



# Addendum No. 1

Item No. 15.3

## Ordinary Council Meeting

**TUESDAY, 22 MAY 2018**  
**7:00pm**

A handwritten signature in black ink, appearing to read "Mal Hemmerling", with a long horizontal stroke extending from the end of the name.

**MAL HEMMERLING**  
**CHIEF EXECUTIVE OFFICER**

Issue Date: Friday, 18 May 2018

# STAFF REPORTS

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

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## **15.3 GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY - NORTHERN FLOODWAY PROJECT**

**Responsible Executive Manager :** Mr Sam Green

**Report Author :** Mr Greg Pattinson

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

### **PURPOSE**

The Gawler River Floodplain Management Authority at a special meeting on 17 May 2018 passed a motion to progress the Northern Floodway Project on the basis that the Federal and State Governments fully fund the capital component of the project. The GRFMA is seeking Council's endorsement to progress the Northern Floodway Project under this funding principle.

### **STAFF RECOMMENDATION**

Council endorses the Gawler River Floodplain Management Authority to progress the Northern Floodway project as a priority:

1. Subject to the Federal and State Government to confirm in writing a commitment to fund in totality all capital costs including the further design and development costs associated with the Northern Floodway Project.
2. Council acknowledging the GRFMA contribution will be the responsibility for the ongoing maintenance of the Northern Floodway.

### **EXECUTIVE SUMMARY**

The 2016 Gawler River flood was approximately a 1 in 20 year event and damaged a significant number of properties in the Virginia area. Following the event the GRFMA commissioned a review of the flood hydrology, the floodplain model performance and options for flood mitigation in the lower Gawler River, downstream of Baker Road.

Council in December 2017 considered the final report and resolved:

*That Council endorse the recommendations of the final report of the 2016 Gawler Flood Review and that the GRFMA continue to pursue funding with both the State and Federal Governments for a Northern Floodway.*

The GRFMA have prepared a prospectus to outline the steps and funding required to progress the Northern Floodway. This document will be used to justify the requirement for the Northern Floodway and seek funding from the State and Federal Governments. At a special meeting of the GRFMA on 17 May 2018 it was resolved to progress the Northern Floodway as a matter of priority and is seeking formal endorsement from Constituent Councils to progress the Northern Floodway and associated funding principles.

## 1. BACKGROUND

The 2016 Gawler River flood was approximately a 1 in 20 year event and damaged a lot of property in the Virginia area. Following the event the GRFMA commissioned a review of the flood hydrology, the floodplain model performance and options for flood mitigation in the lower Gawler River, downstream of Baker Road.

Council in December 2017 considered the final report and resolved:

*That Council endorse the recommendations of the final report of the 2016 Gawler Flood Review and that the GRFMA continue to pursue funding with both the State and Federal Governments for a Northern Floodway.*

The GRFMA have prepared a prospectus to outline the steps and funding required to progress the Northern Floodway. This document will be used to justify the requirement for the Northern Floodway and seek funding from the State and Federal Governments. At a special meeting of the GRFMA on 17 May 2018 it was resolved that:

*The GRFMA resolve to continue progressing the Northern Flood Way project as a priority, subject to:*

- 1). The Federal and State Government to confirm in writing a commitment to fund in totality all capital costs including the further design and development costs associated with the Northern Floodway Project.*
- 2). Acknowledging the GRFMA contribution will be the responsibility for the ongoing maintenance of the Northern Floodway.*
- 3). GRFMA seek formal commitment from all constituent Council's on progressing the Northern Flood Way project on this funding principle.*

*The Chair of the GRFMA to advise the Federal and State Government of this approach.*

## 2. RELEVANCE TO STRATEGIC PLAN

### 3: Smart Jobs & Education Program

Outcome 3.2 Commercial and industrial growth

Implementing flood mitigation structures for the Gawler River will protect existing horticultural industries in the Virginia area and support the expansion of the industry in both the City of Playford and Adelaide Plains Council.

## 3. PUBLIC CONSULTATION

Public consultation on this issue is not required in line with Council's Public Consultation Policy. There will be significant public consultation coordinated by the GRFMA in progressing the Northern Floodway project.

## 4. DISCUSSION

- 4.1** The 2016 Gawler River flood was approximately a 1 in 20 year event and damaged a significant number of properties in the Virginia area. The estimated impact on the horticulture industry of this flood was predicted to be in the vicinity of \$34M. The GRFMA commissioned a report following the flood to review and examine flood mitigation options in the lower Gawler River. The report identified the construction of Northern Floodway would significantly improve the flood protection for the horticulture industry.

- 4.2** The Northern Floodway Project has an estimated capital cost of \$27 million. Concerns have been raised about the capacity of Constituent Councils to fund the project on the basis of a funding split of 1/3 Federal Government, 1/3 State Government and 1/3 Local Government. However, conversations between the Board Chair and Senator Anne Ruston, Assistant Minister for Agriculture and Water Resources indicated that the Commonwealth Government may be open to a cost share arrangement where the Commonwealth Government and State Government share 50% each of the capital costs, with the Constituent Council's through the GRFMA having responsibility for the ongoing maintenance and depreciation costs (GRFMA 5/10/17 Meeting Agenda). This position has been confirmed through recent conversations with the Minister. However, to progress the project all constituent Council need to be support of the project.
- 4.3** The GRFMA is seeking formal endorsement from all Constituent Councils to progress the Northern Floodway on the basis that all capital costs of the project are funded by the State and Federal Government. The GRFMA, funded by Constituent Councils, will contribute to the project through the ongoing maintenance of the Northern Floodway.

## **5. OPTIONS**

### Recommendation

Council endorses the Gawler River Floodplain Management Authority to progress the Northern Floodway project as a priority:

1. Subject to the Federal and State Government to confirm in writing a commitment to fund in totality all capital costs including the further design and development costs associated with the Northern Floodway Project.
2. Council acknowledging the GRFMA contribution will be the responsibility for the ongoing maintenance of the Northern Floodway.

### Option 2

Council does not support the Gawler River Floodplain Management Authority progressing the Northern Floodway project in line with the proposed funding principles.

## **6. ANALYSIS OF OPTIONS**

### **6.1 Recommendation Analysis**

#### 6.1.1 Analysis & Implications of the Recommendation

The recommendations will support the GRFMA in delivering a project of fundamental importance and this project will have large positive impacts on properties potentially affected by flooding and the community at large. Overall the project is expected to have a significant net positive effect on the local economy. Damages from the 2016 flood alone have been estimated at \$34M and most or all of this would have been avoided had the Northern Floodway been in place.

It is likely that all Constituent Councils will agree to progress the project on the principle that the Federal and State Governments fund the capital component of the project.

### 6.1.2 Financial Implications

The Northern Floodway Project, as recommended, has an estimated capital cost of \$27 million. The GRFMA is seeking the Federal and State Governments to fund the capital component of the project, on this basis Council will not have to contribute to the construction costs.

However, the GRFMA contribution will be the ongoing maintenance of the Northern Floodway and lower reaches of the Gawler River. Significant financial modelling of the project is required to accurately assess the funding and any implication for the City of Playford. This analysis will occur in the next phase of the project and be reported back to Constituent Councils for approval.

## **6.2 Option 2 Analysis**

### 6.2.1 Analysis & Implications of Option 2

Council may form the view that the Northern Floodway should not progress in line with the funding principles outlined by the GRFMA. Not supporting the Northern Floodway project is not consistent with previous positions of Council and there would be considerable community concern if Council determined not to support the project. However, Council may wish an alternative funding model, that may provide greater certainty for the project to progress, if the State and Federal Government does not fully fund the capital component of the project. If this does occur, then the GRFMA will need to consider funding options and seek further approval from Constituent Councils.

### 6.2.2 Financial Implications

Depending on the alternate funding model, Council may be required to contribute to the Capital component of the project and ongoing maintenance of the floodway.