago;

- undertake heritage building: restoration; works that facilitate ongoing occupation; and compliance with the Building Rules or the Disability Discrimination Act 1992 of the Commonwealth.
- 1.1.4 The BUF mechanism enables building owners to seek a contributing payment from its tenants.
- 1.1.5 There is a 'no worse off' methodology for lessee/s of a building that do not consent to providing a BUF contribution.
- 1.1.6 The 'no worse off' Methodology for Estimating Tenant Cost ensures that tenants are not financially disadvantaged; and any contribution they make to the building upgrade charge does not exceed the money they save on their utility outgoings as a result of the upgrade.
- 1.1.7 The enabling legislation for the mechanism and the supporting regulations came into operation on 1 August 2017.
- 1.1.8 Similar BUF mechanisms have been established in Victoria and New South Wales. The Property Council of Australia is also advocating for the mechanism to be adopted in Western Australia.
- 1.2 What is Council's Role?**
- 1.2.1 BUF involves three parties:
- The Building owner, who wishes to use the scheme to fund a building upgrade.
 - A finance provider who agrees to lend the building owner, Building Upgrade funds; and
 - Council, which agrees to collect the loan repayment, through levying a Building Upgrade Charge (BUC) against the land on which the building is situated, ie the loan is tied to a property rather than a property owner and loan repayments are collected via a local government charge that is levied on the property and passed on to the financier.
 - The BUC is ranked senior to mortgages, taxes and other charges in the event of default. This provides heightened security to the finance provider, allowing them to offer finance to the building owner at more attractive terms.
 - Similarly to council rates, the BUC becomes a debt on the property if unpaid. The encumbrance can be passed on with the sale of the property.
- 1.2.2 This three party arrangement is conducted under a Building Upgrade Agreement (BUA) which is completed by the finance provider and signed off by the building owner and Council.
- 1.2.3 Only the Council's Chief Executive Officer (CEO) has delegation to execute a BUA. The CEO cannot sub delegate this authority.
- 1.2.4 Council participation in the BUF mechanism is voluntary.
- 1.2.5 The following councils are participating in the BUF mechanism:
- City of Adelaide;
 - City of Marion;
 - City of Onkaparinga; and
 - City of Salisbury.

2. RELEVANCE TO STRATEGIC PLAN

1: Smart Service Delivery Program

Outcome 1.4 Enhanced City presentation, community pride and reputation

- The environmental upgrade of non-residential buildings should enhance the City's overall presentation.

3: Smart Jobs & Education Program

Outcome 3.1 Growth and diversification of local jobs matched with relevant education and training

- The BUF mechanism is designed to help stimulate investment, which should support local employment and training opportunities and outcomes.

Outcome 3.2 Commercial and industrial growth

- Upgraded buildings will increase in value and will likely help attract and retain tenants, particularly for older buildings.

Outcome 3.3 Sustainable economic transformation

- The BUF mechanism is aimed at increasing economic activity leading to a more sustainable economy; and it will.
- Assist our business community to explore green and low carbon growth opportunities in response to climate change.

Outcome 3.4 International market connections

- Climate change mitigation and low carbon initiatives are important in many overseas markets.

4: Smart CBD Program

Outcome 4.2 Growth and diversification of local jobs in the CBD

- Upgraded buildings will increase in value and will likely help attract and retain the best tenants.

3. PUBLIC CONSULTATION

Public consultation is not required for the implementation of this policy, however staff are aware of a number of local building owners that have expressed interest in BUF.

Energy costs is a topical issue for South Australian businesses and for some, it's a significant input cost.

4. DISCUSSION

4.1 Potential Benefits to Council

BUF supports:

- local economic development through:
 - lower business operating costs;
 - employment and training involved in the upgrade of buildings; and

- increased building valuations. This also increases the borrowing capacity of building owners, which for some is important, if they are seeking to expand their business premises, invest in new equipment and or operations.
- environmental and sustainability improvements. The removal and replacement of asbestos is also eligible under BUF. This will enable building owners to remove the material, which as a standalone activity, increases the value of a building. In addition, it is reportedly easier and cheaper to fix solar PV panels on non-asbestos roofing.
- climate change adaptation, as upgraded buildings will have a lower carbon footprint;
- revitalisation and activation of precincts and buildings. For example there are buildings in Edinburgh North which are either empty or could benefit from significant environmental upgrades; and
- the collection of fees and charges, to reflect the burden of Council's administrative involvement.

4.2 Council role in administering Building Upgrade Finance

The principle roles for Council, outside of business as usual type activities eg planning approval for upgrading buildings, are set out in table below.

Role	Responsible Area
• Promotion	Stretton Centre
• Processing application forms and agreements	Stretton Centre
• Setting up the BUC payment arrangement	Finance
• Issuing BUC notices	Finance
• Creating and maintaining a publicly available Building Upgrade Agreement register.	Stretton Centre
• Remitting payments	Finance
• Using enforcement procedures to recover any unpaid repayments, if required. Note: Council is not liable to the financier for failure by the building owner to repay.	Finance
• Executing Building Upgrade Agreements	Chief Executive Officer

5. OPTIONS

Option 1

Council endorses the Building Upgrade Finance Policy (Attachment 1) and implementation of the Building Upgrade Finance program.

Option 2

Council does not endorse the implementation of the Building Upgrade Finance program.

6. ANALYSIS OF OPTIONS

6.1 Option 1 Analysis

6.1.1 Analysis & Implications of Option 1

- Option 1 provides an opportunity for Council to leverage BUF legislation to provide building owners in Playford with the opportunity to use this finance mechanism.
- There is no financial risk for Council. The finance provider carries the risk of loan default.
- Whilst the finance provider carries the financial risk of the loan and will undertake lending due diligence, each BUA will have oversight from the Finance Manager and the CEO before it can be executed; and only the CEO can execute a BUA.
- Administering BUF is the main issue to consider. Whilst Council can charge fees to address the administrative burden, it is difficult to plan for, from a workflow perspective. The impact on the Stretton Centre and finance teams in particular are evident in Table 1 above. The fee structure is set around an estimated cost recovery of this administration time.
- Staff are aware of a number of local companies that want to use the mechanism to finance environmental upgrades.
- Four other metropolitan councils are participating in the BUF mechanism. Staff have been made aware that it is also being discussed for adoption within other South Australian Council's.
- Endorsing the implementation of BUF strongly aligns with a number of Council's strategic plan objectives, as outlined in Section 2 above.

6.1.2 Financial Implications

Long-term = impacts extending beyond one year, primarily implications on achievement of the LTFP and associated financial sustainability ratios BUF legislation allows for a service fee payable to the Council. The proposed fees (see table below) have been established to cover the expected administrative costs in establishment and management of the BUF program.

The proposed fees are set out below which are inclusive of GST.

• Application Fee	\$1650.00
• Set-up Fee	\$462.00
• Annual Fee	\$286.00
• Amendment Fee	\$55.00
• Dishonour Fee	\$9.50

Council is required under the Local Government Act 1993 to endorse a Fees and Charges Schedule annually. If Council endorses the BUF Policy, the above fees will be included in the schedule which will be considered by Council in June 2019.

With the establishment of the fees, it is expected that there will be no financial implications for Council in establishing the BUF program.

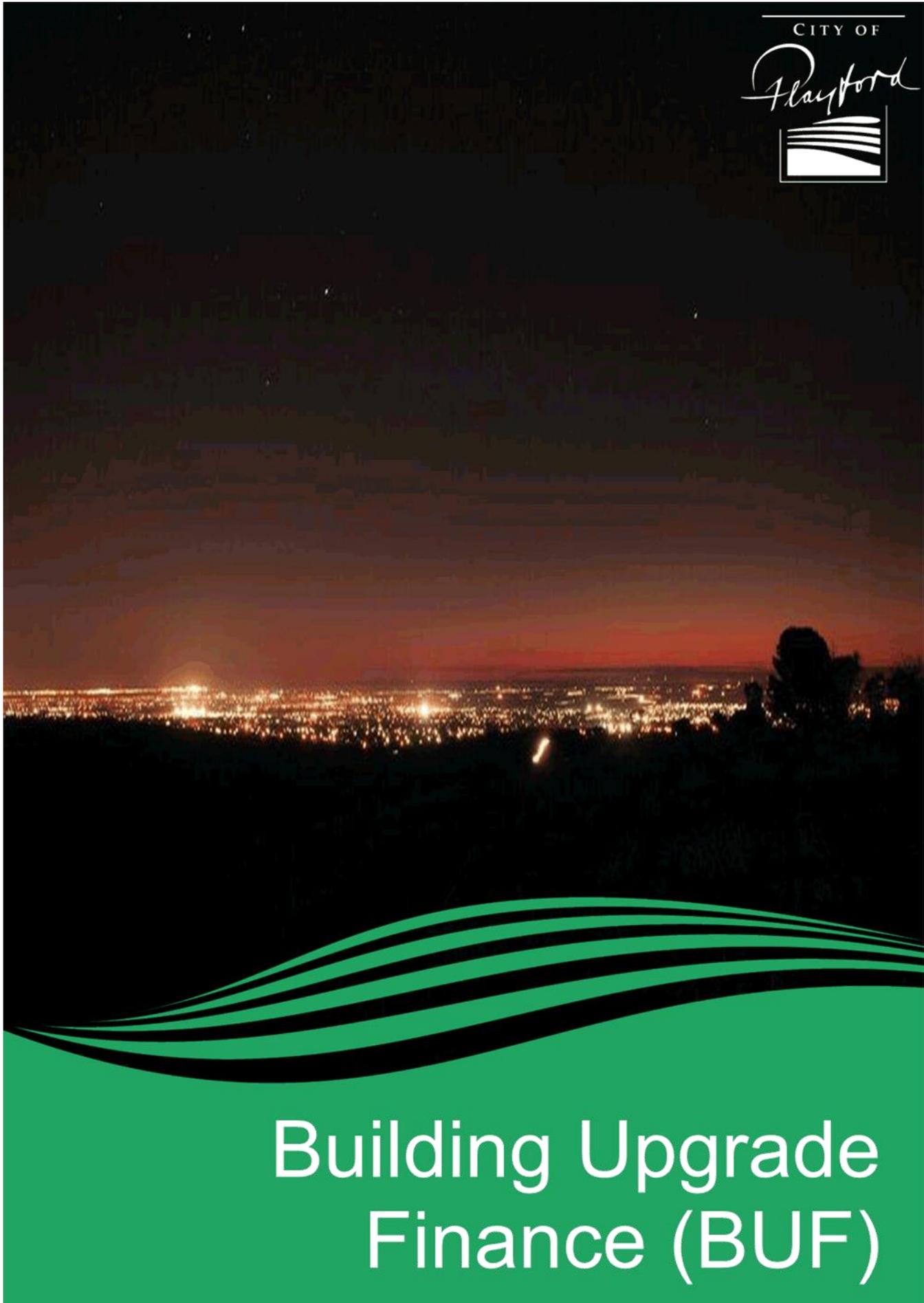
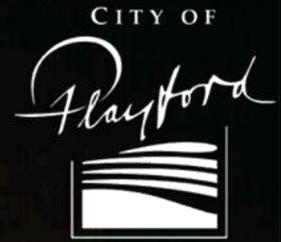
6.2 Option 2 Analysis

6.2.1 Analysis & Implications of Option 2

- Council is not legally obligated to endorse the implementation of BUF.
- Not supporting the BUF, Council will limit the ability of businesses in the City of Playford to access funding under the BUF program. This may impact on the reputation of Council as a business friendly Council. Businesses may not be able to implement upgrade programs to improve the efficiency of the building.

6.2.2 Financial Implications

There are no financial implications for this option.



Building Upgrade Finance (BUF)



Building Upgrade Finance (BUF)

This policy is set by Council for use by the community and council administration

ECM Document Set No.:

Version No.: 1

Date of Current Version 10/5/2019

Responsible Team Stretton Centre

Other Key Internal Stakeholders Finance

Initial Date of Adoption

Last Reviewed

Authorised By

Resolution No.:

Legal Requirement

Date of Next Review

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1. Purpose

To set the guidelines for entering into a Building Upgrade Agreement (BUA) consistent with South Australia's Building Upgrade Finance (BUF) mechanism.

2. Scope

Building Upgrade Finance (BUF) is a mechanism designed to help stimulate investment and jobs in South Australia, while also delivering environmental outcomes.

BUF is enabled through amendments to the *Local Government Act*, and *Local Government (Building Upgrade Agreements) Regulations 2017*.

BUF is consistent with the objectives of the City of Playford's Strategic Plan 2016-2020 and in particular:

- Facilitating commercial and industrial growth
- Facilitating increased economic activity leading to a more sustainable economy.

BUF involves three parties:

- The Building owner, who wishes to use the scheme to fund a building upgrade.
- A finance provider who agrees to lend the building owner, Building Upgrade funds; and
- Council, which agrees to collect the loan repayment, through levying a Building Upgrade Charge (BUC) against the land on which the building is situated.

This three party arrangement is conducted under a Building Upgrade Agreement (BUA) which is completed by the finance provider and signed off by the building owner and Council.

This policy will apply to all BUA involving the City of Playford.

3. Legislation and References

- [Local Government Act 1999](#)
- [Local Government \(Building Upgrade Agreement\) Amendment Act 2015](#)
- [Local Government \(Building Upgrade Agreements\) Regulations 2017](#)

4. Definitions

Act means the *Local Government Act 1999*.

Prescribed Building means a building that is used primarily for commercial, industrial or other non-residential purposes.

Upgrade Works means any of the following works in relation to a heritage building:

- a) works for the purposes of maintaining, repairing, upgrading or reinstating the heritage significance of the building;

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- b) works associated with compliance with requirements under the Building Rules (within the meaning of the *Development Act 1993*) or the *Disability Discrimination Act 1992* of the Commonwealth;
- c) works for the purposes of facilitating the ongoing occupation of the building. **Heritage building** means a building:
- d) that is, or forms part of, a State Heritage Place under the *Heritage Places Act 1993*; or
- e) designated as a place of local heritage under the *Development Act 1993*.

Employee a person employed by the Organisation on an ongoing or fixed term full-time or part-time basis, or employed on a casual basis.

Organisation is the body corporate known as the City of Playford which includes the Employing Authority

5. Guidelines

The Organisation will only enter into a BUA if the following criteria are met:

5.1. Upgrade Works

- 5.1.1 The proposed works are consistent with the relevant provisions of Schedule 1B of the *Local Government Act 1999* and *Local Government (Building Upgrade Agreements) Regulations 2017*.

5.2. Building

- 5.2.1 The building is located in the City of Playford, Local Government Area and was constructed at least 2 years ago.
- 5.2.2 The building is a prescribed building under the *Local Government Act 1999*, used primarily for commercial, industrial or other non-residential purposes.
- 5.2.3 There are no encumbrances noted or registered on the title for the Building which may impact on the Organisation exercising its enforcement rights.

5.3 Building Owner

- 5.3.1 The Building Owner has successfully completed and submitted a BUA Application Form to the Organisation.
- 5.3.2 The Building Owner has provided the Organisation with a Statutory Declaration that satisfies the *Local Government Act 1999* Schedule 1B clause 2 (5) and (6) requirements.
- 5.3.3 The Building Owner has no overdue debts to the Organisation and is not in dispute with Organisation regarding any matter.

5.4 Finance Provider

- 5.4.1 The Finance Provider acknowledges and agrees that it has undertaken a credit assessment of the Building Owner and is satisfied

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that at the Commencement Date the Building Owner is able to comply with its obligations under the BUA.

5.5 The Organisation will:

- 5.5.1 Issue billing notices to the Building Owner on a monthly basis showing the Building Upgrade Charge (BUC) in accordance with the Agreed Repayment Arrangements;
- 5.5.2 Only accept payment of a BUC via direct debit;
- 5.5.3 Charge the Building Owner all applicable fees/charges (as defined in the BUA), including in the event that the Building Owner fails to pay the BUC on the Charge Payment Date; and
- 5.5.4 Not be a party to any dispute that may arise between the Building Owner, a tenant or the Finance Provider as to any matter relating to a BUA.
- 5.5.5 Only execute a BUA by its Chief Executive Officer. Execution of a BUA cannot be delegated to another employee.

6. Responsibilities

Management

Oversight: Chief Executive Officer
Coordination: The Stretton Centre
Administration: Finance Department

Employees, contractors, volunteers or others who perform work on behalf of council

NIL

7. Relevance to Strategic Plan 2016-2020

1: Smart Service Delivery Program

Outcome 1.4 Enhanced City presentation, community pride and reputation

3: Smart Jobs & Education Program

Outcome 3.1 Growth and diversification of local jobs matched with relevant education and training

Outcome 3.2 Commercial and industrial growth

Outcome 3.3 Sustainable economic transformation

Outcome 3.4 International market connections

4: Smart CBD Program

Outcome 4.2 Growth and diversification of local jobs in the CBD

8. Accessibility

This policy can be located on the City of Playford website as well as internally on Click in the

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Corporate Policy Library

Note: access links will be inserted subject to Council's approval of the policy

9. Feedback

We invite your feedback on this policy, which can be directed to the Director, Stretton Centre at connect@strettoncentre.com.au.

10. Approval and Change History

Version	Approval Date	Approval by	Change

Electronic version is the controlled version. Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version.

14.2 NAWMA BOARD REPRESENTATION

Responsible Executive Manager : Mr Andrew Nesbitt

Report Author : Ms Renae Williams

Delegated Authority : Matters which cannot be delegated to a Committee or Staff.

PURPOSE

To determine NAWMA Board representation or the process for filling a vacancy that will arise on 30 June 2019.

STAFF RECOMMENDATION

Council appoint Mr Sam Green to be a member on the NAWMA Board until 30 June 2021.

COMMITTEE RECOMMENDATION

3558

Council appoint Mr Sam Green to be a member on the NAWMA Board until 30 June 2021.

EXECUTIVE SUMMARY

A decision on Council representation on the NAWMA Board is required as the current term of NAWMA Board member, Mr Sam Green, expires on 30 June 2019. As Mr Green has been an active Board Member for a number of years he provides continuity of skill-sets, knowledge and experience to the Board.

With the importance of NAWMA to Council's service delivery, as well as being a regional subsidiary owned by Council, this report recommends an extension for Mr Sam Green for a period of 2 years to ensure continuity of expertise on the Board.

1. BACKGROUND

NAWMA is a regional subsidiary of the City of Playford, City of Salisbury, and the Town of Gawler (the constituent Councils). NAWMA also provides waste management services to client Councils including Barossa, Barunga West, Copper Coast, Light Regional, Adelaide Plains, and Yorke Peninsula.

The NAWMA Charter provides for three representatives and up to three deputy members from each of its constituent Councils. Council may decide to appoint Board Membership terms up to two years. There is no limit on the number of terms that a Board Member can undertake.

The Council's current NAWMA Board representatives are as follows:

- Cr Shirley Halls;
- Mr Sam Green;
- Ms Grace Pelle; and
- Cr Clint Marsh (as Deputy Board Member).

The NAWMA Charter seeks Board representation by persons with skills and/or knowledge in any of the following:

- Marketing / public relations;
- Finance;
- Legal / governance;
- Business; and/or
- The local community.

2. RELEVANCE TO STRATEGIC PLAN

1: Smart Service Delivery Program

Outcome 1.1 High quality services and amenities

Representation on the NAWMA Board ensures continued high quality functioning of Council's regional subsidiary.

3. PUBLIC CONSULTATION

There is no requirement to consult with the community on this matter.

4. DISCUSSION

- 4.1** As Mr Green's current term on the NAWMA Board is expiring on 30 June 2019, Council needs to consider continuing or replacing him as one of its appointed Board representatives.
- 4.2** The NAWMA Board Charter identifies skills and expertise which will provide for the best interests of NAWMA as a high-functioning waste management business entity. Mr Green has been providing his expertise to the Board for a number of years, being the longest serving Member of the current Board.
- 4.3** Council may appoint representation to the NAWMA Board for a period of up to two years if it chooses to do so. As a Constituent Council, it is required to appoint three Board Members and up to three deputy members.
- 4.4** Council may continue an existing appointment, or undertake a recruitment process or appoint directly.
- 4.5** Council recently undertook a recruitment process for two vacancies, with appointments made in February 2019, with Cr Shirley Halls, Ms Grace Pelle, and Cr Clint Marsh (deputy) being appointed.
- 4.6** As a part owner of the regional subsidiary of NAWMA, Council has a direct fiduciary interest in ensuring high quality and skilled people are serving on the NAWMA Board. While the Board has a duty to act in the interest of NAWMA rather than Council, as an owner of NAWMA Council appoints members to the Board in order to ensure that NAWMA is functioning at a highly professional level.
- 4.7** Mr Sam Green has indicated interest in continuing to serve on the NAWMA Board.

5. OPTIONS

Recommendation

Council appoint Mr Sam Green to be a member on the NAWMA Board until 30 June 2021.

Option 2

Council direct the administration to undertake a recruitment process for the Board position through a State-wide Expression of Interest, with a recommendation made to Council for final endorsement

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

As Council has a willing staff member with extensive expertise on the Board, this recommendation provides for continuity on the Board with minimal disruption. It ensures that an appropriately qualified person is placed on the NAWMA Board by Council.

6.1.2 Financial Implications

Neither staff nor Elected Members of NAWMA's Constituent Councils are entitled to sitting fees. Therefore there are no financial or resource implications with this option.

6.2 Option 2 Analysis

6.2.1 Analysis & Implications of Option 2

This option provides for Council to undertake a wider review of potential candidates for the NAWMA Board vacancy which will occur at the end of Mr Green's term on 30 June 2019. Historically, there has been limited interest in Board vacancies, with the recent recruitment process in February 2019 resulting in a small number of applicants.

A wider recruitment process will require staff resource allocation to administer, and risks resulting in a lack of suitable expertise, given the historically low level of interest in the NAWMA Board roles. This can result in a vacancy on the Board until a suitably qualified person is found.

If this option is pursued, it is recommended that a full State-wide Expressions of Interest process occurs until a suitable candidate is found. A report would be brought to Council at a future date once the process is finalised. Until that point, there will be a vacancy for one of the Council appointed NAWMA Board positions.

6.2.2 Financial Implications

There will be minor financial implications associated with advertising and staff time in running a broad recruitment process. These are able to be managed within current budget allocations.

14.3 COMMUNITY DEVELOPMENT GRANTS PROGRAM UPDATE

Responsible Executive Manager : Mr Andrew Nesbitt

Report Author : Ms Amy Matthews

Delegated Authority : Matters which cannot be delegated to a Committee or Staff.

Attachments : [1](#). Community Development Grants Policy - Reviewed 2019

PURPOSE

To provide an update to Council on the delivery of the Community Development Grants Program for the 2018-19 financial year, and to review the allocation of funds across grant categories.

STAFF RECOMMENDATION

1. To remove the Grassroots Grant category and distribute the budget allocation (\$5,000) to the Outstanding Achievement grant category.
2. Endorse the amended grants policy to reflect the removal of the Grassroots Grant category and minor amendments to clarify eligibility criteria in the Outstanding Achievement Grants category (as per attachment 1).

COMMITTEE RECOMMENDATION

3559

1. To remove the Grassroots Grant category and distribute the budget allocation (\$5,000) to the Outstanding Achievement grant category.
2. Endorse the amended grants policy to reflect the removal of the Grassroots Grant category and minor amendments to clarify eligibility criteria in the Outstanding Achievement Grants category (as per attachment 1).

EXECUTIVE SUMMARY

In April 2018 Council endorsed the new grants policy, which included the introduction of new and revised grant categories and eligibility criteria. During the 18/19 funding round, some of the grants have seen increased pressures due to popularity with others categories undersubscribed.

The purpose of this report is to summarise the allocation of community grants for the 18/19 period by grant category and to examine if any adjustments to the budget allocated to each grant is required to meet community needs. The report will provide a summary of expenditure and recommendations for the 19/20 round.

1. BACKGROUND

Council has been delivering a community grants program since amalgamation in 1997. The aim of the Community Development Grants Program is to support local community projects and to assist a range of community groups and individuals to participate and make a positive contribution to community and cultural life in the City of Playford.

Following a thorough review of the grants program in April '18, Council endorsed a new Community Development Grant Policy to establish a consistent framework for the administration of grants and to meet best practice standards. At that time, along with the establishment of the policy, Council also endorsed the introduction of a number of new grant categories and their funding limits, and widened eligibility criteria for the recognition of outstanding individual achievements.

The new Community Development Grants were grouped into 5 categories as follows:

- Community Development and Event Grants – 2 grant rounds per year, application assessed by a staff panel with recommendations approved through Council Decision Report.
- Grassroots Community Project – open year round, assessed by a staff panel with approval via. General Manager City Services.
- Outstanding Achievement, Club Participation Sponsorship and Equipment Grants open year round, assessed and approved by a staff panel, these grants are often small amounts and require a quick turnaround. These often have application deadlines for those applying for registrations and competitions

During the 18/19 funding round, some of these grants have seen increased pressures due to popularity with others undersubscribed. This report provides a summary of expenditure and recommendations for the 19/20 round.

2. RELEVANCE TO STRATEGIC PLAN

1: Smart Service Delivery Program

Outcome 1.3 Working smarter with our community

Although this report links to Council's Smart Service Delivery Program, this specific decision will have no significant impact on its progress.

3. PUBLIC CONSULTATION

There is no requirement to consult the community on this matter.

4. DISCUSSION

4.1 This is the first year roll-out of the new Community Development Grants Policy since its adoption in April 2018, and it is anticipated it will still take time for our community to familiarise themselves with the new categories. This has been evidenced through the level of support requested by applicants from the Community Grants Officer.

4.2 Over the past 12 months, the Grassroots Community Projects fund has been unpopular with the vast amount of applications and enquiries being made for the Community Development and Events Grants category. Both grants are similar in eligibility, which may be seen as a duplication and may be creating confusion for applicants.

4.3 The Outstanding Achievement category was extremely popular, with the full budget allocation spent by November 2018. After this date a further 14 eligible applications were received but were unable to be funded.

4.4 The table below is a summary of Grant Applications and Actual Spend for the 2018-2019 period.

Grant Category	Budget	Applications Received	Applications Successful	Total Funded	Budget remaining (as of Apr '19)
Community Development and Event Grants (2 rounds annually)	\$57,000	26	18	\$51,543.20	\$5,454.80
Grassroots Community Project (Open year round)	\$5,000	3	1	\$938	\$4,062
Outstanding Achievement (Open year round)	\$11,000	74 *	50	\$11,000	\$0 (Spent by Nov '18)
Club Participation Sponsorship (Open year round)	\$5,000	16	2	\$400	\$4,600
Equipment Grants (Open year round)	\$7,468	10	5	\$4,681	\$2,787
Total	\$85,468	129	76	\$65,562.2	\$16,903.8

* **NOTE:** Further enquiries have been received however no new applications have been accepted since November 2018 when the budget was spent.

4.5 The policy has also been updated to provide further clarification for applicants on the eligibility criteria for the Outstanding Achievement category as there was some confusion regarding this criteria.

4.6 It is recognised that in any given year, changing community needs may result in slight underspends or increased demand on some or all of the categories.

5. OPTIONS

Recommendation

1. To remove the Grassroots Grant category and distribute the budget allocation (\$5,000) to the Outstanding Achievement grant category.
2. Endorse the amended grants policy to reflect the removal of the Grassroots Grant category and minor amendments to clarify eligibility criteria in the Outstanding Achievement Grants category (as per attachment 1).

Option 2

No changes are made to grant categories and allocation amounts.

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

Option 1

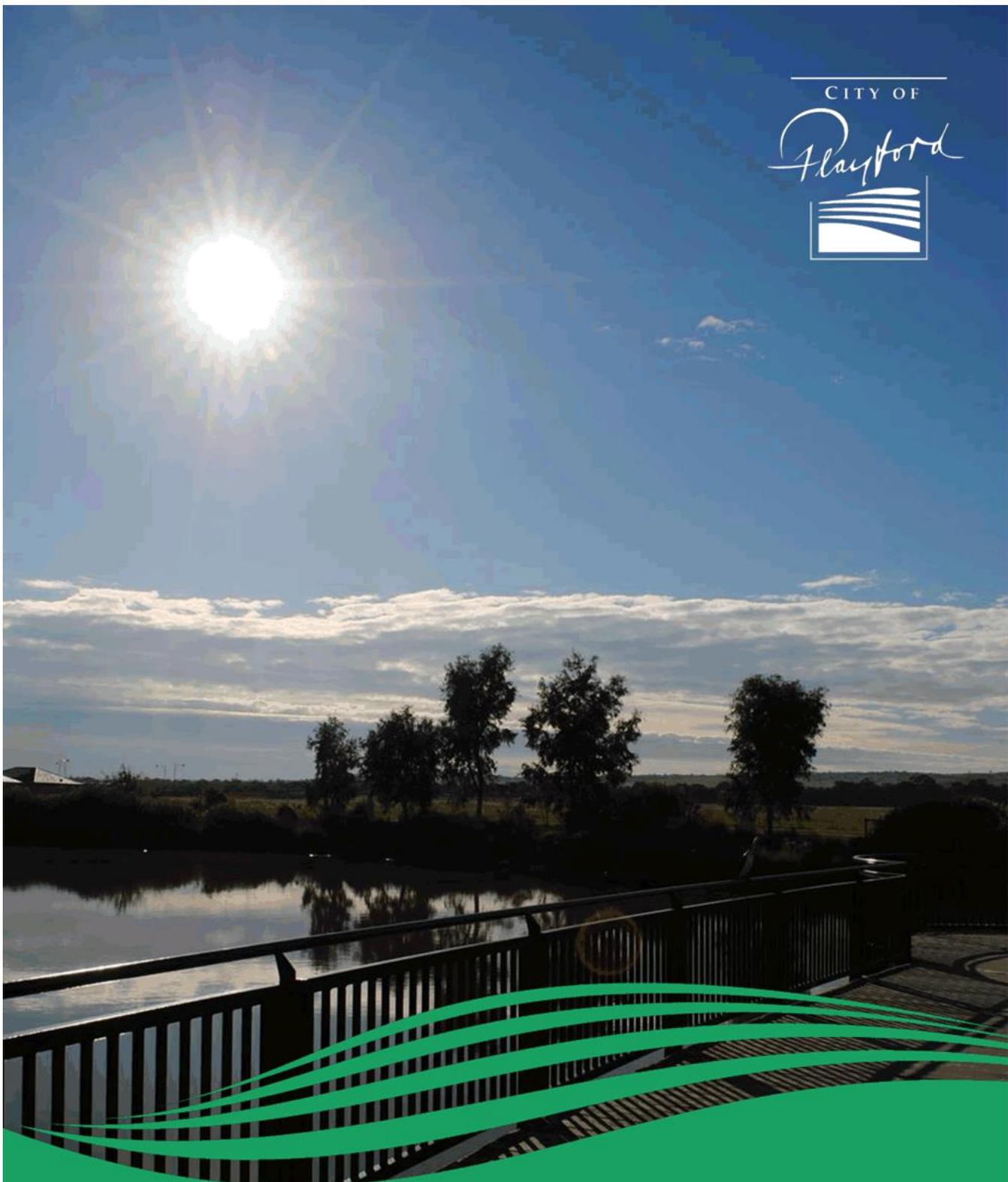
This recommendation will ensure that to the best of our knowledge and ability, the current Community Development Grant funding limits will better meet the current needs of our community. Adjustment to the eligibility criteria for Outstanding Achievement Grants will make it clearer to determine who is eligible for this funding. Removal of the Grassroots Community Project grant will simplify the grant application process and allow for increased fund availability in the oversubscribed Outstanding Achievement Grant category.

Option 2

This recommendation will maintain the current funding levels and grant categories.

6.1.2 Financial Implications

There are no financial or resource implications as there is a recurrent budget for the Community Development Grants Program.



COMMUNITY DEVELOPMENT GRANTS

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Community Development Grants

This policy is set by Council for use by the community and council administration

ECM Document Set No.: 3024459

Version No.: 2

Date of Current Version 1 May 2019

Responsible Team Community Development

Other Key Internal Stakeholders Marketing, Sports & Recreation

Initial Date of Adoption 17 April 2018

Last Reviewed N/A

Authorised By Ordinary Council

Resolution No.: 3132

Legal Requirement No

Date of Next Review 2023

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1. Purpose

A policy to outline the assessment and approval tools used to assess applications for the City of Playford Community Development grants program.

2. Scope

Applicants can apply for funding from one of the following categories using the relevant application form:

- Community Development and Event Grant (minimum \$500; maximum \$5,000)
- Equipment Grant (maximum \$1,000)
- Outstanding Achievement Grant (maximum \$400)
- Club Participation Sponsorship Grant (maximum \$200)

All amounts are exclusive of GST.

3. Legislation and References

There is no legislative requirement for Council to have a policy relating to this area.

The following legislation applies to this Policy:

- Local Government Act 1999 – Section 137 states that subject to this or another Act, a Council may expend its funds as the Council thinks fit in the exercise, performance or discharge of its powers, functions or duties under this or other Acts.
- Local Government Act 1999 – Section 7 subsections c and h state that the functions of a council include:
 - To provide for the welfare, wellbeing and interests of individuals and groups within its community
 - To establish or support organisations or programs that benefit people in its area or local government generally

Other References:

- Council's Strategic Plan

4. Definitions

Councillor is a person appointed or elected by the electors of a particular ward, as a representative of the ward in the City of Playford.

Employee is a person employed by the Organisation on an ongoing or fixed term full time, part time and/or long-term casual basis

Mayor is the person elected as the Principal Member of the Council to represent the local government area as a whole.

Organisation is the local government entity known as City of Playford.

5. Policy

City of Playford Community Development Grants Program offers financial support to non-profit community organisations, groups and associations for projects, events, exhibitions and/or performances which contribute to the City as a vibrant and stimulating place for people to live, work or visit. Grants are also offered to individuals who are residents of the City of Playford who have made an outstanding achievement in their chosen field of endeavour and young people who find cost a barrier to participating in club or organised sport to encourage sport and social recreation.

Within the Community Development Grants program, *Community Development and Event* grants offer financial support to non-profit community organisations, local groups and associations for proposals which:

- Activate community spaces
- Deliver innovative, creative or new opportunities for the Playford community to become involved in their local community
- Encourage and support Arts, Cultural Development, physical activity, health and wellbeing
- Demonstrate collaboration between organisations and the local community and maximise community benefit
- Develop and initiate locally based events, exhibitions and/or performances open to the whole community, which make a positive contribution to community and cultural life in the City of Playford

Equipment Funding grants are available to community organisations, groups and associations to build upon and support current projects, programs and activities.

Outstanding Achievement grants offers financial support to assist residents who have been selected to represent the State, Country or appropriate peak body to achieve their goals in national or international academic, sporting and cultural competitions and national and international leadership and personal development opportunities.

Club Participation Sponsorship grants are available to assist young people up to the age of 17 years to receive a one-off discount on the direct costs associated with joining a City of Playford club (eg membership fees, registration fees, uniforms and/or equipment etc). The purpose of this program is to reduce the cost of initial joining fees of clubs to young people who find cost a barrier to participation.

Community Development and Event, and *Equipment* grants must be a not for profit community group or organisation and legally constituted or can demonstrate that they are auspiced by an legally constituted organisation such as an incorporated organisation who will agree to take legal and financial responsibility for any Grant monies received from the City of Playford. City of Playford may at its discretion provide direct support to suppliers or equivalent for grassroots community projects in order to assist in the facilitation of local projects.

Community Development and Event grants, and *Equipment* grants offer financial support to non-profit community organisations, local groups and incorporated associations. Groups can consist of as little as 2 people to larger, non-profit organisations and must involve the local community, including residents, shops, businesses etc.

All applications will be assessed against the eligibility criteria detailed in the guidelines for each grant category as published on the City of Playford website.

Applications will be viewed as incomplete and will be ineligible for funding if applicants fail to submit all relevant information as detailed in the guidelines.

The provision of Community Development Grant funding remains at the absolute discretion of the City of Playford.

Community Development and Event grant applications will be assessed by a Grant Panel of staff and approved via a Council report.

Equipment grant applications, *Outstanding Achievement* grant applications and *Club Participation Sponsorship* grant applications will be assessed and approved by the City of Playford's Grants Officer and Manager Community Development.

City of Playford is to be formally acknowledged as a sponsor on all publicity and promotional material. Successfully funded organisations will be provided with a copy of the logo and a style guide to ensure appropriate application.

Grant Categories

Community Development and Event Grant (Minimum \$500; Maximum \$5,000)

- Applications up to the value of \$5,000 can be submitted; however City of Playford will endeavour to support as many proposals as possible. Applications must be for a minimum of \$500. Funding provided to applicants for one-off community events will be calculated on predicted attendance numbers as follows:
 - 0 – 200: \$500 (maximum)
 - 201 – 1,000: \$1,000 (maximum)
 - Over 1,001: \$2,000 (maximum)
- Groups can consist of as little as two people to larger, non-profit organisations and must involve the local community (eg residents, community groups and organisations, shops, businesses etc)
- Applications can be submitted throughout the year but will be assessed twice a year during the assessment round process;
 - Round 1 will formally open in July and is assessed by Council at the October Services and Council meetings or a meeting prior to caretaker period (in Council election years)
 - Round 2 will formally open in January for 6 weeks and is assessed by Council at the April Services and Council meetings
- Applications must be submitted using the application form published by the City of Playford on its website or by such other means as detailed in the guidelines published on the website

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- Funding is available every second year in any category i.e. if an organisation received funding in Round 1 of 2016 they will be eligible for funding in Round 1 of 2018. Council may decide in exceptional circumstances to fund the same project, activity or event over 2 consecutive years if after the first year an acquittal has been returned and that the original application was for a new, pilot program, activity or event and requires additional funding to make it sustainable into the future. Applicants must contact Council before submitting an application in the subsequent year
- Projects or initiatives provided funding under the *Community Development and Event* grants must be completed and funding acquitted within 12 months. Any funding that has not been acquitted within the allocated timeframe will make that group or organisation ineligible for any future funding in any grant category

Equipment Grant (maximum \$1,000)

- Applications up to the value of \$1,000 can be submitted; however City of Playford will endeavour to support as many proposals as possible
- The aim of these grant is to provide support for the purchase of equipment and to build and support current projects, programs and activities
- Funding is available every second year in any category i.e. if an organisation received funding in Round 1 of 2016 they will be eligible for funding in Round 1 of 2018
- This grant category is open all year and is assessed by the Grants Officer and Manager Community Development within 4 weeks of the application form being received by the City of Playford
- Projects or initiatives provided funding under the *Equipment* grants must be completed and funding acquitted within 6 months. Any funding that has not been acquitted within the allocated timeframe will make that group or organisation ineligible for any future funding in any grant category

Outstanding Achievement Grant (maximum \$400)

- There are 2 streams of grants available to individuals who are residents of the City of Playford within the Outstanding Achievement category:
 - Competition grants are provided to individual applicants that have been selected to represent the State or Country or when appropriate the peak body in academic, sporting and artistic or cultural competitions such as spelling, english, writing, mathematics, science singing, art and sports including football, netball, baseball, hockey, bowling, dancing, , gymnastics etc There is no age limit.
 - Leadership and personal development grants are provided to individual applicants who have been selected to develop their leadership/personal development skills such as youth parliament, debating teams, club leadership, scout leadership etc. There is no age limit.
- Grant category is open all year and assessed by the Grants Officer and Manager Community Development within 4 weeks of the application form being received by the City of Playford

Club Participation Sponsorship Grant (maximum \$200)

- One-off payment of up to \$200 per individual for initial costs of joining a City of Playford club. These costs may include membership fees, registration fees, uniforms and/or mandatory equipment
- Clubs include but are not limited to sporting clubs, cheerleading and dance clubs, scouts etc
- Grant category is open all year and assessed by the Grants Officer and Manager Community Development within 4 weeks of the application form being received by the City of Playford

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Caretaker Period

Council will not approve any Community Development grants requiring Council assessment during this period.

6. Responsibilities

Community Development team will be responsible for implementing the policy.

7. Relevance to Strategic Plan

1: Smart Service Delivery Program

Outcome 1.1 High quality services and amenities

Outcome 1.2 Improved service delivery

Outcome 1.3 Working smarter with our community

Outcome 1.4 Enhanced City presentation, community pride and reputation

8. Accessibility

This policy and supporting documentation can be found on ECM and the City of Playford website.

9. Feedback

We invite your feedback on this policy which can be directed to Manager Community Development at playford@playford.sa.gov.au

10. Approval and Change History

Version	Approval Date	Approval by	Change
1	17 April 2018	Ordinary Council	New Policy
2			

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14.4 GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY - DRAFT BUSINESS PLAN AND BUDGET 2019/20

Responsible Executive Manager : Mr Greg Pattinson

Report Author : Mr Braden Austin

Delegated Authority : Matters which cannot be delegated to a Committee or Staff.

Attachments :

- 1 [↓](#). Draft 2019-22 GRFMA Business Plan
- 2 [↓](#). Draft 2019-20 GRFMA Budget
- 3 [↓](#). Letter to Council

PURPOSE

To note the Gawler River Floodplain Management Authority (GRFMA) Business Plan (2019 – 2022), incorporating the draft GRFMA budget (2019/20). This includes Council's operating contribution of \$53,751 to the GRFMA for FY 19/20.

STAFF RECOMMENDATION

That Council note the attached GRFMA Business Plan (2019-22) and draft GRFMA budget (2019/20).

COMMITTEE RECOMMENDATION

3560

That Council note the attached GRFMA Business Plan (2019-22) and draft GRFMA budget (2019/20).

EXECUTIVE SUMMARY

The GRFMA is a Regional Subsidiary under the Local Government Act 1999 and the City of Playford is one of six GRFMA Constituent Councils. The GRFMA Executive Officer has written to council seeking comment on their 2019/20 draft budget and Business Plan 2019-2022.

1. BACKGROUND

Council is one of six Constituent Councils and a signatory to the GRFMA Charter. The GRFMA was formed in 2002 and is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. In order to enable the GRFMA to function, following a consultation process, Council is obliged to support the operation of the GRFMA by paying funds to enable the GRFMA to function.

The GRFMA is required to have a rolling Business Plan for the ensuing 3 years. Prior to setting the draft budget each year the authority must review the business plan in conjunction with constituent councils. A requirement of the GRFMA charter is to provide the draft Business Plan and Annual Budget to Constituent Councils by 31 March. The GRFMA budget must not be adopted by the Authority until after 31 May but before 30 September.

The documentation forwarded to Councils consists of:

1. Draft GRFMA 2019-2022 Business Plan.
2. Draft 2019-20 GRFMA Budget and Balance Sheet (as of 23 March 2019).
3. Letter to Council.

These documents are attached to this report and the contents discussed below.

2. RELEVANCE TO STRATEGIC PLAN

2: Smart Living Program

Outcome 2.1 Smart development and urban renewal

3. PUBLIC CONSULTATION

This item does not require community consultation in line with Council's Public Consultation Policy.

4. DISCUSSION

4.1 The Draft GRFMA 2019-2022 Business Plan is attached and sets out the program of the GRFMA for the next three years.

4.2 Key elements of the Draft GRFMA 2019-2022 Business Plan include:

- Progressing the Gawler River 2016 Flood Review report recommendations for flood mitigation works in the lower Gawler River, with a first stage indicative cost of \$27 million which includes:
 - a) proposed Gawler River Northern Floodway;
 - b) upgrade and maintenance of the levee system; and
 - c) management of silt and pest vegetation.
- Develop, in partnership with the University of Adelaide, an existing decision support tool to explore how to manage flood risk.
- Undertake planning, maintenance and operations of the Bruce Eastick Dam.

The GRFMA's Building Better Regions Fund application for the major elements of Northern Floodway Project preliminary works was unsuccessful in 2018/19. The GRFMA Board has resolved to continue to pursue Federal and State Government funding to progress this project.

4.3 The Draft 2019-20 GRFMA Budget attached proposes a total contribution from Council to the Authority of \$53,751 (down from \$54,714 in 2018/19). The slight overall reduction in contribution is due to a reduced expenditure forecast for maintenance more than offsetting the budgeted 2.9% escalation to general expenses for 2019/20. Depreciation of the Bruce Eastick Dam remains unfunded.

4.4 A significant change to the GRFMA budget for 2019/20, from 2018/19, relates to expenditure on the decision support tool development project. The attachments

indicate that the project is to be funded mostly by a grant for \$110,980 via the Federal and State Government National Disaster Resilience Program.

- 4.5** There is an error in the summation of the first column of Table 1 of Attachment 3: 'Letter to Council'. The figure should be \$142,100 and not \$132,100 as shown. The error does not carry through the remainder of the table. The error does not have an effect on the contribution payable by Council in 2019/20 and the contribution paid during the 2018/19 year remains correct.
- 4.6** The GRFMA Balance Sheet as at 23 March 2019 is attached and, as can be reasonably expected, shows:
- a modest current asset amount (considered sufficient to buffer budgeted cash flows),
 - a relatively large non-current asset amount (being dam infrastructure),
 - minimal liabilities.
- 4.7** The Draft Business Plan and Budget are considered a sustainable way forward to managing the existing flood management scheme.
- 4.8** Being a Charter Signatory for an Authority responsible for the management of a large dam also means that Council has a particular responsibility to ensure appropriate management of an asset that has potentially high consequences in the event of asset failure. The benchmark standard for management of such an asset is the Australian National Committee on Large Dams (ANCOLD) Guidelines. Despite these guidelines not being mandatory in South Australia, they are in most other States and it would be reasonable to expect GRFMA and/or a constituent Council to have followed such guidelines as a prudent and responsible manager of public assets. It is the use of the ANCOLD Guidelines that is giving rise to a number of the maintenance and operations items proposed by GRFMA for 2019- 2022.

5. OPTIONS

Recommendation

That Council note the attached GRFMA Business Plan (2019-22) and draft GRFMA budget (2019/20).

Option 2

Council requests that the GRFMA consider including the following items for consideration in the GRFMA Business Plan.

- _____
- _____

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

The recommendations would fulfil Council's obligations as a Charter Signatory to the GRFMA. The recommendations will ensure the ongoing operation of the GRFMA and the positive impacts this can have on properties potentially affected by flooding and the community at large. Horticulture businesses around Virginia, residents of Virginia and future residents of northern Angle Vale are three groups particularly impacted.

6.1.2 Financial Implications

The financial implications of the recommendation are that Council would need to provide for operational funding of \$53,751 in 2019/20, down from the \$54,714 expenditure in 2018/19

Council has allocated \$17,100 in the recurrent budget in the draft 2019/20 Annual Business Plan towards its GRFMA contribution. Correspondence from the GRFMA seeking Council's \$53,751 contribution was received post the development of Council's draft 2019/20 budget. The majority of the increased contribution from Council is for extraordinary expenditure, being a mix of operational and maintenance items associated with the Bruce Eastick North Para Flood Mitigation Dam. A 2018 inspection of the dam identified some short term maintenance requirements.

On this basis, it is proposed that the difference, of \$36,651, be funded from operational savings during the 2019/20 year, rather than increasing rates to cover the expense. Should savings not materialise then the additional spend would be included during the Budget Review process.

The GRFMA Board is currently exploring the development of an Asset Management Plan in relation to the Bruce Eastick North Para Flood Mitigation Dam and associated land. This will provide a longer-term approach to management of GRFMA assets. This work is expected to be undertaken across 2019/20 and could possibly increase Council's ongoing funding contribution to the GRFMA. If this is the case, changes in Council's financial support to the Authority will be considered as part of future Annual Business Plan processes.

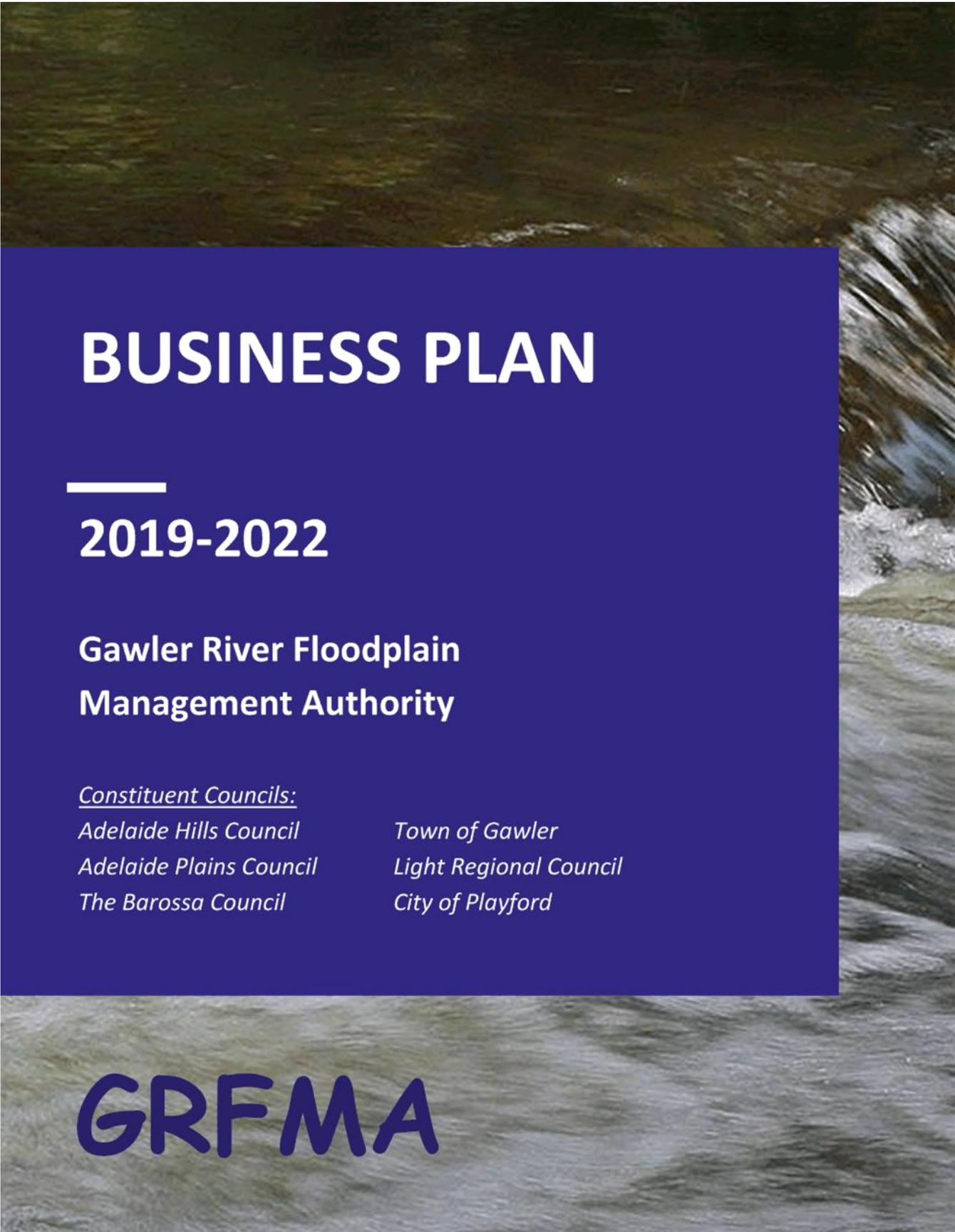
6.2 Option 2 Analysis

6.2.1 Analysis & Implications of Option 2

Council may form the view that the GRFMA should be considering additional works or activities that are not incorporated in the current Draft Annual Business Plan. The GRFMA Board would need to consider these requests and determine if they were achievable and what the financial implications are. This option may delay the finalisation of the GRFMA Annual Business Plan as the other constituent Councils would need to consider any variation to the plan.

6.2.2 Financial Implications

The GRFMA Board would need to determine if there were any additional financial implications of this option.



BUSINESS PLAN

2019-2022

Gawler River Floodplain Management Authority

Constituent Councils:

Adelaide Hills Council

Adelaide Plains Council

The Barossa Council

Town of Gawler

Light Regional Council

City of Playford

GRFMA

Business Plan 2019-2022

Gawler River Floodplain Management Authority (GRFMA)

The Gawler River

The Gawler River is formed by the confluence of the North Para and South Para in the town of Gawler, and is located in the Adelaide Plains district of South Australia. The district surrounding the river produces cereal crops and sheep for both meat and wool, as well as market gardens, almond orchards and vineyards. The farm gate output of the Gawler River floodplain horticultural areas is estimated to be at least \$225 million.

History

The river is subject to periodic flood events.

Desirable Levels of Protection Cost of Flooding	
Flood Frequency (ARI)	Estimated Damages
1 in 10	\$15m
1 in 20	\$24m
1 in 50	\$102m
1 in 100	\$182m
1 in 200	\$212m
Average Annual Damage	\$7.40m
Present Value of Damages*	\$109m



Properties at Risk				
Flood Frequency (ARI)	Number of residential properties within each hazard rating			
	Low	Medium	High	Extreme
1 in 50	1056	785	483	236
1 in 100	1559	1451	1179	457
1 in 200	1814	1652	1419	615

Following the November 2005 flood, which flooded the Virginia district and township, a series of meetings of the major stakeholders led to the approval of \$20 million in funding from Federal, State and Local Governments to fund the Gawler River Flood Mitigation Scheme (Scheme Works).

The Scheme Works had three parts:

- One The construction of a flood control dam on the North Para River near Turretfield designed to control a 1 in 100-year flood.
- Two The modification of the South Para Reservoir dam wall and spillway to provide 1 in 100-year flood control storage on top of full reservoir storage (completed 2012).
- Three The formalisation of controlled flow paths for floodwaters along the lower reaches of the Gawler River.

Following successful construction of the flood control Dam on the North Para (Bruce Eastick North Para Flood Mitigation Dam) in 2007 and modification of the South Para Reservoir Dam and spillway in 2012, the GRFMA Board has progressed the Gawler River Flood Mitigation Scheme, elements which include:

- further development of the preliminary assessment of possible local area levees prepared in the 2008 Gawler River Floodplain Mapping Study at Gawler, Angle Vale and Two Wells and to develop a levee strategy for Virginia.
- establishment of a protocol with the Floodplain Councils that where development of land in areas identified as 'at risk of flooding' is planned to proceed by the implementation of a local area levee that mapping of the proposed levees on the Gawler River Floodplain Mapping Study Model will be required.
- to develop a funding strategy for flood protection that is delivered by local area levees on the questions of who should own and maintain the levees and whether local area levees are regional works that the GRFMA should fund or are they local works that are the responsibility of the local Council.
- investigate opportunities for funding partners and grants to undertake the necessary assessments and designs.

Purpose of the GRFMA

The Gawler River Floodplain Management Authority (GRFMA) was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 on 22 August 2002. The Constituent Councils are the Adelaide Hills Council, The Adelaide Plains Council, The Barossa Council, The Town of Gawler, Light Regional Council, and the City of Playford.

The Charter provides for one independent person, who is not an officer, employee or elected member of a constituent council, to be appointed as the Chairperson of the Board of Management of the GRFMA for a term of two years.

The Charter sets down the powers, functions, safeguards, accountabilities and an operational framework and the Business Plan sets down the operational plan and financial plan to achieve agreed objectives.

The Authority has been established for the following purposes:

- to co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River. This purpose is the core business of the Authority;
- to raise finance for the purpose of developing, managing and operating and maintaining works approved by the Board;
- to provide a forum for the discussion and consideration of topics relating to the constituent council's obligations and responsibilities in relation to management of flood mitigation for the Gawler River; and
- upon application of one or more constituent councils pursuant to clause 12.4:
 - to coordinate the construction, maintenance and promotion and enhancement of the Gawler River and areas adjacent to the Gawler River as recreational open space for the adjacent communities; and
 - to enter into agreements with one or more of the constituent councils for the purpose of managing and developing the Gawler River.

A Technical Assessment Panel has been appointed to support the decision-making processes of the Board with delegated powers to provide advice and manage the technical aspects of the design, assessment and construction of the various parts of the Scheme.

An Audit Committee has been appointed to review:

- the annual financial statements to ensure that they present fairly the financial state of affairs of the Board; and
- the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Board on a regular basis.

The following Policies have been adopted to provide management guidelines for the day-to-day business of the GRFMA:

- Access to Meetings and Documents
- Internal Review of Decisions
- Procurement and Operations
- Dam Valuation
- Public Consultation
- Treasury Management



Further work will be undertaken to complete the Asset Management Plan in relation to the Bruce Eastick North Para Flood Mitigation Dam and associated land. This will provide a longer-term approach to management of GRFMA assets.

To meet the statutory and operational responsibilities the GRFMA will maintain appointment of a part time Executive Officer, and an Auditor, on a contract basis.

The Board is required to hold a minimum of 6 meetings per year and to provide the required, Business Plans, Budgets Reports and Audited Statements to its constituent councils required by the Charter and Local Government 1999.

The Board will conduct two reviews each year of its performance against the targets set in this Business Plan that will form part of the report to its constituent councils and will be included in its Annual Report.

Cost of Operations

The scope of the GRFMA annual budget and operations is small in comparison to the extensive undertakings by constituent councils.

Principally the budget revenue is sourced from predetermined “formulae based’ financial contributions by the six constituent councils, opportunistic funding applications and some interest from financial institutions. Recently any shortfalls in income (over expenditure) have been met from reserves.

Expenditure is principally budgeted on estimated costs of executive management and administrative and governance requirements of the Authority according to its charter. Some costs are incurred with maintenance of the Bruce Eastick North Para River Flood Mitigation Dam site and access.

The contributions of the constituent councils are based on the following percentage shares for capital works, maintenance of Scheme assets and operational costs of the Authority. (GRFMA Charter Clause 10)

Constituent Council Shares for Contributions

Constituent Council	Capital Works Percentage Share	Maintenance of Assets Percentage Share	Operational Costs Percentage Share
Adelaide Hills Council	1.73%	1.73%	16.66%
The Barossa Council	8.67%	8.67%	16.66%
Town of Gawler	17.34%	17.34%	16.66%
Light Regional Council	8.67%	8.67%	16.66%
Adelaide Plains Council	28.91%	28.91%	16.66%
City of Playford	34.68%	34.68%	16.66%
Total	100%	100%	100%

Work Priorities 2019/2022



In 2016/17 the GRFMA engaged:

- AECOM to provide a fatal flaw screening assessment for the potential raising of the North Para Dam by up to 10 metres to provide additional flood protection for a 1 in 100 Annual Event Probability (AEP) event to the township of Gawler and further downstream.
- Australian Water Environments to undertake the Gawler River 2016 Flood Review.

Both reports have been subsequently completed and following consultation with constituent councils the GRFMA have resolved that decision on extending the height (10mtr) of the dam be on held over pending the initiatives recommended in the Gawler River 2016 Flood Review report are implemented and outcomes considered. Feasibility of raising of the North Para Dam will then subsequently be considered.

The Gawler River 2016 Flood Review report provides three recommendations for works to be undertaken and provides first stage indicative costs of \$27 million:

- a) proposed Gawler River northern floodway;
- b) upgrade and maintenance of the levee system; and
- c) management of silt and pest vegetation.

The GRFMA resolved to progress the report recommendations in 2019 via submission to the Australian Government's Building Better Regions Fund (BBRF). The application was based on the total of cost elements as identified Table 7.1 items 1 to 5 of the Northern Floodway Project Prospectus, plus a price index escalator and contingency allowance.

These items include the major elements of preliminary works required to be undertaken first so that a more robust assessment of final project design and costs might be understood and considered prior to a further funding application (on the same 50/50 State and Federal Government funding contribution) for subsequent completion of the Project.

This effectively resulted in a total project cost of \$2 Million with the application seeking \$ 900,000 in BBR funding which is to be matched with a \$ 900,000 funding contribution (commitment received) from the State Government. An in-kind GRFMA contribution of \$200,000 was also included. There is to be no constituent council funding requirement.

Recent formal advice has now been received (March 2019) that the application was not successful. The Board will now reconsider options to continue pursuit of suitable funding from the State and Federal Government for the project.

The Authority, in partnership with the University of Adelaide, has received funding via the Federal and State Government *National Disaster Resilience Program (NDRP)*, to develop an existing decision support tool (UNHARMED) to explore how to manage flood risk into the future in an integrated and dynamic approach. The project will commence mid-2019 and conclude in late 2020.

This project will consider:

- Specific pilot studies (such as proposed Dam raise and Northern Floodway proposal) of analysis and developing a methodology for continued use of the program for integrated planning of flood mitigation actions by GRFMA; and
- Providing an example for other local government authorities and floodplain managers in integrated flood risk management supported by integrated risk modelling.

Key project aims are:

- Provide a platform for GRFMA constituent councils to compare flood mitigation options over time in an integrated and transparent manner, as the basis for preparing a master plan incorporating existing mitigation structures and on-going maintenance and operation for constituent councils and the community.
- Enable this platform to be used to engage the community in decision making, improve risk awareness and resilience and willingness to pay for risk reduction depending on risk appetite.
- Integrate social, economic, and environmental risk factors for a broad understanding of the Gawler River Catchment to inform long-term strategic planning.
- Highlight the role of research and science in local government decision-making and provide an example for similar councils and catchment management authorities across Australia.
- Develop a repeatable process to enable continued use of the project outputs and analysis frameworks for Local Government decision making across South Australia.

Review of the GRFMA Charter will be completed in 2019.

Maintenance and operations of the scheme during 2019 to 2022 will include:

- Completion of the detailed Dam Failure Consequence Assessment of the Dam pursuant to ANCOLD guidelines;
- Review of Dam Safety Emergency Plans and Operation and Maintenance Manuals;
- Dewatering and repair of the low-level inlet pipe and stilling basin; and
- Scheduled inspections and environmental management of land associated with the Dams location.
- Investigation into feasibility of a proposal for the establishment of a revegetated zone around the Bruce Eastick North Para Flood Mitigation Dam.

Gawler River Floodplain Management Authority
Budget - Functions & Items
2019-2020

Code	2018-2019		2019-2020	
	Budget	YTD	Budget	YTD
REVENUE				
Administration of the GRFMA				
1,1	Member Subscriptions	142,100	142,100	145,000
1,3	Interest LGFA	1,500	1,406	1,500
1,4	Interest BankSA	12	174	15
1,5	Other	4,924	4,924	100
	Total	148,536	148,604	146,615
Operations Flood Mitigation Scheme				
2,1	Member Subscriptions	0		0
2,3	State Grant	0		110,980
2,4	Commonwealth Grant	0		0
2,5	Sale of Land	0		0
2,6	Other	0		0
	Total	0		110,980
Maintenance Flood Mitigation Scheme				
3,1	Council Subscriptions	89,476	89,477	85,300
3,3	Other	0		0
	Total	89,476	89,477	85,300
Capital Revenue Flood Mitigation Scheme				
4,1	Council Subscriptions	0		0
4,3	State Grant	0		0
4,4	Commonwealth Grant	0		0
4,5	Sale of land	0		0
4,6	Other	0		0
	Total	0	0	0
5,1	Surplus C/ Forward			0
			Net	
	GST on Income			0
	Debtors paid /Payable			
	TOTAL INCOME	238,012	238,081	342,895

EXPENDITURE	2018-2019		2019-2020		
	Budget	YTD	Budget	YTD	
Administration of the GRFMA					
6,1	Executive Officer Contract	50,004	37,813	50,000	
6,2	Advt, Print, Stat, Postage	1,230	976	1,270	
6,3	Travelling Expenses	1,320	784	1,350	
6,4	Insurance - PL & PI	6,240	4,546	6,400	
6,41	Audit Committee	2,800	1,300	2,800	
6,5	Audit Fees	6,660	6,104	6,660	
6,6	Bank Fees	120	36	120	
6,7	Legal Advice	1,000	0	2,000	
6,8	Honorary Chairperson	7,008	5,850	7,000	
6,9	Other	240	233	300	
	Total	76,622	57,642	77,900	
Construction - North Para Works					
7,4	Replace Weir and Station	0		0	
7,41	Construct Monuments	0		0	
7,5	Consultation	0		0	
7,61	Easement consideration	0		0	
7,62	Acquisition costs	0		0	
7,9	EO Supervision	0		0	
	Total	0	0	0	
Construction - South Para Works					
8,2	SA Water GST Free			0	
8,3	SA Water			0	
8,4	EO Supervision			0	
	Total			0	
Gawler River Scheme Mark 2					
9,7	Consultancies	6,200	5,000	179,695	
9,8				0	
9,9	EO Supervision			0	
	Total	6,200	5,000	179,695	
Maintenance Flood Mitigation Scheme					
10,2	Maintenance Works	142,840	123,535	85,000	
10,3	Property Maintenance		0		
10,31	Rates - GST Free	260	121	300	
10,4	Depreciation Dam	231,000	0	231,231	
	Total	374,100	123,656	316,531	
GST on Expenditure					
	Creditors paid		\$0		\$0
	ALL EXPENDITURE	\$456,922	\$186,298	\$574,126	
	SURPLUS/DEFICIT	-218,910	51,783	-231,231	

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Gawler River Floodplain Manage Auth

266 Seacombe Road
Seacliff Park SA 5049**Profit & Loss [Budget Analysis]**

July 2019 To June 2020

ABN: 12 925 534 861
Email: davidehitchcock@bigpond.com

	Selected Period	Budgeted	\$ Difference
Income			
Admin of GRFMA			
Member Subscriptions	\$0	\$145,000	(\$145,000)
Interest LGFA	\$0	\$1,500	(\$1,500)
Interest Bank SA	\$0	\$15	(\$15)
Other	\$0	\$100	(\$100)
Total Admin of GRFMA	\$0	\$146,615	(\$146,615)
Operations Flood Mit Scheme			
State Grant	\$0	\$110,980	(\$110,980)
Total Operations Flood Mit Scheme	\$0	\$110,980	(\$110,980)
Maint Flood Mit Scheme			
Council Subscriptions	\$0	\$85,300	(\$85,300)
Total Maint Flood Mit Scheme	\$0	\$85,300	(\$85,300)
Total Income	\$0	\$342,895	(\$342,895)
Gross Profit	\$0	\$342,895	(\$342,895)
Expenses			
Admin of GRFMA			
Executive Officer Contract	\$0	\$50,000	(\$50,000)
Adv, printing, stationery post	\$0	\$1,270	(\$1,270)
Travelling Expenses	\$0	\$1,350	(\$1,350)
Insurance PL & PI	\$0	\$6,400	(\$6,400)
Audit Committee	\$0	\$2,800	(\$2,800)
Audit Fees	\$0	\$6,660	(\$6,660)
Bank Fees	\$0	\$120	(\$120)
Legal Fees	\$0	\$2,000	(\$2,000)
Honorarium - Chairperson	\$0	\$7,000	(\$7,000)
Other	\$0	\$300	(\$300)
Total Admin of GRFMA	\$0	\$77,900	(\$77,900)
Gawler River Scheme Mark 2			
Consultancies	\$0	\$179,695	(\$179,695)
Total Gawler River Scheme Mark 2	\$0	\$179,695	(\$179,695)
Maint Flood Mitigation Scheme			
Maintenance Contractors	\$0	\$85,000	(\$85,000)
Rates & Levies	\$0	\$300	(\$300)
Total Maint Flood Mitigation Scheme	\$0	\$85,300	(\$85,300)
Depreciation			
Depreciation	\$0	\$231,231	(\$231,231)
Total Expenses	\$0	\$574,126	(\$574,126)
Operating Profit	\$0	(\$231,231)	\$231,231
Total Other Income	\$0	\$0	\$0
Total Other Expenses	\$0	\$0	\$0
Net Profit/(Loss)	\$0	(\$231,231)	\$231,231

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Gawler River Floodplain Manage Auth

266 Seacombe Road
Seacliff Park SA 5049

ABN: 12 925 534 861

Email: davidehitchcock@bigpond.com

Balance Sheet

As of 3/23/2019

Assets		
Current Assets		
Bank Accounts		
Bank SA Account	\$77,040.42	
LGFA Investment Account	\$13,670.78	
Total Bank Accounts		\$90,711.20
Other Current Assets		
Trade Debtors	\$21,558.90	
Debtor	\$149.45	
ATO Payments & Refunds	\$12,455.00	
Total Other Current Assets		\$34,163.35
Total Current Assets		\$124,874.55
Non-Current Assets		
Infrastructure	\$18,497,000.00	
Accum. Depr. Infrastructure	(\$2,311,850.00)	
Land	\$465,687.37	
Total Non-Current Assets		\$16,650,837.37
Total Assets		\$16,775,711.92
Liabilities		
Current Liabilities		
GST Liabilities		
GST Collected	\$23,167.70	
GST Paid	(\$14,013.05)	
ATO Payments & Refunds	\$2,711.00	
Total GST Liabilities		\$11,865.65
Total Current Liabilities		\$11,865.65
Total Liabilities		\$11,865.65
Net Assets		\$16,763,846.27
Equity		
Accumulated Surplus	\$15,144,991.00	
Asset Revaluation Reserves	\$3,664,280.00	
Retained Earnings	(\$2,097,208.68)	
Current Year Surplus/Deficit	\$51,783.95	
Total Equity		\$16,763,846.27

This report includes Year-End Adjustments.

Page 1 of 1

Gawler River Floodplain Management Authority
266 Seacombe Road, Seacliff Park, SA 5049
Telephone: 0407717368 Email: davidehitchcock@bigpond.com
Website: www.gawler.sa.gov.au/grfma

Mr. Sam Green
Acting Chief Executive Officer
City of Playford
Playford Civic Centre, 10 Playford Boulevard
ELIZABETH SA 5112
By email playford@playford.sa.gov.au

24/3/19

Dear Sam,

GRFMA Business Plan 2019-2022 and Draft 2019/20 Budget.

I am writing regarding the draft GRFMA Business Plan 2019 – 2022 and Draft 2019/20 Budget.

Prior to setting the draft budget each year the Authority must review its Business Plan in conjunction with the constituent councils. The Business Plan must be updated to ensure it presents a plan for the ensuing three years.

The Authority must also prepare a budget for the forthcoming financial year which must be consistent with and account for activities and circumstances referred to in the Authority's Business Plan and must be submitted in *draft form to each constituent council before 31 March* for approval of its contribution for the year.

The draft Business Plan and Budget have been considered by the 7/2/19 Board Meeting, the 15/3/19 meeting of the GRFMA Audit Committee and the 21/3/19 GRFMA Special Meeting.

The budget must not be adopted by the Authority until after 31 May but before 30 September; and the Authority must then provide a copy of its budget to each constituent council within five business days after adoption.

GRFMA Business Plan

Key elements of the Business Plan include:

- The Gawler River 2016 Flood Review report provides recommendations for flood mitigation works to be undertaken in the lower Gawler River with a first stage indicative cost of \$27 million:
 - a) proposed Gawler River Northern Floodway,

- b) upgrade and maintenance of the levee system and
- c) management of silt and pest vegetation;

The GRFMA has resolved to pursue Federal and State Government funding to progress the report recommendations in 2019.

- The Authority, in partnership with the University of Adelaide, has received funding via the *National Disaster Resilience Program (NDRP)*, to develop an existing decision support tool (UNHaRMED) to explore how to manage flood risk into the future in an integrated and dynamic approach. The project will commence mid-2019 and conclude in late 2020.

This project will consider:

- Specific pilot studies (such as proposed Dam raise and Northern Floodway proposal) of analysis and developing a methodology for continued use of the program for integrated planning of flood mitigation actions by GRFMA; and
 - Providing an example for other local government authorities and floodplain managers in integrated flood risk management supported by integrated risk modelling.
- Maintenance and operations during 2019 to 2022 will include:
 - Completion of the detailed Dam Failure Consequence Assessment of the Dam pursuant to ANCOLD guidelines;
 - Review of Dam Safety Emergency Plans and Operation and Maintenance Manuals;
 - Dewatering and repair of the low-level inlet pipe and stilling basin;
 - Scheduled inspections and environmental management of land associated with the Dams location; and
 - Investigation into feasibility of a proposal for the establishment of a revegetated zone around the Bruce Eastick North Para Flood Mitigation Dam.

See attached for a copy of the draft 2019-2022 GRFMA Business Plan.

2019/20 Budget

The scope of the GRFMA Annual Budget is small in comparison to the extensive undertakings by constituent councils.

Principally the budget revenue is sourced from predetermined "formulae based" financial contributions by the six constituent councils, opportunistic funding applications and some interest from financial institutions. Recently any shortfalls in income (over expenditure) have been met from reserves.

The 2019/20 draft Budget has been prepared based on the 2018/19 Budget estimates with an annual escalator (September 2018) Local Government Price Index) of 2.9 % to general expenses not otherwise being programmed capital and maintenance projects. No escalator has been applied to the Chair honorarium, EO consultancy costs or the Audit Committee Chair honorarium.

Constituent council contributions for 2019/20 total \$230,300 which is a budgeted reduction from \$ 231,576 in 2018/19.

A net Operating Loss of (\$231,231) is forecast for 2019/20. This is the amount of unfunded depreciation.

No allowance has been made for any surplus or deficit that might result from the current 2018/19 Budget results.

See attached for a copy of details of the GRFMA Budget functions which identifies the current 2018/19 Budget against Year to Date (March 2019) income and expenditure and also the 2019/2020 Draft Budget income and expenditure proposals. The GRFMA Balance Sheet as at 23 March 2019 is also attached.

See further below - Table 1 Budget document for constituent council shares proposed as per the draft 2019/20 GRFMA Budget and Table 2 – constituent council shares for contributions as per GRFMA Charter.

Table 1 Budget document for constituent council shares proposed as per the draft 2019/20 GRFMA Budget

Council	2018/19	2018/19	2018/19	2019/20	2019/20	2019/20 Total
	Operation	Maint	Total	Operation	Maint	
Adelaide Hills Council	\$23,683	\$1,548	\$25,231			
				\$24,166	\$1,476	\$25,642
Adelaide Plains Council	\$23,683	\$25,867	\$49,550			
				\$24,166	\$24,660	\$48,826
The Barossa Council	\$23,683	\$7,758	\$31,441			
				\$24,166	\$7,396	\$31,562
Town of Gawler	\$23,683	\$15,515	\$39,198			
				\$24,166	\$14,791	\$38,957
Light Regional Council	\$23,683	\$7,758	\$31,442			
				\$24,166	\$7,396	\$31,562
City of Playford	\$23,683	\$31,030	\$54,714			
				\$24,170	\$29,581	\$53,751
Total	\$132,100	89,476	\$231,576	\$145,000	\$85,300	\$230,300

Operational contributions are calculated from the costs reflective of Administration of the GRFMA and general costs for the Gawler River Scheme Mark 2 (does not include capital works or maintenance of Assets).

Maintenance contributions are calculated from the costs reflective of capital works or maintenance works for Construction North Para Works - Construction South Para Works and Gawler River Scheme Mark 2 capital works. In 2018/19 the Board resolved to undertake a catch-up Capital Works (Maintenance contributions) associated with the Dam and road access and Operational works.

In 2018/19 this resulted in Operational. contributions of \$132,100 and Maintenance contributions of \$89,476.

The **draft 2019/20 Operational contributions of \$145,000** consist of Administration costs \$77,900, net costs Flood Risk project \$30,000 plus Gawler River Scheme Mark 2 consultancies \$38,715 less \$1,615 Bank and other income.

The **draft 2019/20 Maintenance contributions of \$85,300** consist of Maintenance Flood Mitigation Scheme \$316,531 less \$231,231 unfunded depreciation (Dam).

Table 2 – Constituent Council Shares for Contributions as per GRFMA Charter

Constituent Council	Capital Works Percentage Share	Maintenance of Assets Percentage Share	Operational Costs Percentage Share
Adelaide Plains Council	28.91%	28.91%	16.66%
Adelaide Hills Council	1.73%	1.73%	16.66%
The Barossa Council	8.67%	8.67%	16.66%
Town of Gawler	17.34%	17.34%	16.66%
Light Regional Council	8.67%	8.67%	16.66%
City of Playford	34.68%	34.68%	16.66%
Total	100%	100%	100%

I would be pleased if this matter could be included in the next available Council Meeting Agenda and subsequent indication of Councils consideration of this matter being provided to davidehitchcock@bigpond.com by 31May 2019.

Yours Sincerely



David Hitchcock
Executive Officer

STAFF REPORTS

Matters for Information.

15.1 BUDGET UPDATE REPORT APRIL 2019

Responsible Executive Manager : Mr Sam Green

Report Author : Ms Grace Pelle

Delegated Authority : Matters for Information.

Attachments : 1 [↓](#). Budget Update Report April 2019

Purpose

To inform Council on the organisation's financial performance to the end of April 2019.

STAFF RECOMMENDATION

That Council receives the Budget Update report for the Period ending 30 April 2019.

Relevance to Strategic Plan

1: Smart Service Delivery Program

Outcome 1.2 Improved service delivery

Relevance to Public Consultation Policy

As part of the annual budgeting process there is a 21-day public consultation period. However, there is no requirement to consult with the community for this Budget Update Report.

Background

Council has responsibility under the Local Government Financial Management Regulations 2011 and S123 (13) of the Local Government Act 1999 to consider financial reports on the Council's financial performance and budget position.

Current Situation

On 26 June 2018 Council adopted the 2018/19 Annual Business Plan and Budget, which included an operating deficit of \$2.9M and a Net Capital budget of \$63.7M; capital expenditure of \$65.6M supported by \$1.9M of grant funding.

A Revised Budget was adopted by Council on 26 March 2019 following the Second Budget Review. The combined result of the first and second Budget Reviews have resulted in an increase in the operating deficit of \$4.7M, taking the operating deficit to \$7.6M. These changes are primarily due to the payment of 2018/19 Federal Assistance Grants into the prior year. Below is a summary table of the changes approved in the Budget Reviews:

Operating Result Review Items by Type	\$'000's	\$'000's	\$'000's
	BR1	BR2	
	(Unfav)/Fav	(Unfav)/Fav	
Current Budget 2018/19			(2,887)
Grant Carry Overs	11		Ongoing
FAGS Prepayment Adjust	(5,516)		Temporary
FAGS Increase	166		Ongoing
Insurance Special Rebate	59		Temporary
Developer Contributions	549		Temporary
Additional Growth	190		Ongoing
Reduced EA Increase	104		Ongoing
Rebates		(275)	Ongoing
Total Value of Changes			(4,712)
Revised Budget 2018/19			(7,599)

The Net Capital budget decreased by \$8.7M to \$55.0M with capital expenditure decreasing to \$57.8M supported by \$2.8M of grant funding.

Operating Budget

Year to date results to 30 April 2019 see Operating Income of \$83.5M, which is favourable to budget by \$2.3M, and Operating Expenditure of \$81.7M, which is favourable to budget by \$3.5M.

The combined effect is \$5.8M favourable, with a year to date surplus position of \$1.9M compared with a budgeted year to date deficit of \$3.9M.

Capital Budget

The Net Capital Forecast of \$45.8M will be \$9.2M favourable to the Net Capital Budget of \$55.0M.

Further detail in relation to this Budget Update Report can be found in Attachment 1

Future Action

Further updates to be provided on a monthly basis.

Year To Date Variance Apr-19

The Apr-19 Year to Date Operating surplus of \$1.9M is \$5.8M favourable to the budgeted year to date deficit of \$3.9M.

The Apr-19 Year to Date Income of \$83.5M is \$2.3M favourable to the budgeted year to date income of \$81.2M.

The Apr-19 Year to Date Expenses of \$81.7M are \$3.5M favourable to the budgeted year to date expenses of \$85.2M.

Further information on these variances are detailed in the table below;

	YTD Actual	YTD Budget	Variance to YTD Budget		Explanation of variance where considered material <-5% or >5%
	Apr-19 \$000's	Apr-19 \$000's	Fav/(Unfav) \$000's	%	
INCOME					
Rates Revenues	65,066	65,203	(136)	(0%)	Reduction in legal recoveries
Statutory Charges	1,720	1,810	(90)	(5%)	
User Charges	4,565	4,335	230	5%	\$0.6M higher ASR usage offset by \$0.2M lower catering income, \$0.2M delay in CBD income
Investment Income	112	95	17	18%	LGFA bonus payment higher than forecast
Reimbursements	615	375	240	64%	Higher reimbursements for Insurance and Utilities
Other Income	344	191	154	81%	Once off additional funds received
Grants, Subsidies & Contributions	11,120	9,241	1,879	20%	\$0.8M higher development contributions, \$0.2M Stretton Grants, \$0.8M SLR and R2R (timing Variances only)
Net Gain - Equity Accounted Council Businesses	-	-	-		
TOTAL INCOME	83,542	81,249	2,293	3%	
EXPENSES					
Employee costs	32,412	33,027	615	2%	Salary savings and leave taken
Materials, Contracts & Other Expenses	29,423	31,066	1,643	5%	Lower than budgeted spend - \$1.8M contractor/consultants, \$0.3M training, \$0.5M materials, \$0.1M other minor underspends. Higher costs include legal fees \$0.5M, ASR \$0.4M, SYC Land Swap \$0.2M
Finance costs	4,486	5,598	1,112	20%	Timing delays in capital project expenditure
Depreciation	15,359	15,537	178	1%	
Net Loss - Equity Accounted Council Businesses	-	-	-		
TOTAL EXPENSES	81,680	85,228	3,548	4%	
Operating Surplus / (Deficit)	1,863	(3,979)	5,842		

The YTD results indicate cost savings which have resulted from one off or seasonal based instances. It is not expected that all of these savings will be permanent.

Full Year Forecast Movement (2018/2019)

The Full Year forecast as at Apr-19 is an operating deficit of \$3.0M is favourable by \$4.6M to the budgeted deficit of \$7.6M.

The Full Year forecasted Income as at Apr-19 of \$99.2M is \$0.9M favourable to the budgeted income of \$98.3M.

The Full Year forecasted expenses of \$102.1M are \$3.7M favourable to the budgeted expenses of \$105.8M.

Further information on these variances are detailed in the table below:

	Full Year Forecast Apr-19 \$000's	Full Year Budget \$000's	Variance to Full Year Forecast \$000's	%	Explanation of variance where considered material <-5% or >5%
INCOME					
Rates Revenues	78,279	78,332	(53)	0%	
Statutory Charges	2,043	2,061	(18)	1%	
User Charges	5,009	4,941	67	(1%)	Higher ASR \$0.6M offset by lower catering, Food Co-op and theatre \$0.3M, Northern CBD \$0.1M, The Precinct \$0.1M
Investment Income	120	104	16	(15%)	
Reimbursements	655	412	243	(59%)	Higher reimbursements for Insurance and Utilities
Other Income	372	226	145	(64%)	Additional contributions and sponsorships
Grants, Subsidies & Contributions	12,399	11,910	488	(4%)	Extra Developer contributions
Net Gain - Equity Accounted Council Businesses	290	290	-	0%	
TOTAL INCOME	99,166	98,277	889		
EXPENSES					
Employee costs	39,032	40,107	1,075	3%	Salary savings due to vacancies and leave taken which are not expected to be ongoing
Materials, Contracts & Other Expenses	37,355	39,030	1,674	4%	Lower waste costs \$0.1M, underspend in maintenance, contractor and consultants \$1.9M, training \$0.2M. Overspend in Legal Fees \$0.5M
Finance costs	5,934	6,720	786	12%	Timing delays in capital project expenditure and general underspends
Depreciation	19,742	19,945	203	1%	
Net Loss - Equity Accounted Council Businesses	74	74	-	-	
TOTAL EXPENSES	102,138	105,875	3,738		
Operating Surplus / (Deficit)	(2,972)	(7,598)	4,627		

The forecast indicates cost savings which have resulted from one off or seasonal based instances. It is not expected that these savings will be permanent. Ongoing savings will be captured as part of Council's continued focus on continuous improvement.

Capital Full Year Forecast Movement (2018/2019)

The Net Capital Forecast of \$45.8M will be \$9.2M favourable to the Net Capital Budget of \$55.0M.

While the net impact of the capital forecast may be realised as savings on the annual 2018/19 Net Capital Budget, it is important to recognise that this is not an adjustment to the full-life budget of the individual projects; it simply reflects the timing of when expenditure is likely to be incurred. Any amounts not expended in 2018/19 will be carried over to 2019/20 as a part of the first budget review.

The forecasted income of \$2.7M is \$0.1M unfavourable to the budgeted income of \$2.8M.

The forecasted expenses of \$48.5M are \$9.3M favourable to the budgeted expenses of \$57.8M.

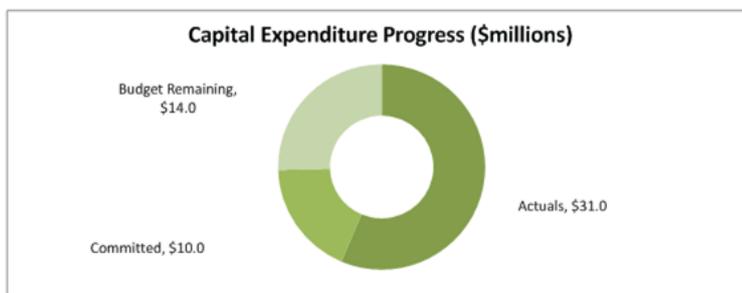
Further information on these variances are detailed in the table below;

Project	Full Year Forecast \$'000	Full Year Budget \$'000	Variance to prior period YTD Forecast Fav/(Unfav)
Income	2,693	2,813	(120)
Expenses	48,505	57,775	9,270
Net Capital Expenditure	45,812	54,962	9,150

Project	Whole of Life Budget \$'000	YTD Incurred (Actuals and Commitments) \$'000	Full Year Forecast \$'000	Full Year Budget \$'000	Variance to prior period YTD Forecast Fav/(Unfav)	Explanation
Buildings	-	2,671	2,930	3,188	258	AV Changerooms projected savings pending contract outcomes
Fleet	-	2,549	2,787	2,727	(60)	Truck replacements higher than budgeted
IT	-	1,024	1,216	1,267	51	Office/AUX replacement
Northern CBD	22,125	6,080	6,189	8,132	1,943	Carpark forecasts higher than budget pending advertising screen decisions, while Grenville is forecasting to be underspent due to pending decisions from ABP process
Open Space Strategy	-	21	21	18	(3)	Grant related expenditure carried over from previous financial year
Other	-	104	186	483	297	Forecasted reduction in consultants costs with regards to sales of land parcels
Parks	-	894	934	3,649	2,715	Forecast reduction for Fremont Park Stage 2 not anticipated to commence this year. NCBD - Main Nth Rd Median Strip Upgrade to be carried into next year
Playford Alive	11,534	(227)	556	2,258	1,701	Streetscape, Open Space and Local Roads. Crittendon Rd Bridge Crossing construction to be carried into next year
Playford City Sports Precinct	23,199	933	930	1,021	91	Forecasted delays in works in Playford Sports Precinct Signage project to be carried into next year
Stormwater	-	1,397	2,347	2,911	563	Forecasted delays in works in Growth Areas and Stormwater - Minor Works projects to be carried into next year
Streetscapes	-	2,806	3,490	3,844	354	Potential Projected Savings
Transport	-	19,665	20,941	22,180	1,240	Forecasted delays in Black Spot and Rural Road Sealing Program and Lyell McEwin Hospital Bus Superstop works to be carried into next year. Forecasted savings in Transport program, yet to be committed
Water Capture	-	3,063	3,284	3,284	(0)	
Total Net Capital Expenditure	56,858	40,980	45,812	54,962	9,150	

Capital Expenditure Progress

\$31M (60%) of the \$55.0M Capital Expenditure budget has been spent, with a further \$10.0M committed as at 30 April 2019.



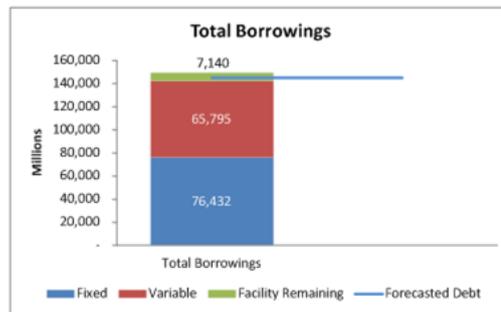
Borrowings/Investment Summary (2018/2019)**Debt Mix:**

As at April 2019 the balance of Council's short-term investments is \$0.4M.

Council's total borrowings as at 30 April 2019 are \$142.2M, comprising \$76.4M in fixed rate borrowings and \$65.8M of variable rate borrowings; total facilities accumulate to \$149.4M.

Total borrowings, net of repayments, have decreased \$6.2M since 31 March 2019.

The LTFP has a budgeted debt of \$165.0M based on the assumption of full delivery of capital programs. Taking into account the operational and capital forecasts, the forecasted debt balance at 30 June 2019 is \$145.0M. These borrowings fall within the approved budget, Council's adopted financial indicators and the LTFP.

**Rates Recovery:**

Total rates owing of \$17.9M as at Apr-19 reflects a decrease of \$0.6M compared to the total rates owing as at Apr-18. Total rates owing are influenced by both increased rates and the number of ratepayers, therefore a higher value does not necessarily reflect poorer rates recovery.

The Total Aged Rates owing over 12 months old of \$2.6M as at Apr-19 reflects an increase of \$0.1M compared to the Total Aged Rates owing of \$2.5M at Apr-18.

The Average Aged Amount owed per debtor of \$1365 as at Apr-19 reflects a reduction of 9.95% compared to the Average Aged Amount owed per debtor of \$1501 as at Apr-18.

Rates recovery has a direct impact on positive cash flow which then correlates to borrowings. By maximising cashflows, less borrowings are required to fund operational expenditure.

Rates KPI Comparison	Apr-18	Apr-19
Total Rates Owing to CoP	18,540,552	17,939,528
Total % Collected	76%	78%
Aged rates owed over 12 months	2,468,191	2,558,112
% Aged Rates Collected since 30 June	77%	81%
Average Aged Rates owing	1,501	1,365

Reserves:

The reserves are a collation of developer contributions received over a number of periods and are managed as a cash offset against our debt. Under legislation we are required to apply interest income to the balance in reserves using the RBA average cash rate.

The forecasted balance of reserves as at 30 June 2019 is estimated to be \$9.0M.

Below is a summary of the forecasted developer contributions, expenditure and interest as at Apr-19.

Project	Opening Balance	Developer Contributions	Forecast Expenditure	Estimated Interest	Closing balance	Comment
	18/19	\$'000	\$'000	\$'000	Forecast 18/19	
Open Space Reserve	6,044	1,270	-	146	7,460	
Stormwater, Footpaths	858		144	14	728	
Growth Areas Reserve	192	160		7	359	
Playford Alive Initiative fund	116	170		6	292	
Future Fund	162			3	165	
Total Reserves	7,372	1,600	144	176	9,004	

FORWARD AGENDA

17.1 Ordinary Council Forward Agenda**Attachments :** 1 [↓](#). Forward Agenda**Presenter:** Mr Sam Green**Purpose:** Council to discuss the business of the upcoming Ordinary Council Meetings.**Duration:** 5 Minutes

Forward Agenda
Ordinary Council Meeting – 28 May 2019

Note: This Forward Agenda is subject to change.

Meeting Date	Topic	Report Type
25 Jun 19	Adoption of the 2019/20 Annual Business Plan and Budget , 2019/20 Rating Policy and 2019/20 Rate Rebate Policy	Decision Report
	Adoption of the 2019/20 Asset Management Plans and Summary	Decision Report
	Adoption of the 2019/20 – 2028/2029 Long Term Financial Plan	Decision Report
	Budget Update Report May 2019	Information Report
23 Jul 19	Budget Update Report June 2019	Information Report
27 Aug 19	Budget Update Report July 2019	Information Report