Council Meeting Minutes

1 May 2017

Our Vision

A City which values its heritage, cultural diversity, sense of place and natural environment.

A progressive City which is prosperous, sustainable and socially cohesive, with a strong community spirit.

City of Norwood Payneham & St Peters
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VENUE  Council Chambers, Norwood Town Hall
HOUR  7.00pm

PRESENT
Council Members  Mayor Robert Bria
Cr Lucy Marcuccitti
Cr Christel Mex
Cr Connie Granozo
Cr Sophia MacRae
Cr Carlo Dottore
Cr Kevin Duke
Cr Evonne Moore
Cr John Frogley
Cr Garry Knoblauch
Cr John Minney
Cr Sue Whittington
Cr Paul Wormald (entered the meeting at 7.15pm)

Staff  Mario Barone (Chief Executive Officer)
Peter Perilli (General Manager, Urban Services)
Lisa Mara (General Manager, Governance & Community Affairs)
Mark Thomson (Acting General Manager, Urban Planning & Environment)
Sharon Perkins (Acting General Manager, Corporate Services)
Andrew Alderson (Financial Services Manager, Corporate Services)
Allison Kane (Communications Officer)
Jane Hughes (Finance Officer, Corporate Services)
Marina Fischetti (Executive Assistant, Urban Services)

APOLOGIES  Cr Kevin Shepherdson

ABSENT  Nil

1. KAURNA ACKNOWLEDGEMENT

2. OPENING PRAYER

The Opening Prayer was read by Cr Connie Granizo.

3. CONFIRMATION OF THE MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 18 APRIL 2017

Cr Minney moved that the minutes of the Special Council meeting held on 18 April 2017 be taken as read and confirmed. Seconded by Cr Knoblauch and carried unanimously.

4. MAYOR’S COMMUNICATION

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday, 3 April</td>
<td>Presided over a Council meeting, Council Chamber, Norwood Town Hall.</td>
</tr>
<tr>
<td>Saturday, 8 April</td>
<td>Attended the St Peters Fair, Linde Reserve / Dunstone Grove, Stepney.</td>
</tr>
<tr>
<td>Monday, 10 April</td>
<td>Attended a meeting with the General Manager, Governance &amp; Community Affairs and Events Coordinators, Mayor’s Office, Norwood Town Hall.</td>
</tr>
<tr>
<td>Monday, 10 April</td>
<td>Presided over a Special Council Meeting, Council Chamber, Norwood Town Hall.</td>
</tr>
</tbody>
</table>
Thursday, 13 April  
- Attended the pre-match dinner followed by the Norwood versus Port Adelaide Magpies football match, Cooper’s Stadium, Norwood.

Tuesday, 18 April  
- Attended a meeting with Hon Peter Malinauskas MLC, Minister for Road Safety, accompanied by the Manager, City Assets, Level 2, 45 Pirie Street, Adelaide.

Tuesday, 18 April  
- Presided over a Special Council Meeting, Council Chamber, Norwood Town Hall.

Wednesday, 19 April  
- Attended a meeting of the Metropolitan Local Government Group (MLGG) Executive Committee, Local Government House, Adelaide.

Thursday, 20 April  
- Attended the Local Government Association of South Australia Ordinary General Meeting Dinner, Adelaide Convention Centre, Adelaide.

Friday, 21 April  
- Attended the Local Government Association of South Australia Ordinary General Meeting, Adelaide Convention Centre.

Friday, 21 April  
- Pre-recorded radio interview with Ms Lidia Moretti, 5RPH.

Tuesday, 25 April  
- Attended the ANZAC Dawn Service, Soldier’s Memorial, Osmond Terrace, Norwood.

Tuesday, 25 April  
- Attended the ANZAC Dawn Service Breakfast, Payneham RSL, Payneham.

Tuesday, 25 April  
- Attended the commemoration of the 72nd Anniversary of the Festa della Liberazione (Italian Liberation Day), Chapel of the Holy Family, Payneham.

Friday, 28 April  
- Attended the pre-match dinner followed by the Norwood versus South Adelaide football match, Cooper’s Stadium, Norwood.

Sunday, 30 April  
- Attended the Taste Glynde and Co. event, Robern Menz, Glynde.

Monday, 1 May  
- Attended a meeting with the Communications Officer, Mayor’s Office, Norwood Town Hall.

- **ANZAC Day Dawn Services – 25 April 2017**
  
  Mayor Bria thanked all Elected Members who attended ANZAC Day Dawn Services and laid wreaths on behalf of the Council. The Mayor also thanked the Council’s Depot staff for preparing the Memorial sites for the Anzac Day Services.

- **Taste Glynde Event as Part of ‘Tasting Australia’ - Robern Menz, Glynde – 30 April 2017**
  
  Mayor Bria congratulated all Council staff involved in the organisation, co-ordination and promotion of the event.

5. **DELEGATES COMMUNICATION**

- Cr Duke advised that on 9 April 2017, he attended the Payneham Cricket Club Presentation Night.

- Cr Duke advised that on 30 April 2017, he attended the closure of the Argent Uniting Church Service at the Payneham Cemetery.

- Cr Frogley advised that on 25 April 2017, he laid a wreath on behalf of the Council at the St Peters War Memorial.

6. **QUESTIONS WITHOUT NOTICE**

Nil
7. QUESTIONS WITH NOTICE
Nil

8. DEPUTATIONS
Nil

9. PETITIONS
Nil

10. WRITTEN NOTICES OF MOTION
Nil

11. STAFF REPORTS
Section 1 – Strategy & Policy

Reports

[No Items listed under this Section]
Section 2 – Corporate & Finance

Reports
11.1 MONTHLY FINANCIAL REPORT – MARCH 2017

REPORT AUTHOR: Financial Services Manager
GENERAL MANAGER: Acting General Manager, Corporate Services
CONTACT NUMBER: 8366 4585
FILE REFERENCE: S/00697
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to provide the Council with information regarding its financial performance for the period ended March 2017.

BACKGROUND

Section 59 of the Local Government Act 1999 (the Act), requires the Council to keep its resource allocation, expenditure and activities and the efficiency and effectiveness of its service delivery, under review. To assist the Council in complying with these legislative requirements and the principles of good corporate financial governance, the Council is provided with monthly financial reports detailing its financial performance compared to its Budget.

RELEVANT STRATEGIC DIRECTIONS AND POLICIES

Not Applicable

FINANCIAL AND BUDGET IMPLICATIONS

Financial sustainability has been highlighted as a high priority for the Council. The Council adopted a Budget which forecasts an Operating Surplus of $2.377 million for the 2016-2017 Financial Year. Following the Mid-Year budget update the revised Operating Surplus was $2.221 million a decrease of $0.156 million.

Year-to-date to March 2017, the Council's Operating Surplus is $2.932 million against a budgeted Operating Surplus of $2.007 million, resulting a favourable variance of $0.925 million.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable

SOCIAL ISSUES

Not Applicable

CULTURAL ISSUES

Not Applicable

ENVIRONMENTAL ISSUES

Not Applicable

RESOURCE ISSUES

Not Applicable

RISK MANAGEMENT

Not Applicable
CONSULTATION

- **Elected Members**
  Not Applicable

- **Community**
  Not Applicable.

- **Staff**
  Responsible Officers and General Managers.

- **Other Agencies**
  Not Applicable.

DISCUSSION

Year-to-date to March 2017, the Council’s Operating Surplus is $2.932 million against a budgeted Operating Surplus of $2.007 million, resulting a favourable variance of $0.925 million. The major reasons for this variance include:

- Total Revenue is in line with budgeted expectations with a $0.162 million (0.5%). Significant variances impacting include:
  - Other Income is $0.164 million favourable to Budget as a result of refunds from the submission of 2015-2016 wages declaration ($0.080 million) combined with increase reimbursement which has been received from the NRM Board due to increase tonnage being removed from Trash Racks $0.020 million.
  - Grant, Subsidies and Contributions are $0.082 million favourable to Budget, due to the extension of the ERA Community Visitors Scheme not being budgeted ($0.045 million), this is offset by unbudgeted cost increases for the scheme and unbudgeted sponsorship being received for Parades on Norwood Parades event $0.018 million.
  - User Charges are $0.070 million unfavourable to Budget due to the lower attendances at the Council’s Swimming Centres due to the increased competition from nearby facilities and unfavourable weather conditions.

- Employee Expenses are $0.430 million favourable to Budget. The favourable variance is primarily driven by the combined impact of budgeted positions not filled and extended recruitment timeframes on new vacancies.

- The residual quantum of variances are driven by timing differences in expenditure and contains no individually significant items.

The Monthly Financial report is contained in Attachment A.

OPTIONS

Not Applicable

CONCLUSION

Nil

COMMENTS

Nil

RECOMMENDATION

That the Monthly Financial Report – March 2017, be received and noted.
Cr Minney moved:

That the Monthly Financial Report – March 2017, be received and noted.

Seconded by Cr Duke and carried unanimously.
11.2 2016-2017 THIRD BUDGET UPDATE

REPORT AUTHOR: Accountant
GENERAL MANAGER: Acting General Manager, Corporate Services
CONTACT NUMBER: 8366 4552
FILE REFERENCE: S/04203
ATTACHMENTS: A - C

PURPOSE OF REPORT

The purpose of this report is to provide the Council with a summary of the forecast Budget position for the year ended 30 June 2017 following the Third Budget Update.

BACKGROUND

Pursuant to Section 123 (13) of the Local Government Act 1999, the Council must, as required by the regulations reconsider its annual business plan or its budget during the course of a financial year and, if necessary or appropriate, make any revisions.

The Budget Reporting Framework set out in Regulation 9 of the Local Government (Financial Management) Regulations 2011 ("the Regulations") comprises two (2) types of reports, namely:

1. The Budget Update; and
2. The Mid-year Budget Review.

Budget Update

The Budget Update report sets outs a revised forecast of the Councils Operating and Capital investment activities, compared with the estimates for those activities set out in the Adopted Budget. The Budget Update is required to be presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances.

The Budget Update report must be considered by the Council at least twice per year between 30 September and 31 May (both dates inclusive) in the relevant financial year, with at least one (1) Budget Update report being considered by the Council prior to consideration of the Mid-Year Budget Review report.

The Regulations only requires a Budget Update report to include a revised forecast of the Council’s operating and capital investment activities compared with estimates set out in the Adopted Budget, however it is recommended by the Local Government Associations of South Australia that the Budget Update report should also include at a summary level:

- the year to date result;
- any variances sought to the Adopted Budget or the most recent Revised Budget for the financial year; and
- a revised end of year forecast for the financial year.

Mid-Year Review

The Mid-Year Budget Review must be considered by the Council between 30 November and 15 March (both dates inclusive) in the relevant financial year. The Mid-Year Budget Review report sets outs a revised forecast of each item shown in its Budgeted Financial Statements compared with estimates set out in the Adopted Budget presented in a manner consistent with the Model Financial Statements. This report must also include revised forecasts for the relevant financial year of the council's operating surplus ratio, net financial liabilities ratio and asset sustainability ratio compared with estimates set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.
The Mid-year Budget Review is a comprehensive review of the Council’s Budget and includes the four principal financial statements, as required by the Model Financial Statement, detailing:

- the year to date result;
- any variances sought to the Adopted Budget; and
- a revised full year forecast of each item in the budgeted financial statements compared with estimates set out in the Adopted budget.

The Mid-year Budget Review report should also include information detailing the revised forecasts of financial indicators compared with targets established in the Adopted Budget and a summary report of operating and capital activities consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances.

The requirements of the Mid-Year review are consistent with budget review requirements previously required by the Regulation 7 of the Local Government (Financial Management) Regulations 1999.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council’s Long Term Strategic directions are outlined in the City Plan 2030: Shaping our Future. The 2016-2017 Annual Business Plan and Budget, sets out the proposed services, programs and initiatives for the 2016-2017 Financial Year and explains how the Council intends to finance its continuing services, programs and initiatives which are to be undertaken during the financial year.


FINANCIAL AND BUDGET IMPLICATIONS

The Third Budget Update for the 2016-2017 Financial Year, provides the opportunity to reflect any changes in projections based on the actual year-to-date results to February 2017 and forecast the 2016-2017 Operating result.

Following the Third Budget Update, the Council is reporting a forecast Operating Surplus of $2.177 million, an unfavourable variance of $0.200 million against the Adopted Budget.

Details of material movements are contained in the discussion section of this Report.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable

SOCIAL ISSUES

Not Applicable

CULTURAL ISSUES

Not Applicable

ENVIRONMENTAL ISSUES

Not Applicable

RESOURCE ISSUES

Not Applicable
RISK MANAGEMENT
Not Applicable

CONSULTATION
• Elected Members
  Not Applicable

• Community
  Not Applicable

• Staff
  Responsible Officers and General Managers.

• Other Agencies
  Not Applicable

DISCUSSION
In determining the Adopted Operating Surplus, the Council considers the financial resources required to provide the ongoing Council services (Recurrent Budget), which encompass the basic responsibilities the Council is required to provide under the Local Government Act 1999 and other relevant legislation, plus ongoing services and programs as a result of community interest and expectation.

Such on-going services include Regulatory Services (animal management/parking management), street cleaning and waste management, maintenance of infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage, development assessments, Library and Lifelong Learning, community support programs, environmental programs, events, community recreational facilities and home assistance service.

In addition, the Council considers the funding requirements associated with the introduction of new services or the enhancement to existing services (Operating Projects).

The 2016-2017 Adopted Operating Budget, budgeted an Operating Surplus of $2.377 million. Following the Mid-Year Budget Review, the Council's Operating Surplus was forecast to be $2.221 million.

Based upon the Third Budget Update, the Operating Surplus is $2.177 million, a reduction of $0.043 million on the Mid-Year Review.

The material movements in the components which make up the Operating Surplus following the Third Budget Update are detailed below.

Recurrent Operating Budget
For 2016-2017 Financial Year, the Recurrent Budget forecast a Recurrent Operating Surplus of $2.342 million. Following the Mid-Year Budget Review, the Recurrent Operating Surplus was forecast to be $2.417 million, an increase of $0.055 million on the Adopted Budget.

The Third Budget Review is now forecasting the Recurrent Operating Surplus to be $2.670 million an increase of $0.253 million on the Mid-Year budget and $0.328 million on the Adopted Budget.
The major reasons for the movement in Operating Surplus are detailed in Table 1 below.

**TABLE 1: MAJOR VARIANCES IN RECURRENT OPERATING BUDGET – THIRD BUDGET UPDATE**

<table>
<thead>
<tr>
<th>Description</th>
<th>Favourable/ (Unfavourable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in Finance costs due to no new borrowings being required as a result of Capital Projects being carried forward into the 2017-2018 Financial Year.</td>
<td>$197,066</td>
</tr>
<tr>
<td>East Waste common fleet waste rebates were received during the year. Due to the unpredictable nature of these, the Council does not budget for these rebates as part of the Budget.</td>
<td>$167,000</td>
</tr>
<tr>
<td>Due to the increase in the number of Capital Projects being carried forward to the 2017-2018 Financial Year, an adjustment has been made to Depreciation.</td>
<td>$125,000</td>
</tr>
<tr>
<td>Over the summer period, favourable rains have seen a reduction in quantity of water being used to irrigate reserves. This has resulted in a reduction in water costs of $91,000.</td>
<td>$91,000</td>
</tr>
<tr>
<td>At the Council Meeting held on 7 November 2016 it was resolved to undertake traffic management measures in Westbury Street to address concerns which were raised by local businesses, regarding the O-Bahn City Access Project.</td>
<td>(15,000)</td>
</tr>
<tr>
<td>Revenue projections have been adjusted due to lower attendances at the Council Swimming Centres, which have been impacted by increased competition from the ARC Swim Centre at Campbelltown and unfavourable weather.</td>
<td>(20,450)</td>
</tr>
<tr>
<td>The implementation of the Schools Review recommendations has seen costs incurred, i.e. signage and line marking, which are not capital in nature.</td>
<td>(46,000)</td>
</tr>
<tr>
<td>Employee expenses at the St Peters Child Care Centre have been increased. As a result of the increase in licenced capacity of the Centre, staff numbers were increased to meet licence requirements however, as part of the 2016-2017 Budget the additional staffing costs were inadvertently omitted.</td>
<td>(70,000)</td>
</tr>
<tr>
<td>Costs associated with storm damage have been increased due to the increase associated with the repair of the sink hole in Ashbrook Avenue which is estimated to cost $100,000. A further $38,500 is required for other general clean-up costs associated with storm events.</td>
<td>(138,500)</td>
</tr>
</tbody>
</table>

**Operating Projects**

The Adopted Budget includes an estimate of Operating Project expenditure for the 2016-2017 Financial Year as well as:

- approved and carried forward projects from the prior budget years; and
- an allowance for current year projects projected to be carried forward to subsequent budget years.

Carried Forward estimates (from prior financial years) were reviewed upon finalisation of the 2015-2016 Annual Financial Statements. Additional expenditure required for Operating Projects not completed at the end of the 2015-2016 Financial Year, is incorporated in the 2016-2017 Budget as part of First Budget Update.

Carried Forward Operating Project expenditure from 2015-2016, was estimated to be $0.214 million. Following the First Budget Update, the value of carried forward expenditure was $0.366 million, an increase of $0.149 million. Following Mid-Year Budget Review, there was no change to the value of carried forward expenditure.

As part of Third Budget Review, the value of carried forward expenditure is $0.368 million, an increase of $0.002 million due to the increase of $0.010 million for the review of City Plan 2030 update to undertake in the second stage of consultation and printing so the document can be finalised, an increase of $0.008 million to reprint the booklet produced as part of the Food Secrets of Glynde, and $0.016m which is no longer required for the project of City Wide Notification of Ministerial Infill DPA. Details of the Operating Projects carried forward to the 2016-2017 Financial Year are contained in Attachment A.
Taking into account the carried forward Operating Project expenditure and new projects, the 2016-2017 Adopted Operating Projects Budget forecast a cost to the Council of $0.648 million. Following the First Budget Update, the cost to Council is estimated at $0.889 million, an increase of $0.241 million. The Mid-Year Budget Update reported an increase in the cost by $0.020 million to an estimated $0.909 million.

Following the Third Budget Review, the forecasted operating project costs have increased by $0.297 million to $1.206 million. The major reasons for the movement are detailed in Table 2 below.

**TABLE 2: MAJOR VARIANCES IN OPERATING PROJECT BUDGET - THIRD BUDGET REVIEW**

<table>
<thead>
<tr>
<th>SERVICE INITIATIVE</th>
<th>(Increase)/Decrease $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Movement in new Operating Projects Expenditure Commenced in 2016-2017</strong></td>
<td></td>
</tr>
<tr>
<td>City Wide Flood Review – this project was identified to be funded from the Stormwater Drainage Program, however the nature of the works are not capital in nature and therefore transferred to an Operating Project.</td>
<td>(220,000)</td>
</tr>
<tr>
<td>Tasting Australia – The Council resolved to host the Tasting Glynde event as part of Tasting Australia.</td>
<td>(65,000)</td>
</tr>
<tr>
<td>Food Secrets of Norwood and Stepney’s Booklet – The additional funds required for printing of the Food Secrets of Stepney Booklet and additional promotions.</td>
<td>(10,000)</td>
</tr>
<tr>
<td><strong>Increase in new Operating Projects in the Third Budget Update</strong></td>
<td>(295,000)</td>
</tr>
</tbody>
</table>

To provide a more accurate Budgeted Operating Result, the effect of Operating Projects not expected to be completed in the 2016-2017 Financial Year, was provided for in the 2017-2018 Adopted Budget. Following the Third Budget Review, it is estimated that Operating Projects costs not expected to be incurred in the 2016-2017 would increase to $0.326 million. Overall, the anticipated net cost of Operating Projects finalised in 2016-2017 is $0.879 million.

Details of the all Operating Projects including those projects to be carried forward into 2017-2018 Financial Year are contained in Attachment A.

**Capital Projects**

The Council adopted a Capital Budget of $18.109m for 2016-2017, which comprised funding allocations for New Capital Projects involving new or upgrading existing assets ($9.336 million), the renewal/replacement of existing assets ($4.722 million) and carried forward projects from 2015-2016 ($4.051 million). As a result of the First Budget Update and the Mid-Year review, the Capital Budget funding allocation was further increased by $1.148 million to $19.257 million. The increase was predominately due to an increase in the value of Capital Projects carried forward from 2015-2016 ($1.094 million).

Following the Third Budget Review, the forecasted Capital Project costs have decreased by $0.098 million to $19.159 million. The major reasons for the movement are detailed in Table 3.
TABLE 3: MOVEMENT IN CAPITAL PROJECT EXPENDITURE

<table>
<thead>
<tr>
<th>Capital Project</th>
<th>(Increase)/Decrease $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Movement in 2015-2016 Carried Forward Capital Project Expenditure</strong></td>
<td></td>
</tr>
<tr>
<td>Due to three storm events which occurred in 2016, the Council resolved to undertake a review of the flood impact. The Council resolved that funds allocated for stormwater drainage works would be reallocated to fund these works.</td>
<td>220,000</td>
</tr>
<tr>
<td><strong>Movement in new Capital Projects Expenditure Commenced in 2016-2017</strong></td>
<td></td>
</tr>
<tr>
<td>Norwood Oval Clubrooms and Members Facility – Additional funding is requested for legal fees and associated expenses that are expected to be incurred as a result of Appeal against the DAC decision.</td>
<td>(50,000)</td>
</tr>
<tr>
<td>Increases made to the Capital Projects Carried Forward to FY2017-2018</td>
<td></td>
</tr>
<tr>
<td>- Norwood Oval Clubrooms and Members Facility</td>
<td>1,310,000</td>
</tr>
<tr>
<td>- Felixstow Reserve Masterplan Project</td>
<td>762,500</td>
</tr>
<tr>
<td>- Beulah Road Bicycle Boulevard</td>
<td>550,000</td>
</tr>
<tr>
<td>- 2015-2016 Drainage Program</td>
<td>338,252</td>
</tr>
<tr>
<td>- Recreation &amp; Open Space Infrastructure Works Program 2016-2017</td>
<td>310,226</td>
</tr>
<tr>
<td>- Payneham Oval Clubrooms Redevelopment</td>
<td>211,125</td>
</tr>
</tbody>
</table>

As the Third Budget Review, the Capital Projects not expected to be completed in the 2016-2017 Financial Year is $13,352 million.

Details of all Capital Projects including those projects which will be carried forward into the 2017-2018 Financial Year, are contained in **Attachment B**.

For the 2016-2017 Financial Year completed Capital Projects are estimated to be $5,807 million. It is not expected that any additional borrowings will be drawn down during the 2016-2017 Financial Year.

Regulation 9 (1) (a) of the Regulations states the Council must consider:

_at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year........ a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances_

The revised budgeted Financial Statements as a result of the Third Budget Update is included in **Attachment C**.

**OPTIONS**

Not Applicable

**CONCLUSION**

Nil

**COMMENTS**

Nil
RECOMMENDATION

1. That the Third Budget Update Report be received and noted.

2. That Project Progress Report contained in Attachments A and B be received and noted.

3. That Pursuant to Regulation 9 (1) (a) of the Local Government (Financial Management) Regulations 2011, the Financial Statements inclusive of the Budgeted Uniform Presentation of Finances as contained within Attachment C be adopted.

Cr Minney moved:

1. That the Third Budget Update Report be received and noted.

2. That Project Progress Report contained in Attachments A and B be received and noted.

3. That Pursuant to Regulation 9 (1) (a) of the Local Government (Financial Management) Regulations 2011, the Financial Statements inclusive of the Budgeted Uniform Presentation of Finances as contained within Attachment C be adopted.

Seconded by Cr Frogley and carried unanimously.
11.3 2017-2018 DRAFT ANNUAL BUSINESS PLAN AND BUDGET

REPORT AUTHOR: Financial Services Manager
GENERAL MANAGER: Acting General Manager, Corporate Services
CONTACT NUMBER: 83664585
FILE REFERENCE: S.04609
ATTACHMENTS: A - D

PURPOSE OF REPORT

The purpose of this report is to provide for the Council’s consideration and "in principle" endorsement, the Draft 2017-2018 Annual Business Plan, the Draft 2017-2018 Budget and the Draft Rating Policy.

BACKGROUND

Pursuant to the provisions contained in Chapters 8, 9 and 10 of the Local Government Act 1999 (the Act), the Council is required to adopt for each Financial Year, an Annual Business Plan (ABP) and Budget after 31 May and before 31 August.

Part 2 of the Act, “Annual Business Plans and Budgets” requires the Council to consider its budget in conjunction with the Council’s Annual Business Plan and adopt it following adoption of the Annual Business Plan.

Pursuant to Section 123 (3) of the Act, before the Council adopts an Annual Business Plan, the Council must prepare a Draft ABP and make it available for public consultation.

At the Special Council meeting held on 18 April 2017, the Council considered the Draft 2017-2018 Recurrent & Operating Projects Budget, which projected an Operating Surplus of $1.264 million on a full accrual basis, prior to factoring into account any increase in Rate Revenue.

RELEVANT POLICIES & STRATEGIC DIRECTIONS

The Council’s Long Term Strategic directions are outlined in City Plan 2030 – Shaping our Future. The Draft 2017-2018 Annual Business Plan and supporting Draft 2017-2018 Budget, sets out the proposed services and programs and initiatives for the 2017-2018 Financial Year and explains how the Council intends to finance its continuing services, programs and initiatives which are to be undertaken during the financial year.

The Council’s Long Term Financial Plan (LTFP), is a key document in the Council’s Planning Framework. It is the primary financial management tool which links the Council’s Strategic Plan, City Plan 2030 – Shaping our Future, Whole-of-Life Assets Management Plans, the Annual Business Plan and Budget.

The ‘in-principle’ adoption of the Draft 2017-2018 Annual Business Plan and Budget will, contribute to the Council achieving its goals and objectives as set out in the suite of Strategic Planning documents set out above.

FINANCIAL AND BUDGET IMPLICATIONS

The ‘in-principle’ adoption of the Draft 2017-2018 Budget as presented, (based on a Rate Revenue increase of 2.0%, being the lower limit of the target increase as set in the LTFP) will deliver an Operating Surplus of $3.111 million (2016-2017: $2.377m) and a Net Surplus (after capital income) of $9.815 million (2016-2017: $8.593 million). It should be noted that the Council has made grant funding applications to the value of $3.360 million to assist in funding a number of the proposed Capital Projects. The Net Surplus as presented in the Draft 2017-2018 Budget, is based on the assumption that the Council will be successful in securing the total value of the grant funding in which it has applied for. The outcome of the grant funding submissions is expected to be known by June 2017. It should also be noted that the Draft Operating Surplus, includes a Rate Capping Rebate of $33,000, being the amount eligible ratepayers are entitled to under the proposed changes to the Council’s Rate Capping Policy, as outlined later in this report.
As advised at the Council Meeting held on 18 April 2017, the Draft Operating Surplus incorporates $1.123 million from the Roads-to-Recovery Program which represents the 2016-2017 and 2017-2018 Financial Year allocations. While the funding will be utilised to fund a Capital Project (the River Torrens Linear Park Trail Project), this funding is required to be included when determining the Council’s Operating Surplus. Excluding the Roads-to-Recovery funding, the underlying Operating Result for the provision of the Council’s continuing services and programs and new initiatives, would be an Operating Surplus of $1.988 million (2016-2017: $1.775 million).

SOCIAL ISSUES
Not Applicable

CULTURAL ISSUES
Not Applicable

ENVIRONMENTAL ISSUES
Not Applicable

RESOURCE ISSUES
Not Applicable

RISK MANAGEMENT
There are a number of risk management issues arising from this issue and as such, it is important, that the budget is prepared and adopted in accordance with the relevant statutory requirements. To this end, the Draft budget has been prepared in accordance with the relevant statutory requirements.

CONSULTATION

- Elected Members
  Elected Members have been involved throughout the Budget preparation process and have considered the various components of the Draft 2017-2018 Budget Estimates and made decisions as appropriate.

- Community
  The community through community consultation process on the Annual Business Plan will have input into the final form of the Draft 2017-2018 Budget. The community consultation period will commence on 10 May 2017.

- Staff
  The review of the Operating Expenditure and Special Projects and the Draft Annual Business Plan process has been completed with the involvement of the Chief Executive Officer, General Managers and the various Responsible Officers.

- Other Agencies
  Nil.

DISCUSSION
The Draft 2017-2018 Annual Business Plan and Budget, is strategically focused, financially responsible and targeted at ensuring that the Council’s priorities and operations are appropriately resourced. The focus in developing the Draft 2017-2018 Annual Business Plan and Budget, has been on ensuring that the Council can maintain the service standards for its existing range of services which are aimed at supporting the delivery of the Strategic Objectives outlined in the Councils’ Strategic Management Plan CityPlan 2030 and that those services receive appropriate funding, balanced with ensuring that the community does not face significant increases in their annual rates contribution.

The key driver for this year’s budget is to develop a Draft Annual Business Plan and Budget which not only contributes to the Council’s broader strategic objectives, but also ensures that the Council’s long term financial objective of managing its financial resources in a sustainable and equitable manner is achieved.
The 2017-2018 Draft Budget is based on the principle of Financial Sustainability which is demonstrated by the adhering to the overarching principles which requires the Council to:

- achieve long term income and expenditure neutrality while keeping rates growth within the average for the sector;
- achieve long term cash flow neutrality while keeping rates growth within the average for the sector; and
- ensure Council’s long term capital program fully funds asset renewal requirements.

Budget Overview

Table 1 below sets out the proposed Operating Surplus of $3.259 million, based on a Recurrent Operating Surplus of $3.073 million, an Operating Deficit related to 2017-2018 Projects of $0.199 million, an Operating Surplus comprising the carry forward of Projects from the 2016-2017 Financial year, estimated to be $0.335 million, an allowance of $0.100 million for 2017-2018 Projects which are anticipated to be carried forward to the 2018-2019 Financial year and $0.050 million for additional finance costs associated with borrowings required to complete the Capital program.

It should be noted that the Operating Surplus related to 2017-2018 Projects, incorporates $1.123 million from the Roads-to-Recovery Program. While this funding will be utilised to fund a Capital Project, this funding is required to be included when determining the Council’s Operating Surplus. The underlying Operating Surplus is $2.136 million, which has been used as the basis for rate revenue increases.

**TABLE 1: 2017-2018 PROPOSE BUDGETED STATEMENT OF COMPREHENSIVE INCOME**

<table>
<thead>
<tr>
<th></th>
<th>Recurrent Operating</th>
<th>Carry Forwards</th>
<th>Operating Projects</th>
<th>Proposed Operating Projects Carry Forwards</th>
<th>Capital Projects</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017-2018 $'000</td>
<td>2016-2017 $'000</td>
<td>2017-2018 $'000</td>
<td>2017-2018 $'000</td>
<td>2017-2018 $'000</td>
<td>2017-2018 $'000</td>
</tr>
<tr>
<td>INCOME</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates</td>
<td>33,704</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>33,704</td>
</tr>
<tr>
<td>Statutory charges</td>
<td>1,730</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,730</td>
</tr>
<tr>
<td>User charges</td>
<td>3,530</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,530</td>
</tr>
<tr>
<td>Grants, subsidies and contributions</td>
<td>2,269</td>
<td>647</td>
<td>521</td>
<td>0</td>
<td>0</td>
<td>3,347</td>
</tr>
<tr>
<td>Investment income</td>
<td>98</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>98</td>
</tr>
<tr>
<td>Other income</td>
<td>662</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>662</td>
</tr>
<tr>
<td>Total Income</td>
<td>41,992</td>
<td>647</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>43,160</td>
</tr>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee costs</td>
<td>14,974</td>
<td>96</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15,070</td>
</tr>
<tr>
<td>Materials, contracts &amp; other expenses</td>
<td>15,330</td>
<td>312</td>
<td>624</td>
<td>(100)</td>
<td>0</td>
<td>16,166</td>
</tr>
<tr>
<td>Finance costs</td>
<td>763</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>813</td>
</tr>
<tr>
<td>Depreciation, amortisation &amp; impairment</td>
<td>8,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>8,000</td>
</tr>
<tr>
<td>Net loss Joint Ventures &amp; Associates</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>39,068</td>
<td>312</td>
<td>720</td>
<td>(100)</td>
<td>50</td>
<td>40,049</td>
</tr>
<tr>
<td>OPERATING SURPLUS / (DEFICIT)</td>
<td>2,925</td>
<td>335</td>
<td>(199)</td>
<td>100</td>
<td>(50)</td>
<td>3,111</td>
</tr>
<tr>
<td>Net gain (loss) on disposal or revaluation of assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Amounts specifically for new or upgraded assets</td>
<td>0</td>
<td>2,750</td>
<td>0</td>
<td>0</td>
<td>610</td>
<td>3,360</td>
</tr>
<tr>
<td>Physical resources received free of charge</td>
<td>0</td>
<td>3,320</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,320</td>
</tr>
<tr>
<td>NET SURPLUS (DEFICIT)</td>
<td>2,925</td>
<td>6,405</td>
<td>(199)</td>
<td>(100)</td>
<td>584</td>
<td>9,815</td>
</tr>
</tbody>
</table>
Since considering the Draft 2017-2018 Budget, at the Special Council Meeting held on 18 April 2017, the following adjustments have been made to the Draft 2017-2018 Budget.

1. Reduction in expenditure on Operating Projects of $70,000, resulting from reductions in funding in the proposed budget allocation:
   - the City-Wide Parking Review (reduced from $100,000 to $75,000) and the George Street Session (reduced from $110,000 to $75,000);
   - the removal of the proposed 20th Anniversary Celebration of the City of Norwood Payneham & St Peters ($20,000); and
   - inclusion of the Significant Tree Conservation Grants – Trial Program ($10,000);

2. Increase in expenditure due to the financial impact of the Rate Capping Policy;

3. Estimate of 2017-2018 Operating Project Carried Forward, which has been based on prior years carried forwards ($100,000);

4. Removal from Employee Expenses of the additional part time positions included as an Operating Project ($96,000) due to double counting within the Operating Budget.

As previously stated, while an increase in Rate Revenue of 2.0% will deliver an Operating Surplus of $3.111 million (2016-2017: $2.377 million), the underlying Operating Result (excluding Roads-to-Recovery funding) for the provision of the Council’s continuing services and programs and new initiatives is an Operating Surplus of $1.988 million (2016-2017: $1.775 million).

Financial sustainability underpins the Council’s Financial Goals and Outcomes which are set out in the Council’s LTFP. In general terms, financial sustainability is ensuring that the Council has the financial resources to meet the long term service and infrastructure needs of the community, without any large rate revenue increases or cuts in service provision and/or standards.

From an operational perspective, financial sustainability is being able to manage the conflict between keeping rate revenues increases to a minimum, maintaining existing service standards and spending on appropriate new services and necessary major capital investments. The Draft 2017-2018 Budget as presented in this report has achieved this objective.

To be truly financially sustainable, the Council needs to generate sufficient cash flow from recurrent operations to meet existing principal loan repayments, spending on renewal works, while having the future financial capacity (i.e. cash reserves to meet future loan servicing) to undertake new investments in the Council’s Infrastructure, services and activities. The Draft 2017-2018 Budget provides for sufficient cash flow to ensure that the Council can meet existing and new loan repayments from recurrent operations.

Pursuant to Section 123 (10) (b) of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, Part 2 Financial Accountability, the budget is required to contain:

a) a budgeted income statement, balance sheet, statement of changes in equity and statement of cash flows, presented in a manner consistent with the Model Financial Statements; and
b) a statement as to whether projected operating income is sufficient to meet projected operating expenses for the relevant financial year; and
c) a summary of operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and
d) estimates with regard to the Council’s Operating Surplus ratio, Asset Sustainability ratio and Net Financial Liabilities ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

The Financial Statements contained in Attachment A, are presented as prescribed in the Model Financial Statements and are based on a 2.0% increase in rate revenue. The Financial Statements also provide comparisons with the 2016-2017 Revised Budget and the Audited Financial Statements for the past three (3) years. Together, these Statements provide a complete picture of the Council’s budgeted financial position for the 2017-2018 Financial year.
The Financial Statements will be updated following the Council’s decision on the various components of the budget, if the proposed outcome is varied.

Budgeted Capital Projects Including Capital Works

At the Special Council Meeting held on 18 April 2017, the Council considered the Draft 2017-2018 Capital Budget. At that meeting, the Council endorsed “in-principle”, a Draft 2017-2018 Capital Budget, which incorporates Capital Projects to the value of $23.207 million inclusive of 2016-2017 Carry Forwards. The Draft 2017-2018 Capital Budget expenditure is offset by Capital Funding which incorporates Grant and Other Revenues to the value of $6.704 million, which will result in a net cost to Council of $16.503 million (exclusive of capitalised salaries). It should be noted that the Capital Funding includes the contribution from the Norwood Football Club to the development of the proposed Norwood Oval Clubrooms Member Facilities ($3.320 million). The endorsed Capital Projects for 2017-2018 Budget have been broken down into a number of categories as detailed in Table 2 below.

### TABLE 2: CAPITAL PROJECT CATEGORIES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole-of-Life Capital Works Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Road Resealing</td>
<td>$1.186m</td>
<td>$ nil</td>
<td>$1.186m</td>
</tr>
<tr>
<td>• Footpath Reconstruction</td>
<td>$1.107m</td>
<td>$ nil</td>
<td>$1.107m</td>
</tr>
<tr>
<td>• Kerbing Reconstruction</td>
<td>$0.823m</td>
<td>$ nil</td>
<td>$0.823m</td>
</tr>
<tr>
<td>• Stormwater Drainage Program</td>
<td>$2.500m</td>
<td>$0.200m</td>
<td>$2.300m</td>
</tr>
<tr>
<td>New Operating Projects</td>
<td>$3.718m</td>
<td>$0.434m</td>
<td>$3.284m</td>
</tr>
<tr>
<td>2016-2017 Project Carried Forward</td>
<td>$13.873m</td>
<td>$6.070m</td>
<td>$7.803m</td>
</tr>
</tbody>
</table>

Total Operating Projects Expenditure | $23.207m | $6.704m | $16.503m |

As detailed in Table 2, the Draft 2017-2018 Budget includes a funding allocation for Capital Projects which were adopted as part of the 2016-2017 Annual Business Plan and Budget and which have not been completed and are not anticipated to be completed by 30 June 2017. While the actual value of projects which are yet to be completed will not be determined until 30 June 2017, an estimate of the projects to be carried forward into the 2017-2018 Financial year has been determined based on the 2016-2017 Third Budget Update.

As previously advised, the Council has made grant funding applications to the value of $2.750 million to assist in the funding a number of proposed Capital Projects. The Draft 2017-2018 Budget is based on the assumption that the Council is successful in securing the total value of the grant funding in which it has applied for.

On a full accrual basis, the capital expenditure will not affect the operating result before capital revenues, except through future years’ depreciation and financing costs on any associated loan borrowings. Grant income which has been received and which relates to Capital Projects, will however, be included as Capital Income within the Budgeted Income Statement, after the Operating Surplus/ (Deficit) as required by the Model Financial Statements prescribed by the Local Government Act 1999.

The following attachments are provided for the Council’s information:

- **Attachment B** – Endorsed Capital and Operating Projects.
- **Attachment C** – Capital Works Program.
Borrowings

Proposed Net Capital Expenditure is $16.503 million and is proposed to be funded as follows:

- Use of depreciation recovered through rate revenue $8.000 million
- Roads-to-Recovery Funding $1.123 million
- Long Term Borrowings $2.000 million

It is anticipated that long term borrowings of $2.000 million, will be required to be taken out in the latter half of the 2017-2018 Financial Year, thereby minimising the interest expense to $0.050 million. In determining the level of borrowings required to fund the capital program, consideration has been given to the cashflow requirements and to intergenerational equity between current and future users. Whilst these considerations have formed part of the budget model they will be reviewed and reconsidered before the decision to commit to any borrowings.

It should be noted that recommended long term borrowings of $2.000 million is based on the assumption that the Council is successful in securing the full funding applied for in its grant funding submissions. As the outcome of the grant funding submissions will not be known until by June 2017, the Council may need to increase the level of borrowings for the 2017-2018 year.

In addition to Long Term Borrowings, the Council may be required to take out short term borrowings to cover periods of negative cash flow, however based on the anticipated cash reserves available as at 30 June 2017 and the proposed timing of the delivery of the capital expenditure program, it is considered unlikely that short term borrowings will be required and therefore no additional interest costs has been included in the Draft 2017-2018 Budget.

Rates Modelling

The Council’s LTFP is based on a series of financial outcomes, with one being Rate Stability, with the overall objective being that “annual rate collections are fair and equitable for our residents and ratepayers with the aim to keep rate revenue increases stable over the medium term”. The LTFP has set the target of Rate Revenue increases to be between 2% and 4% each year. It is recognised that the Council seeks Rate Revenue increases to be kept to a minimum however, in making a decision regarding increases in Rate Revenue, the Council must keep in mind the long term financial goal of delivering the Council’s Strategic Outcomes by managing the financial resources in a sustainable and equitable manner. While Rate Stability is a key objective which requires annual rate collections to be fair and equitable, it also requires that Rate Revenue increases be stable over the medium term. To ensure this objective is met, the Council must make rating decisions (or decreases in expenditure) with the future in mind, as any significant decrease in rate revenue today may result in sharp rate revenue increases in the future.

As advised as the Special Council Meeting held on 18 April 2017, there have been increases in the capital value in the residential sector, with a Capital Value increase of 8.2% on 2016-2017. For the commercial sector, the Capital Value increase is 3.2% and across all land use types, the Capital value has increased by 7.6%.

While the residential property growth for 2017-2018 is significantly higher than the increases being experienced over the last few years, as illustrated in Figure 1 below, over time, the average growth for both the Residential and Commercial sectors are in line with each other, at just over 5%.
The impact of the Council's Rating Decisions over the same period is detailed in Figure 2. As detailed in Figure 2, despite the peak in the increase in Rate Revenue in 2011-2012, rate revenue increases have been trending downwards, with a similar trend occurring with the movement in the Average Residential Rate. Over the same period, despite the sharp increase in 2012-2013, the movement in the Average Commercial rate has also been trending downwards.

Following the discussion at the Special Council Meeting held on 18 April 2017, the Draft 2017-2018 Budget presented in this report, is based on a Rate Revenue increase of 2.0%. Preliminary rates modelling, based on valuations provided by the Valuer-General for the week ended 9 April 2017, have been undertaken based on rate revenue increases of 1.2%, 1.5%, 2.0%, 2.25%, and 2.4%. It should be noted that the valuation information for the week ended 18 June 2017, will be used to determine the final average rate at the 3 July 2017 Council meeting.
As Elected Members are aware, as part of the Renewal SA – Renewing our Streets and Suburb Initiative, the State Government has committed to renew 4,500 South Australian Housing Trust (SAHT) properties over the next five (5) years, with the objective being to replace older housing stock with modern housing that will better meet the needs of South Australians and provide economic stimulus to the State. As part of the initiative, Renewal SA will transfer the management of approximately 4,000 SAHT properties to community housing providers. The Council has received notification that around 200 properties have been identified to be transferred community housing providers in 2017-2018.

Housing SA pays Council rates on properties which are within its ownership, however pursuant to Section 161 of the Local Government Act 1999, community housing providers receive a mandatory rebate of 75 per cent on Council Rates. The value of the mandatory rebate which the Council must provide will be in the order of $200,000. The impact on the Average Rate will be an increase of around $7.00 per assessment.

**Proposed Rating Strategy**


Table 3 provides a summary of the Rating Strategy, compared to the Long Term Financial Plan.

<table>
<thead>
<tr>
<th>TABLE 3: RATING STRATEGY</th>
<th>2016-2017</th>
<th>2017-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Rate Revenue Increases (inclusive of growth)</td>
<td>2.25%</td>
<td>LTFP 1.2%</td>
</tr>
<tr>
<td>Net General Rate Revenue</td>
<td>$'000</td>
<td>$000</td>
</tr>
<tr>
<td>Net Increase on 2016-2017</td>
<td>629</td>
<td>381</td>
</tr>
<tr>
<td>Operating Surplus (no rate revenue increase)</td>
<td>1,952</td>
<td>2,625</td>
</tr>
<tr>
<td>Operating Surplus/(Deficit) after rate revenue increases *</td>
<td>2,377</td>
<td>2,581</td>
</tr>
</tbody>
</table>

* 2017-2018 Draft Operating Surplus includes two (2) years allocations (2016-2017 and 2017-2018) of Roads-to-Recovery grant funding. The additional funding allocation of $0.521m was not accounted for in the LTFP estimates.

The Council’s Long Term Financial Plan, sets out the Councils Financial Goal, which is to be a City which delivers on our Strategic Outcomes by managing our financial resources in a sustainable and equitable manner. To achieve this, a number of Financial Outcomes and financial targets have been established, one being Rate Stability. The Council has defined Rate Stability to mean Annual rate collections are fair and equitable for our residents and ratepayers with the aim to keep rate revenue increases stable over the medium term.

Assuming a rate revenue increase of 2.0%, as proposed within the Draft 2017-2018 Budget, for the current term of Council, the average rate revenue increase is 2.25%, which is at the lower end of the Rate Revenue target, set out in the recently endorsed draft Long Term Financial Plan. For the same period, the average residential rate increase was 2.01%, with the average Commercial Rate increase being 0.63%.

As such, from a financial management perspective, the Council has clearly delivered on its financial objective.
The Average Rate

The average rate is calculated by obtaining the average property value and multiplying it by the rate-in-the-dollar.

The increase in the average residential rate is affected by three (3) items:

- growth associated with new property development;
- the change in the residential proportion of the overall total valuation amount; and
- the proposed increase in rate revenue.

It should be noted that the average rate figure will change once more accurate valuation data becomes available.

Table 4 below details the impact of the proposed rating strategy options on the Residential and Commercial Rates. The draft 2017-2018 Budget, as presented in this report, is based upon an increase in rate revenue of 2.0%.

TABLE 4: IMPACT OF RATING STRATEGY ON RESIDENTIAL AND COMMERCIAL RATES

<table>
<thead>
<tr>
<th>Proposed Rate Revenue Increases</th>
<th>2016-2017</th>
<th>1.2%</th>
<th>1.5%</th>
<th>2.0%</th>
<th>2.25%</th>
<th>2.4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate</td>
<td>$1,417</td>
<td>$1,445</td>
<td>$1,449</td>
<td>$1,456</td>
<td>$1,460</td>
<td>$1,462</td>
</tr>
<tr>
<td>Average Rate Difference - $</td>
<td>$25</td>
<td>$28</td>
<td>$33</td>
<td>$40</td>
<td>$43</td>
<td>$45</td>
</tr>
<tr>
<td>Increase from previous year - %</td>
<td>1.85%</td>
<td>2.0%</td>
<td>2.3%</td>
<td>2.8%</td>
<td>3.0%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Rate-in-Dollar</td>
<td>0.002539</td>
<td>0.002391</td>
<td>0.002398</td>
<td>0.002409</td>
<td>0.002415</td>
<td>0.002419</td>
</tr>
<tr>
<td>Residential Rate Difference</td>
<td>(5.8%)</td>
<td>(5.5%)</td>
<td>(5.1%)</td>
<td>(4.8%)</td>
<td>(4.7%)</td>
<td></td>
</tr>
<tr>
<td>Commercial Rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate</td>
<td>$2,549</td>
<td>$2,538</td>
<td>$2,490</td>
<td>$2,502</td>
<td>$2,509</td>
<td>$2,512</td>
</tr>
<tr>
<td>Average Rate Difference - $</td>
<td>$15</td>
<td>($65)</td>
<td>($58)</td>
<td>($46)</td>
<td>($40)</td>
<td>($36)</td>
</tr>
<tr>
<td>Increase from previous year - %</td>
<td>0.6%</td>
<td>(2.57%)</td>
<td>(2.29%)</td>
<td>(1.81%)</td>
<td>(1.56%)</td>
<td>(1.43%)</td>
</tr>
<tr>
<td>Rate-in-Dollar</td>
<td>0.003047</td>
<td>0.002869</td>
<td>0.002877</td>
<td>0.002891</td>
<td>0.002899</td>
<td>0.002903</td>
</tr>
<tr>
<td>Commercial Rate Difference</td>
<td>(5.8%)</td>
<td>(5.5%)</td>
<td>(5.1%)</td>
<td>(4.8%)</td>
<td>(4.7%)</td>
<td></td>
</tr>
</tbody>
</table>

The Average Rate – Comparison with Other Councils

Comparison of rates with other councils is a complex issue. Each council has different characteristics (such as size, demographics, residential base, growth etc.) and provides either different services or similar services at different standards. This Council provides a broad range and level of services to the community, although some of these are statutory requirements, the majority are determined by the expectations of our community where discretionary decisions are made by the Council. The cost of providing and maintaining these services are spread across the community in the form of rates. The Council determines a Rate-in-the-Dollar, based on the amount of revenue that will be required to meet the ongoing cost of providing services to the community and maintaining assets, etc. for the coming financial year. The quantum of rates to be paid is determined by multiplying the property value which is applied by the Valuer-General, by the Rate-in-the-Dollar (e.g. if the property value is $600,000 and the Rate-in-the-Dollar is 0.002409 cents in a dollar, the rates payable will be $1,445).
Table 5 below shows a comparison of the average residential rates for a number of Adelaide metropolitan councils for the financial years 2011-2012 to 2016-2017. (It should be noted that at the time of preparing the report the average residential values for 2017-2018 are not available from other councils.)

The average residential rate for the City of Norwood Payneham & St Peters in 2016-2017, was $1,417, calculated using the residential rate of 0.0025833 cents-in-the-dollar of property value.

The City of Norwood Payneham & St Peters has been able to deliver its program of services and projects as outlined in the 2016-2017 Annual Business Plan, whilst maintaining the lowest Average Residential Rate of those councils listed.

**TABLE 5: COMPARISON OF AVERAGE RESIDENTIAL RATE**

<table>
<thead>
<tr>
<th>Council Area</th>
<th>Average Rate 2011-2012</th>
<th>Average Rate 2012-2013</th>
<th>Average Rate 2013-2014</th>
<th>Average Rate 2014-2015</th>
<th>Average Rate 2015-2016</th>
<th>Average Rate 2016-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walkerville</td>
<td>1,580</td>
<td>1,665</td>
<td>1,710</td>
<td>1,735</td>
<td>1,826</td>
<td>1,963</td>
</tr>
<tr>
<td>Prospect</td>
<td>1,400</td>
<td>1,464</td>
<td>1,523</td>
<td>1,614</td>
<td>1,684</td>
<td>1,732</td>
</tr>
<tr>
<td>Burnside</td>
<td>1,401</td>
<td>1,464</td>
<td>1,531</td>
<td>1,601</td>
<td>1,656</td>
<td>1,707</td>
</tr>
<tr>
<td>Unley</td>
<td>1,399</td>
<td>1,462</td>
<td>1,510</td>
<td>1,600</td>
<td>1,662</td>
<td>1,706</td>
</tr>
<tr>
<td>Mitcham</td>
<td>1,289</td>
<td>1,374</td>
<td>1,449</td>
<td>1,510</td>
<td>1,573</td>
<td>1,614</td>
</tr>
<tr>
<td>Tea Tree Gully</td>
<td>1,298</td>
<td>1,348</td>
<td>1,415</td>
<td>1,465</td>
<td>1,498</td>
<td>1,535</td>
</tr>
<tr>
<td>Campbelltown</td>
<td>1,176</td>
<td>1,202</td>
<td>1,282</td>
<td>1,327</td>
<td>1,387</td>
<td>1,444</td>
</tr>
<tr>
<td>Holdfast Bay</td>
<td>1,171</td>
<td>1,245</td>
<td>1,313</td>
<td>1,372</td>
<td>1,406</td>
<td>1,435</td>
</tr>
<tr>
<td>NPSP</td>
<td>1,194</td>
<td>1,268</td>
<td>1,320</td>
<td>1,372</td>
<td>1,392</td>
<td>1,417</td>
</tr>
</tbody>
</table>

The Minimum Rate

The Minimum Rate is recommended to rise in line with the increase in net rate revenue. Assuming that the comparison councils have Rate Revenue increases consistent with the City of Norwood, Payneham & St Peters, the Council’s Minimum Rate would still continue to remain amongst the lowest set by councils in South Australia. Table 6 below details the impact of the proposed rating strategy options on the Minimum Rate.

**TABLE 6: IMPACT OF RATING STRATEGY ON MINIMUM RATES**

<table>
<thead>
<tr>
<th>Proposed Rate Revenue Increases</th>
<th>2016-2017</th>
<th>2017-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.25%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Proposed Rate Revenue Increases</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Minimum Rate</td>
<td>939</td>
<td>950</td>
</tr>
<tr>
<td>$Difference from 2016-2017</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>No. of assessments</td>
<td>5,101</td>
<td>5,409</td>
</tr>
<tr>
<td>% of assessments on Minimum Rate</td>
<td>26.08%</td>
<td>27.61%</td>
</tr>
</tbody>
</table>
The property market in the lead up to the 2017-2018 Financial Year, has increased across all land use categories. Table 7 below details the Capital Value, by land use, for all property classes as advised by the Valuer-General.

### TABLE 7: CAPITAL VALUES BY LAND USE

<table>
<thead>
<tr>
<th>Land Use</th>
<th>2017-2018 Capital Value</th>
<th>$ Increase/ (Decrease)</th>
<th>% Increase/ (Decrease)</th>
<th>No of Assessments</th>
<th>Average Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>10,219,318</td>
<td>773,382</td>
<td>8.2%</td>
<td>16913</td>
<td>604</td>
</tr>
<tr>
<td>Commercial</td>
<td>1,890,623</td>
<td>58,800</td>
<td>3.2%</td>
<td>2184</td>
<td>886</td>
</tr>
<tr>
<td>Industrial</td>
<td>130,113</td>
<td>4,995</td>
<td>4.0%</td>
<td>152</td>
<td>856</td>
</tr>
<tr>
<td>Vacant Land</td>
<td>128,150</td>
<td>37,142</td>
<td>40.8%</td>
<td>273</td>
<td>469</td>
</tr>
<tr>
<td>Other</td>
<td>295,355</td>
<td>15,885</td>
<td>5.7%</td>
<td>96</td>
<td>3,077</td>
</tr>
<tr>
<td>Primary Production</td>
<td>631</td>
<td>631</td>
<td>0.0%</td>
<td>1</td>
<td>631</td>
</tr>
<tr>
<td>Non Rateable</td>
<td>262,207</td>
<td>10,603</td>
<td>4.2%</td>
<td>252</td>
<td>1,041</td>
</tr>
<tr>
<td>Total Rateable</td>
<td>12,926,396</td>
<td>901,437</td>
<td>7.5%</td>
<td>19,619</td>
<td>600</td>
</tr>
</tbody>
</table>

**Council’s Rates Capping Policy**

The Council applies a cap (the Rate Capping Rebate) to limit the rate increase payable in a single year. Under the current policy, the Rate Capping Rebate (“Rebate”) is applied to assessments where the property is the principal place of residence and that there is a significant increase in the amount of rates payable due to changes in property value, not attributable to development. For eligible properties, the amount of rates payable is capped at two times the adopted increase in Rate Revenue. Based on a Rate Revenue increase of 2.0%, the rate capping rebate is automatically applied to assessments where the increase in rates payable is 4.0% greater than the 2016-2017 Financial year. Due to the significant increase in residential property values this year, the financial impact of the Rate Capping rebate, under the current policy is in the order of $184,000.

The extent of rates capping rebates applied since the 2007-2008 Financial year is detailed in Figure 3 below.

### FIGURE 3: RATE CAPPING REBATE

As illustrated by Figure 3 above, the estimate Rebate of $184,000 is unusually high compared to previous years. Under the current policy, in the order of 3,250 of residential assessments would be automatically eligible for the Rate Capping Rebate. The value of the rebate represents lost revenue of 0.57% based on a 2.0% rate revenue increase. The significant increase in the estimated value of the Rebate is due to the combined impact of a low Rate Revenue increase, in a period where there has been high Capital Value growth. In past years, where there has been high Capital Value growth, this has also been coupled with high rate revenue increases.
The Council has the option of absorbing the impact of the Rebate or re-assessing the current Rate Capping Policy to minimise the impact of the unusually high residential capital value growth.

As the estimated value of the Rebate would be difficult to be absorbed within the Council’s recurrent budget operations, it is proposed that the Rate Capping Policy be amended to;

“The maximum of two (2) times the upper limit of the increase in Rate Revenue target as set in the Long Term Financial Plan or two (2) times the Rate Revenue increase as set in the Annual Budget.”

Based on the recently endorsed Long Term Financial Plan, the Rate Cap would be set at 8%, and result in an estimated Rebate of $33,000 for the 2017-2018 Financial Year a reduction of approximately $150,000 under the current policy.

The Draft 2017-2018 Budget as set out in this report has been based on the proposed Rate Capping Policy as detailed above.

Draft Annual Business Plan

To fulfil the requirements of the Act and therefore provide citizens with the opportunity to review and comment on the Council’s proposed activities for the 2017-2018 Financial Year and the proposed funding of those activities, the Draft Annual Business Plan has been prepared and is included in Attachment D.

The Draft Annual Business Plan incorporates all of the assumptions detailed within this report and for illustrative purposes only, has factored in an increase in rate revenue of 2.0%. Upon finalisation of the Draft Budget through its “endorsement in principle,” the Draft Annual Business Plan will be made available for citizens from 10 May 2017. Submissions will be sought with interested citizens providing comments prior to or at the Public Meeting scheduled for 31 May 2017.

Following consideration of the submissions by the Council on 14 June 2017, a final 2017-2018 Annual Business Plan will be put forward for adoption, followed by the 2017-2018 Annual Budget at the Council Meeting to be held on 3 July 2017.

OPTIONS

Elected Members can endorse the 2017-2018 Draft Annual Business Plan and Budget as presented in this report or can choose to amend 2017-2018 Draft Annual Business Plan and Budget by either:

- reducing Operating Projects; and/or
- increasing or decreasing rate revenue: or
- revisiting recurrent operating expenditure.

It should be noted, that by endorsing the Draft 2017-2018 Annual Business Plan and Budget, the Council will also be endorsing the proposed amendment to the Rate Capping Policy.

CONCLUSION

Through the adoption of the Long Term Financial Plan, the Council has committed to the attainment of Financial Sustainability. The development of the Annual Budget with reference to the financial targets and outcomes outlined in the LTFP, will ensure that the Council continues to move in the right direction to achieve its ultimate goal of Financial Sustainability.

The ‘in-principle’ adoption of the Draft 2017-2018 Annual Business Plan and Budget as presented in Attachment D, will deliver an Operating Surplus of $3.111 million based on a 2.0% increase in Rate Revenue, however due to the inclusion of the Road-to-Recovery Grant Funding in this result, the underlying Operating Result for the provision of the Council’s continuing services and programs and new initiatives, is an Operating Surplus of $1.988 million.
The proposed Rating Strategy proposed within this report will result in a $40 increased on the rates payable for the Average Residential Ratepayer, while this is a $15 increase on the 2016-2017, the increase can be broken down into the following:

- Additional $7 per assessment due to the State Government's decision to transfer public housing to community housing providers;
- Additional $4 per assessment due to the increase in Capital value; and
- Additional $4 per assessment due to the proposed 2% rate revenue increase.

To ensure that the objective of Financial Sustainability is achieved, the Council must make rating decisions with the future in mind as any significant decrease in rate revenue today may result in sharp rate revenue increases in the future.

The proposed Rating Strategy and the Draft Budget as presented in this report, is based on sound financial management principles, which will deliver the Council's Strategic Outcomes in a sustainable and equitable manner, for both today's and future ratepayers.

**COMMENTS**

If Elected Members have any questions or require clarification in relation to specific budget items, and/or any issues raised in this report, do not hesitate to contact the Acting General Manager, Corporate Services, Sharon Perkins on 8366 4585, prior to the meeting.

**RECOMMENDATION**

That subject to further consideration of the 2017-2018 Budget by the Council following the receipt and consideration of any public submissions in respect to the 2017-2018 Annual Business Plan:

a) That a rate revenue increase of _____% be endorsed in principle, subject to further consideration of the Budget by the Council following receipt and consideration of any submissions in respect of to the Annual Business Plan.

b) That an average residential rate increase of _____% (after allowing for the impact of growth) be endorsed in principle.

c) That an average commercial rate increase of _____% (after allowing for the impact of growth) be endorsed in principle.

d) That rate cap on residential properties of _____% be adopted ‘in principle’ for the 2017-2018 Financial Year and be applied to all eligible assessments without the requirement for an application to be made and approved by the Council for the rebate as per the Council resolution made at its meeting held on 10 October 2005.

e) That the Council endorses “in principle” Loan Borrowings for the 2017-2018 Financial Year up to a maximum of $2.410m for the purposes of capital expenditure funding.

f) That the detailed program of Capital Works be undertaken in line with the Attachments supporting the Project Definition & Approval Schedules.

g) That the Draft 2017-2018 Annual Business Plan as contained within Attachment D be approved for release for public consultation subject to incorporation of any amendments which may be determined by the Council.

h) That the Chief Executive Officer be authorised to make editorial changes to the Draft 2017-2018 Annual Business Plan, as contained within Attachment D, prior to it being released for public consultation.

i) A further report in respect to the adoption of the 2017-2018 Budget is prepared for the Council's consideration.
Cr Wormald entered the meeting at 7.15pm

Cr Frogley moved:
That subject to further consideration of the 2017-2018 Budget by the Council following the receipt and consideration of any public submissions in respect to the 2017-2018 Annual Business Plan:

a) That a rate revenue increase of 2.0% be endorsed “in principle”, subject to further consideration of the Budget by the Council following receipt and consideration of any submissions in respect of to the Annual Business Plan.

Seconded by Cr Minney and carried.

Cr Frogley moved:
b) That an average residential rate increase of 2.8% (after allowing for the impact of growth) be endorsed “in principle”.

c) That an average commercial rate decrease of 1.8% (after allowing for the impact of growth) be endorsed “in principle”.

Seconded by Cr Minney and carried unanimously.

Cr Frogley moved:
d) The draft Rate Capping Policy be amended to include the following:

The higher of two (2) times the upper limit of the increase in Rate Revenue target as set in the Long Term Financial Plan or two (2) times the Rate Revenue increase as set in the Annual Budget.

Seconded by Cr Minney and carried.

Cr Frogley moved:
e) That a rate cap on residential properties of 8.0% be adopted “in principle” for the 2017-2018 Financial Year and be applied to all eligible assessments without the requirement for an application to made and approved by the Council for the rebate as per the Council resolution made at its meeting held on 10 October 2005.

Seconded by Cr Minney and carried unanimously.

Cr Whittington moved:
f) That the Council endorses “in principle” Loan Borrowings for the 2017-2018 Financial Year up to a maximum of $2.0m for the purposes of capital expenditure funding.

Seconded by Cr Minney and carried.
Cr Minney moved:

g) That the detailed program of Capital Works be undertaken in line with the Attachments supporting the Project Definition & Approval Schedules.

h) That the Draft 2017-2018 Annual Business Plan as contained within Attachment D be approved for release for public consultation subject to incorporation of any amendments which may be determined by the Council.

i) That the Chief Executive Officer be authorised to make editorial changes to the Draft 2017-2018 Annual Business Plan, as contained within Attachment D, prior to it being released for public consultation.

j) A further report in respect to the adoption of the 2017-2018 Budget is prepared for the Council's consideration.

Seconded by Cr Duke and carried unanimously.
11.4 2017-2018 NATURAL RESOURCES MANAGEMENT (NRM) LEVY

REPORT AUTHOR: Acting General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: S/01424
ATTACHMENTS: A - B

PURPOSE OF REPORT
The purpose of the report is to advise the Council of the proposed 2017-2018 Natural Resources Management (NRM) Levy.

BACKGROUND
The Adelaide and Mount Lofty Ranges National Resources Management Board (the Board), has sought the Council's comments in relation to the proposed regional NRM Levy contributions for the 2017-2018 Financial year. A copy of the letter which has been received from the Board is contained in Attachment A.

RELEVANT STRATEGIC DIRECTIONS & POLICIES
City Plan 2030 does not contain an Outcome directly related to the collection of the NRM Levy.

FINANCIAL AND BUDGET IMPLICATIONS
In 2017-2018, the Council will be required to collect $1.183m (a 6.5% increase on the amount collected in 2016-2017) on behalf of the Board for the payment of the State Government Natural Resources Management Levy. The Council is acting as the revenue collector for the Adelaide and Mount Lofty Ranges Natural Resources Board in this regard and does not retain this revenue. The total amount of Levy proposed to be raised by the Board for the 2017-2018 financial year, is $28.978 million, a 6% increase on the 2016-2017 Levy of $27.337 million. The property owners within the City of Norwood Payneham & St Peters will continue to contribute 4% of the total of the Levy which is collected on behalf of the Board for 2017-2018 Financial year.

EXTERNAL ECONOMIC IMPLICATIONS
Not Applicable

SOCIAL ISSUES
Not Applicable

CULTURAL ISSUES
Not Applicable

ENVIRONMENTAL ISSUES
Not Applicable

RESOURCE ISSUES
Not Applicable

RISK MANAGEMENT
Not Applicable
CONSULTATION

- Elected Members
  Not Applicable

- Community
  Not Applicable

- Staff
  Not Applicable

- Other Agencies
  Not Applicable

DISCUSSION

For the 2017-2018 Financial year, the Board has identified that it requires an additional contribution of $1.641 million from property owners within the region in order to deliver the projects outlined in the Board’s Annual Business Plan. The increased contribution represents a 6% increase in the NRM Levy which is paid by this Council’s ratepayers.

Since the finalisation of the equalisation of the NRM Levy across the region in 2013, the Board has increased the total amount of the NRM Levy by the Adelaide CPI Index for the 2013-2014, 2014-2015 and 2015-2016 Financial Years.

Following a request that the Board provides justification for the 3.1% increase, which incurred in 2015-2016, the Council was advised, in a letter dated 2 June 2015, Section 81 (10)(b)(ii) of the Natural Resources Management Act 2014, which establishes that the CPI Index from the preceding Financial Year (ie June Qtr) is used to determine the basis for the increase in NRM Levy which does not exceed CPI. For the 2016-2017 Financial Year, the Levy increase was 6%, whereas the June 2015 CPI was 1.2%.

As the proposed increase for the 2017-2018 is again not in line with Section 81 (10)(b)(ii) of the Natural Resources Management Act 2014, it is recommended that the Board be advised that the Council does not support the proposed increase of 6% in the contribution to the Levy for 2017-2018 on the basis that this proposed increase exceeds the June 2016 Adelaide CPI index of 0.7%. A copy of the draft letter which is to be provided to the Board is contained in Attachment B.

The Board is proposing a continuation of previous arrangements, whereby the basis of the regional NRM Levy, will be the value of rateable land. This basis has been supported by this Council in the past and is considered to be fair and equitable.

OPTIONS

Not Applicable

CONCLUSION

Nil

COMMENTS

Nil
RECOMMENDATION

That the Department of Environment & Natural Resources be advised that:

a) The Council supports the continuation of the value of rateable land as the basis for determining future levies.

b) The Council does not support the proposed increase of 6% on the Levy, on the basis that this increase exceeds the June 2016 Adelaide CPI index of 0.7%.

Cr Minney moved:

That the Department of Environment & Natural Resources be advised that:

a) The Council supports the continuation of the value of rateable land as the basis for determining future levies.

b) The Council does not support the proposed increase of 6% on the Levy, on the basis that this increase exceeds the June 2016 Adelaide CPI index of 0.7%.

Seconded by Cr Mex.

Variation

Cr Minney as the mover of the motion, with the consent of Cr Mex as the seconder, sought leave of the meeting to vary point (b) of the motion as follows:

b) The Council does not support the proposed increase of 6% on the Levy, on the basis that this increase manifestly exceeds the June 2016 Adelaide CPI index of 0.7%.

Mayor Bria put the request for leave to the meeting.

The meeting granted leave and the motion was varied as set out above.

The motion (as varied) was put and carried.
11.5 ERA WATER DRAFT 2017-2018 BUDGET & LONG TERM FINANCIAL PLAN

REPORT AUTHOR: Acting General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: S4501
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present to the Council the ERA Water Draft 2017-2018 Budget and Long Term Financial Plan for endorsement.

BACKGROUND

ERA Water is a Regional Subsidiary established pursuant to Section 43 of the Local Government Act 1999, for the primary purpose of implementing the Waterproofing Eastern Adelaide Project (the Scheme), which involves the establishment of wetland bio-filters, aquifer recharge and recovery, pipeline installations and water storage facilities. Once established, ERA Water will manage the system and provide recycled stormwater for the irrigation of parks and reserves to Constituent Councils. The City of Norwood Payneham & St Peters, together with the City of Burnside and the Town of Walkerville make up the Constituent Councils of ERA Water.

Pursuant to Clause 5.1.1 of the ERA Water Charter (the Charter), prior to 31 March of each year, ERA Water must prepare and submit the ERA Water Draft Budget to the Constituent Councils for approval.

Pursuant to Clause 5.5.1 of the Charter, ERA Water must prepare and submit a Long Term Financial Plan covering a period of at least three (3) years to the Constituent Councils for approval.

The Budget and Long Term Financial Plan can only be adopted by the ERA Water Board, with unanimous approval of the Constituent Councils.

A copy of the Draft 2017-2018 Budget and Long Term Financial Plan was received for consideration by the Council on 30 March 2017. ERA Water Board must adopt the Budget by 30 June each year.

Upon completion of the Draft Budget, pursuant to Clause 6.1 of the Charter, ERA Water must prepare and provide the draft Annual Business Plan to Constituent Councils. The Annual Business Plan can only be adopted by the ERA Water Board, with absolute majority approval of the Constituent Councils.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The Draft 2017-2018 Budget is forecasting an Operating Deficit of $93,060. This Councils share of the Deficit, which will be required to be included in the Council 2017-2018 Budget is $31,020. While ERA Water is budgeting for a Deficit, ERA Water has sufficient access to cash to fund the expenditure shortfall and therefore there will be no capital contributions required to be made by the Council.

The ERA Water Budget, assumes Capital Expenditure of $0.805 million for network connections. The Financial Planning for the Scheme was based on ERA Water being responsible for the construction of the main trunk and major feeder lines, the wetlands and the pumping stations. The installation of the connections to the Constituent Council’s parks and reserves are to be funded by the Constituent Council’s. It has been estimated that the cost of the network connections for this Council will be $0.167 million. To this end, the Council’s Draft 2017-2018 Capital Budget, which was endorsed “in principle” at the Special Council Meeting held on 18 April 2017, assumes that the Council would undertake the network connection at the end of the 2017-2018 and into early 2018-2019. As such funding of $0.050 million for 30% of the required connections are included within the Draft 2017-2018 Budget. The connection costs for the remaining 70% of the required connections ($0.117 million) will be included in the 2018-2019 Capital Budget.
EXTERNAL ECONOMIC IMPLICATIONS
Not Applicable

SOCIAL ISSUES
Not Applicable

CULTURAL ISSUES
Not Applicable

ENVIRONMENTAL ISSUES
Not Applicable

RESOURCE ISSUES
Not Applicable

RISK MANAGEMENT
Not Applicable

CONSULTATION
- Elected Members
  Not Applicable
- Community
  Not Applicable
- Staff
  The Acting General Manager, Corporate Services has been in discussions with representative from ERA Water and the City of Burnside and the Town of Walkerville regarding the assumptions used as a basis for the financial projections for Long Term Financial Plan.
- Other Agencies
  The External Auditors engaged by ERA Water, have been consulted regarding the assumptions used within the Long Term Financial Plan, in particular the timing of the capitalisation and the proposed useful lives of the schemes assets.

DISCUSSION
2017-2018 Draft Budget
As the Scheme will still be in the construction phase in 2017-2018, a large portion of the expenditure incurred, including financing costs will be capitalised into the overall asset cost of the Scheme. The planned Operating Deficit as outlined in the Draft Budget is derived from operational and administrative expenditure which cannot be capitalised into the asset cost. A detailed breakdown of the expenditure included is contained in Attachment A.
Long Term Financial Plan

As Elected Members may recall, BRM Holditch were engaged to prepare the Prudential Report of the Scheme, as required by Section 48 of the Local Government Act 1999. The Prudential Report provided a financial forecast of the Scheme based on a series of assumptions developed at the time.

The Long Term Financial Plan (the Plan) contained in Attachment A, utilised the financial model contained in the Prudential Report. In preparing the Plan, the assumptions included in the Prudential Report were reassessed to determine the ongoing veracity in developing the Plan, (i.e. has any further information become available which will proves or disproves the original assumptions made).

The key assumption within the Plan relates to the availability of water for sale to the Constituent Councils and other customers (i.e. schools, both public and private and other Councils). The Plan assumes that 50% of the total production capacity of the Scheme will be available for sale in the 2018-2019 Financial year. The availability of water within the Scheme will be subject to a number of factors, some will be within the control of ERA Water (assets not performing as designed) and as such mitigating factors can be introduced but other factors such as low rainfall are out of the control of ERA Water.

In developing the Plan, a rigorous process has been engaged to test the assumptions upon which the Plan is based. Finance representatives from the respective Constituent Councils, together with staff from Wallbridge & Gilbert (the Scheme's Engineering Project Managers) have been involved in developing the Plan. In addition, with respect to the timing of the asset capitalisation (i.e. when the Scheme becomes available for use from an accounting perspective), ERA Water’s External Auditors have been consulted.

The assumptions adopted in developing the Plan are contained in Attachment A.

OPTIONS

The Council can choose not to endorse the Draft 2017-2018 Budget and Long Term Financial Plan, however, there are no specific issues or activities which present a financial or risk management issue for this Council to take this course of action.

CONCLUSION

As with any Long Term Financial Plan, the financial projections contained within the Plan are meant to provide an indication of the Scheme direction and financial capacity, rather than predicting the future financial performance and position of the Scheme.

COMMENTS

Nil

RECOMMENDATION

That the ERA Water be advised that pursuant to Clause 5 of the Charter, the Council has considered and hereby approves the Draft 2017-2018 Budget and the Draft 2019 - 2028 Long Term Financial Plan.

Cr MacRae left the meeting at 7.46pm
Cr MacRae returned to the meeting at 7.47pm

Cr Moore moved:

That the ERA Water be advised that pursuant to Clause 5 of the Charter, the Council has considered and hereby approves the Draft 2017-2018 Budget and the Draft 2019 - 2028 Long Term Financial Plan.

Seconded by Cr Mex and carried.
Section 3 – Governance & General

Reports
11.6 REPORTS OUTSTANDING

REPORT AUTHOR: Chief Executive Officer
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 83664520
FILE REFERENCE: Nil
ATTACHMENTS: A

PURPOSE OF REPORT

As part of the Organisation’s management system, a Reports Outstanding List will be prepared on a monthly basis. The purpose of the List is to keep track of any reports that have been requested and the status of those reports.

A copy of the List is contained in Attachment A.

BACKGROUND

Nil

DISCUSSION

Nil

RECOMMENDATION

That the report be received and noted.

Cr Minney moved:

That the report be received and noted.

Seconded by Cr Whitington and carried.
11.7 LOCAL NUISANCE AND LITTER CONTROL ACT 2016

REPORT AUTHOR: General Manager, Urban Planning & Environment
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4501
FILE REFERENCE: S.4335
ATTACHMENTS: Nil

PURPOSE OF REPORT

The purpose of this report is to inform the Council of a proposal for the Eastern Health Authority (EHA) to administer the compliance functions on behalf of the Council and other EHA Constituent Councils, for the nuisance related provisions contained in the Local Nuisance and Litter Control Act 2016.

BACKGROUND

The Local Nuisance and Litter Control Act 2016 (the Act), is being implemented in a staged manner during 2017. From 1 February 2017, Local Government has a new primary regulatory role in the monitoring and enforcement of littering in South Australia. From 1 July 2017, Local Government will have a new primary role in regulating local nuisance matters.

According to the Environment Protection Authority (EPA), the aim of the Act is to reduce the prevalence of nuisance complaints through fostering a greater understanding of nuisance matters in the community, better consideration of nuisance matters by Local Government in the development assessment system and improved methods of resolution and to lower the prevalence of litter across South Australia, particularly in tourist and shopping precincts.

The divesting of the EPA’s existing centralised role in the management of local nuisance complaints to Local Government, has and continues to raise serious concerns about the likely inconsistent administration of the new Act, given the shift from one central body to sixty eight Local Government Authorities handling local nuisance matters and the complexities that arise from managing what are often described as ‘minor’ nuisance matters, which often turn out to be anything but minor.

At its meeting held on 23 March 2017, the Eastern Region Alliance (ERA) Chief Executive Officers Group discussed the possibility of the Eastern Health Authority (EHA) taking on the additional responsibilities which the Act has imposed on Local Government in respect to responding to local nuisance complaints. There is a general consensus amongst the ERA Chief Executive Officers that EHA is well placed to undertake compliance of local nuisance matters on a regional basis for its Constituent Councils, and possibly the City of Unley, on a fee for service basis. A regional compliance approach would also obviate inconsistent administration of the Act across the Eastern Region of metropolitan Adelaide.

As Local Government will have a new primary role in regulating local nuisance matters from 1 July 2017, it is timely for the Council to consider whether EHA should have a role to play in the enforcement of local nuisance matters arising under the Act.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The relevant Outcomes and Objectives of the Council’s City Plan 2030, Shaping Our Future are set out below:

Outcome 4: Environmental Sustainability
A leader in environmental sustainability

Objective:

1. Sustainable and efficient management of water, waste, energy and other resources.
FINANCIAL AND BUDGET IMPLICATIONS

There will be a significant cost implication associated with the administration of the Act, irrespective of whether it is undertaken by Council or EHA. Unfortunately, Local Government assuming responsibility under the Act, is a clear example of ‘cost shifting’ – no matter how it is being conveyed by the EPA and the State Government.

Administration of the Act will involve additional workload to undertake investigations and gather evidence, training of staff in the operation and calibration of equipment required to measure noise, evidence gathering and general training on what does or not constitute a ‘nuisance’, and the incurring of legal costs if local nuisance complaints are escalated to legal proceedings. There would also be costs associated with the purchase or hire of appropriate equipment to assist in measuring noise levels, vibration, odours, smoke, etc.

If the Council and all other EHA Constituent Councils determine to outsource the compliance functions for local nuisance related matters under the Act to EHA, this will necessitate an increased financial contribution from each of the Constituent Councils, to cover any additional staff, equipment, training, legal costs etc, which EHA may require to administer the Act.

There is potential for some cost recovery from income derived from expiations, however, without knowing the quantum of reports likely to be generated and the subsequent actions required to deal with those specific complaints, it is difficult to assess what level of revenue would be generated. That said, as a general observation, the revenue generated from expiations usually only covers legal costs incurred in undertaking legal action for a breach of an Act and therefore, it is highly unlikely that expiation generated income will offset the administrative costs associated with administering the Act.

If EHA is to take on the compliance function for local nuisance matters, including receiving and managing complaints and reporting on compliance activities as required by the new Act, commencing in the second half of 2017, a budget adjustment, increasing the Council’s proportional funding of EHA, will be required during the 2017-2018 financial year.

The quantum is unknown at this stage and requires further consideration once a Business Case is developed.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable

SOCIAL ISSUES

The Act is intended to establish consistency in the management of local nuisance matters across the state and provide the community with more effective local management of nuisance complaints.

The EPA argues that there are also significant community expectations that Local Government should manage minor environmental protection matters and cites results from community surveys undertaken in 2001, 2003 and 2006 by McGregor-Tan Research on behalf of the Local Government Association of South Australia, which indicated considerable community sentiment that Local Government is best placed to monitor/police pollution. The results indicated that up to 72% of respondents supported this role across the surveys.

It is also highly likely that community expectations that the Council will police and enforce the provisions of the Act, will be significant in the first year or two of implementation of the Act.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

The Council and/or EHA staff will have a substantially increased role to play in the detection and management of minor domestic level environmental issues.
RESOURCE ISSUES

The new requirements of the Act involve additional workload for EHA and/or the Council in investigation and evidence gathering, training for staff in the operation and calibration of equipment to measure noise and training for staff in the evidence gathering of other aspects of ‘nuisance’ matters.

RISK MANAGEMENT

The nuisance provisions of the Act come into force on 1 July 2017. There is a risk, irrespective of the decision made, that the Council and/or EHA may not be ready to administer the compliance related provisions of the Act. The quantum of complaints that the Council will be required to manage under the new Act is untested.

There is a risk that either Council or EHA will be unable to effectively and quickly respond to a significant uptake from the community on the various aspects of “nuisance” related matters as detailed in the Act, leading to community dissatisfaction. There is also a risk that because of the untested nature of the legislation, EHA may either underestimate or overestimate the quantum of issues that need to be managed under the new Act, leading to either EHA being under/over-resourced, or Council being under/over-charged.

These risks can be managed by the Council’s timely consideration of the matters raised in this report and by EHA preparing a detailed Business Case, including costings for providing the requested service on behalf of its constituent Councils. In addition, senior Council staff will attend training sessions organised by the Local Government Association and the EPA on the enforcement of the various provisions of the Act, to ensure that there is sufficient in-house knowledge to appropriately handle any complaints that arise in the short to medium term.

CONSULTATION

- **Elected Members**
  Not Applicable.

- **Community**
  Not Applicable.

- **Staff**
  ERA Chief Executive Officers
  General Manager, Governance & Community Affairs
  Manager, Development Assessment
  Manager, Urban Planning & Sustainability
  Team Leader, Customer & Regulatory Services

- **Other Agencies**

  Staff from Adelaide Hills Council have been contacted about their experience in managing noise complaints. The Adelaide Hills Council has been voluntarily investigating noise complaints on behalf of the Environment Protection Authority (EPA) for the last 12 years.

  In the first 3-4 years, the Adelaide Hills Council received a significant amount of questions and complaints in relation to noise. In the initial years, this resulted in (approximately) 10 -15 noise related investigations per annum, with varying levels of complexity.

  In more recent years, as Council staff reportedly became more proficient with dealing with noise complaints and after the initial ‘rush’, approximately four (4) noise related investigations have been undertaken annually.

  Based on anecdotal evidence, at the outset, it is anticipated that there will be a significant spike in complaints, particularly in relation to noise. It is also expected that the level of complaints to this and other EHA constituent Councils will exceed the level of complaints made to the EPA, on the basis that local government tends to be a more accessible level of Government than the State Government.
DISCUSSION

The concept of “nuisance” under the Act has a subjective element and may in some instances be difficult to measure or prove origin or responsibility.

The Act defines “nuisance” as:

17—Meaning of local nuisance

(1) For the purposes of this Act, local nuisance is—

(a) any adverse effect on an amenity value of an area that—

(i) is caused by—

(A) noise, odour, smoke, fumes, aerosols or dust; or
(B) animals, whether dead or alive; or
(C) any other agent or class of agent declared by Schedule 1; and

(ii) unreasonably interferes with or is likely to interfere unreasonably with the enjoyment of the area by persons occupying a place within, or lawfully resorting to, the area; or

(b) insanitary conditions on premises that unreasonably interfere with or are likely to interfere unreasonably with the enjoyment of premises occupied by persons in the vicinity; or

(c) unsightly conditions, of a kind declared by Schedule 1, on premises caused by human activity or a failure to act; or

(d) a contravention of, or failure to comply with a provision of an environment protection policy, or of any other Act or law, declared by Schedule 1; or

(e) anything declared by Schedule 1 to constitute local nuisance,

but does not include anything declared by Schedule 1 not to constitute local nuisance.

Schedule 1 further defines what constitutes a nuisance, in what circumstances and also a range of circumstances that are exempt (e.g. for noise, sirens, mining, schools, infrastructure works, sporting grounds etc.)

Implementing compliance around these additional duties requires the following aspects to be considered:

- **Workload capacity**: while the “litter” component of the Act has not resulted in a huge additional workload for Council staff, there is potential for some of the nuisance provisions – particularly those relating to noise, odours, animals and unsightly properties, - to bring significant additional workload. This additional workload would be difficult to accommodate within existing resources.

- **Training / equipment**: measuring noise, dust, odour, fumes, aerosols etc., will require specific equipment and training for staff in calibrating and operating the equipment, recording of results and the legislation itself. On 9 February 2017, the EPA advised that it was developing a training package for the nuisance provisions of the Act. The training will be delivered during April and May in time for the 1 July 2017 commencement of the nuisance provisions.

- **Regional approach**: it should be noted that the LGA and a number of the local law firms are also organising information sessions on the legal / compliance / application aspects of the Act. It should also be noted that a regional approach to enforcement of local nuisance matters will minimise the purchase of monitoring equipment and training needs across the Eastern region of metropolitan Adelaide.
There are some synergies and overlap between the current delegated activities of the EHA, some current activities undertaken by Council Officers under various pieces of legislation and the provisions under the new Act. An estimate – opinion based on current experience – of the likelihood of additional workload has been included in the table below along with information about who currently deals with local nuisance complaints. A “Nil” entry means that neither the Council nor EHA currently deal with these issues. For ease of reading, the relevant item subject has been bolded and underlined.

### TABLE 1 – DEALING WITH LOCAL NUISANCE COMPLAINTS

<table>
<thead>
<tr>
<th>Act Clause</th>
<th>Issue</th>
<th>Who currently deals with and quantum of complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section 17 – Meaning of Local Nuisance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) (a) (i) &amp; (B)</td>
<td>Any adverse effect on an amenity value of an area that is caused by animals, whether dead or alive.</td>
<td>Animal Management – Council Compliance Officers and or Planning staff – but with limited powers to act. Dead animal – Depot staff collect and clean up.</td>
</tr>
<tr>
<td><strong>Section 1 Part 2—Things that are local nuisance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Vibration</td>
<td>Nil – though unlikely to generate significant workload.</td>
</tr>
<tr>
<td>3</td>
<td>Unsightly conditions on premises</td>
<td>Currently receive complaints in all these areas. EHA for public health / vermin. Compliance Officers for unsightly properties. Currently deal with under Local Government Act “unsightly” provisions.</td>
</tr>
<tr>
<td>(a) conditions on premises involving—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) excessive or unconstrained rubbish, waste or vegetation; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) stockpiled, excessive or unconstrained disused or derelict items or material that a reasonable person would consider to be rubbish or waste in the circumstances; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iii) graffiti (other than authorised graffiti) that has been left on the premises—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A) in the case of offensive graffiti—for more than 7 days; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) in any other case—for more than 28 days,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>where, in the opinion of an authorised officer, the conditions have had an adverse effect on the amenity value of the area or caused the premises to be significantly out of conformity with the general appearance of neighbouring premises; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>graffiti – Volunteer Graffiti Removal Team.</td>
<td>May generate additional workload.</td>
<td></td>
</tr>
</tbody>
</table>
(b) conditions involving a **building on the premises having been left partially demolished or in a state of disrepair, dilapidation or damage** where, in the opinion of an authorised officer, the conditions have had an adverse effect on the amenity value of the area or caused the premises to be significantly out of conformity with the general appearance of neighbouring premises.

Current receive complaints and deal with under *Development Act*, where appropriate.

4 Things declared to constitute local nuisance

The following are declared to constitute local nuisance for the purposes of section 17(1)(e):

(a) **noise** generated on premises, if an authorised officer forms the opinion—

(i) that—

(A) in the case of fixed machine noise generated on domestic premises—the noise has travelled from the domestic premises to a habitable room, or an outdoor courtyard or entertainment area, on neighbouring premises; or

(B) in the case of noise other than fixed machine noise generated on domestic premises—the noise has travelled from the domestic premises to neighbouring premises between the hours of—

• 8.00pm and midnight on any day; or

• midnight and 9.00am on Sunday; or

• midnight and 8.00am on any other day; or

(C) in the case of construction noise—the noise has travelled from the location of the construction activity to neighbouring premises—

• on any Sunday or public holiday; or

• after 7.00pm or before 7.00am on any other day; or

(D) in the case of waste collection noise—the noise has travelled from the place at which it was generated to neighbouring premises

• before 9.00am or after 7.00pm on any Sunday or public holiday; or

• after 7.00pm or before 7.00am on any other day; or

Currently receive complaints and refer to SAPOL or EPA – this is an area that is likely to generate significant additional workload.

Waste Collection noise

**East Waste for Council related waste collection services.**

Refer to other service provider if not Council.
(E) in the case of noise from a street or tree maintenance machine being used in a public place—the noise has travelled from the public place to neighbouring premises—
   • before 9.00am or after 7.00pm on any Sunday or public holiday; or
   • after 7.00pm or before 7.00am on any other day; and
(ii) that the level, nature or extent of the noise (including its volume, pitch, vibrational frequency, prevalence or frequency of occurrence) is such as to constitute an unreasonable interference with the enjoyment of the neighbouring premises by persons occupying those premises;

(b) **odour** generated on premises, if an authorised officer forms the opinion that—
   (i) the odour has travelled to neighbouring premises; and
   (ii) the nature, intensity or extent of the odour is such as to constitute an unreasonable interference with the enjoyment of the neighbouring premises by persons occupying those premises;

(c) **dust** generated on premises, if an authorised officer forms the opinion that—
   (i) the dust has travelled to neighbouring premises; and
   (ii) the nature, extent, smell, density or texture of the dust is such as to constitute an unreasonable interference with the enjoyment of the neighbouring premises by persons occupying those premises;

(d) **smoke** generated on premises, if—
   (i) an authorised officer forms the opinion that—
      (A) the smoke has travelled to neighbouring premises; and
      (B) the nature, extent, colour, smell or density of the smoke is such as to constitute an unreasonable interference with the enjoyment of the neighbouring premises by persons occupying those premises; or
   (ii) without limiting the generality of subparagraph (i), in the case of smoke from a solid fuel heater—

Street or tree maintenance noise - Council Staff liaise with contractors if related to a Council service or refer to other relevant Agency or Authority.

EHA if related to a food premises, drain or grease trap.
Otherwise Nil.

Currently receive occasional complaints related to outdoor cooking areas / extraction fans and wood ovens.

Development Assessment Staff or EPA. Currently receive some complaints, often related to building sites. Minor issues usually dealt with by Council staff. Major issues referred to EPA.

EHA if related to a food premises.
Otherwise nil.

Probably unlikely to generate significant additional workload, though wood oven smoke may generate some complaints.
(A) a visible plume of smoke extends into the air above neighbouring premises from the flue or chimney of the heater more than 15 minutes after the heater is lit; and

(B) an authorised officer forms the opinion that the nature, extent, colour, smell or density of the smoke is such as to constitute an unreasonable interference with the enjoyment of the neighbouring premises by persons occupying those premises;

(e) vibration generated on premises, if an authorised officer forms the opinion that—
   (i) the vibration has travelled to neighbouring premises; and
   (ii) the nature, intensity or extent of the vibration is such as to constitute an unreasonable interference with the enjoyment of the neighbouring premises by persons occupying those premises;

(f) installation of a fixed machine on domestic premises that, in the opinion of an authorised officer, when operated or used in accordance with the manufacturer’s instructions, generates noise of a kind referred to in paragraph (a)(i)(A), the level, nature or extent of which is of a kind referred to in paragraph (a)(ii);

(g) projection of a promotional, obscene or offensive image onto property without the consent of the owner or occupier of the property;

(h) using an audible bird scaring device otherwise than in accordance with the Audible Bird Scaring Devices Environmental Noise Guidelines 2007 prepared by the Environment Protection Authority.

The Adelaide Hills Council has been managing noise complaints for some years, as discussed above, in an agreement with the EPA. The EPA provided the Council with equipment to measure the noise and training for its staff.

As can be seen from the information set out in Table 1, there is a significant body of work which does not currently fall into the areas of work which either the Council or EHA currently undertake. While it is certainly possible for EHA to undertake this additional compliance function, it should be noted that this work is not currently contemplated for within the Authority’s Charter and therefore, it has not been costed into its budget or to the fees which it charges its Constituent Councils. EHA also does not currently have either the equipment or the trained staff to undertake these additional functions and tasks.

It should also be noted that some of the items that are currently handled by the EHA (e.g. odour from food premises and unsightly) now have an additional legal framework under which they can be dealt and hence some changes to delegations may be required, irrespective of whether the EHA eventually takes on additional compliance areas.
As previously mentioned, the Litter Control provisions of the Act came into force on 1 February 2017 and will be administered by the Council through its Regulatory Services staff, within existing resources. However, staff training in investigation, evidence gathering and enforcement may need to be provided on a needs basis.

To date, the Council has not received any litter related complaints under the new Act.

The new legislation has established a new legislative framework with significantly higher consequences. Expiations in this category can be significant and hence, a challenge to the Notice is more likely. For example, a Class A Offence (asbestos or anything containing asbestos), can result in a $120,000 penalty for an individual or 2 year imprisonment, or $250,000 penalty for a body corporate.

There is arguably little commonality between the functions which the EHA currently undertakes on behalf of its constituent Councils and the enforcement of litter control provisions of the Act. As such, it is recommended that the administration of the litter control provisions of the Act, remain with the Council.

It is understood that the other Constituent Councils of the EHA will be presented with reports for consideration consistent with this report. The other Constituent Councils are Campbelltown City Council, City of Burnside, City of Prospect and the Corporation of the Town of Walkerville.

**OPTIONS**

The Council can either outsource the administering of all or some of the nuisance related aspects contained in the *Local Nuisance and Litter Control Act 2016* or administer all provisions of the Act, subject to further analysis of the cost and resource implications outlined in the body of this report.

**CONCLUSION**

The implementation of the *Local Nuisance and Litter Control Act 2016*, provides a new legal framework to undertake existing duties and in other cases, additional duties and workload, currently undertaken by the EPA, to be the responsibility of Local Government.

Implementation of the litter control component of the Act has brought minimal changes in workload for the Council to date.

Implementation of the local nuisance provisions of the Act from 1 July 2017, has the potential to substantially increase workload, particularly in the area of noise, dust, odour and animal related complaints and potential for an inconsistent approach in the administration of the Act.

It is therefore recommended that EHA be required to take on the enforcement of the local nuisance provisions of the Act on a regional basis, recognising that this is a function that is above and beyond the Authority's current role.

**COMMENTS**

The EHA operates under a Charter which was last reviewed in 2016. Amongst other things, it sets out the functions of the EHA, delegated to it by its Constituent Councils. The Charter is geared towards the provision of public and environmental health functions and as such, would need to be amended to incorporate the administering of the *Local Nuisance and Litter Control Act 2016*. This would be an administrative process requiring the agreement of all of the Constituent Councils.
RECOMMENDATION

1. The Council resolves that the Eastern Health Authority is required to administer and enforce the local nuisance related functions of the Local Nuisance and Litter Control Act 2016, on behalf of the City of Norwood Payneham & St Peters and the other Eastern Health Authority Constituent Councils, specifically in respect to the following “nuisance” aspects contained in the Act:
   - noise;
   - odour (and other airborne “nuisance”);
   - dust;
   - smoke; and
   - any other nuisance related provisions of the Act which the Council’s Chief Executive Officer believes would be better managed by the Eastern Health Authority.

2. That the Chief Executive Officer of the Eastern Health Authority provide the Council with an indication of the cost, resourcing and administrative implications of this additional service being provided by EHA.

3. That the Council notes that the additional compliance role for the Eastern Health Authority under the Local Nuisance and Litter Control Act 2016, would be subject to amendments to the Eastern Health Authority Charter 2016, being unanimously endorsed by all Constituent Councils of the Eastern Health Authority.

4. That the Council notes that any additional compliance role for the Eastern Health Authority under the Local Nuisance and Litter Control Act 2016, would be undertaken at an additional cost to the Council and if progressed, would require an adjustment to the Council’s 2017-2018 Budget.

Cr MacRae left the meeting at 8.17pm.  
Cr MacRae returned to the meeting at 8.18pm.  
Cr Minney left the meeting at 8.25pm.  
Cr Minney returned to the meeting at 8.26pm.

Cr Whitington moved:

1. The Council resolves that the Eastern Health Authority is required to administer and enforce the local nuisance related functions of the Local Nuisance and Litter Control Act 2016, on behalf of the City of Norwood Payneham & St Peters and the other Eastern Health Authority Constituent Councils, specifically in respect to the following “nuisance” aspects contained in the Act:
   - noise;
   - odour (and other airborne “nuisance”);
   - dust;
   - smoke; and
   - any other nuisance related provisions of the Act which the Council’s Chief Executive Officer believes would be better managed by the Eastern Health Authority.

2. That the Chief Executive Officer of the Eastern Health Authority provide the Council with an indication of the cost, resourcing and administrative implications of this additional service being provided by EHA.

3. That the Council notes that the additional compliance role for the Eastern Health Authority under the Local Nuisance and Litter Control Act 2016, would be subject to amendments to the Eastern Health Authority Charter 2016, being unanimously endorsed by all Constituent Councils of the Eastern Health Authority.

4. That the Council notes that any additional compliance role for the Eastern Health Authority under the Local Nuisance and Litter Control Act 2016, would be undertaken at an additional cost to the Council and if progressed, would require an adjustment to the Council’s 2017-2018 Budget.

Seconded by Cr Duke and carried unanimously.
11.8 JOINT PLANNING AGREEMENT PILOT PROJECT

PURPOSE OF REPORT

The purpose of this report is to seek approval for the Council to participate in a Pilot Project to develop a Joint Planning Agreement between the Minister for Planning and Eastern Region Alliance (ERA) Councils, to deliver a range of Local Government and/or State planning functions on a regional basis.

BACKGROUND

Parts of the Planning, Development and Infrastructure Act 2016 (the PDI Act), commenced on 1 April 2017, together with related changes to the Development Act 1993. Relevant to this report is that the whole of Part 3 of the PDI Act has commenced, which provides for the establishment of the State Planning Commission and allows for the establishment of Joint Planning Boards.

The PDI Act creates a path to establish voluntary Planning Agreements between the Minister for Planning and Councils which, via the operation of a Joint Planning Board (JPB), allows for planning matters (such as planning policy formulation and development assessment) to be managed on a regional basis.

The Department of Planning, Transport and Infrastructure (DPTI) has announced an opportunity for Councils to participate in a ‘Joint Planning Arrangements Pilot Project’, which would ‘road-test’ the legislative framework in relation to regional co-ordination, cost-sharing and community benefit for a range of Local Government and State planning functions. DPTI is offering funding of up to $50,000 and in-kind support for the Pilot Project.

The Mayors, Chief Executive Officers and Directors/General Managers responsible for Planning for the respective Councils in the Eastern Region Alliance (ERA) have given consideration to this opportunity and are supportive of participating in the Pilot Project.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The relevant Outcomes and Objectives of the Council’s City Plan 2030, Shaping Our Future are set out below:

Outcome 2: Cultural Vitality

A culturally rich and diverse city, with a strong identity, history and ‘sense of place’

Objective 1. A visually interesting, artistic and creative City.
Objective 3. A City which values and promotes its rich cultural and built heritage.

Strategies - Protect and enhance places, streetscapes, precincts and landmarks which reflect the built and cultural history of our City.

Objective 4. Pleasant, well designed, sustainable urban environments.

Strategies - Integrate new development that complements our City’s built heritage and character areas.
Outcome 3: Economic Prosperity
A dynamic and thriving centre for business and services.

Objective 2. Cosmopolitan character business precincts contributing to the prosperity of the City.

Strategies - Retain commercial and industrial land and protect it from the encroachment of incompatible land uses.

Outcome 4: Environmental Sustainability
A leader in environmental sustainability.

Objective 3. Sustainable quality streetscapes and open spaces.

The Strategic themes identified above are relevant to the establishment of a Joint Planning Board, as the functions and duties of such a Board could include the development of Regional Plans to guide new development and infrastructure provision. By leading the Local Government sector in the testing and implementation of the Joint Planning Board model, the Council will ensure that its interests in providing services for the future of its community (and beyond) are well represented.

FINANCIAL AND BUDGET IMPLICATIONS

DPTI has offered to provide in-kind support through funding the position of a coordinator and contributing up to $50,000 to assist in the process of developing a business case for a Joint Planning Agreement, with councils co-contributing dollar for dollar and providing in-kind support.

If all six ERA Councils participate in the Pilot Project, the Council’s financial contribution would be approximately $8300. The on-going cost of administering a Joint Planning Board is unknown at this point in time as the cost will depend on the extent of the Board’s role and extent of regional initiatives. However, it is highly likely that the costs would need to be borne by the ERA Councils.

EXTERNAL ECONOMIC IMPLICATIONS

Regional collaboration across a range of local government functions may assist to drive investment and economic development across the Eastern Region of metropolitan Adelaide through removing barriers, ‘perceived barriers’ and inefficiencies in the planning system.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.
RESOURCE ISSUES

Relevant staff from the Council will participate in the Pilot Project on a needs basis and this can be accommodated within existing resources.

RISK MANAGEMENT

There are no significant risks associated with participating in the Pilot Project as the Council is not compelled to sign the Agreement if it does not agree to the proposed content and parameters of the draft Agreement. However, it should be noted that once a Planning Agreement is entered into, it can be varied but this must be agreed to by all parties or by the Minister. The Planning Agreement may also be terminated by the same process.

CONSULTATION

- Elected Members
  ERA Council Mayors have received and noted a discussion paper on what were then known as Regional Planning Boards, now known as Joint Planning Boards.

- Community
  Not Applicable.

- Staff
  Manager, Development Assessment
  Manager, Urban Planning & Sustainability

- Other Agencies
  Not Applicable.

DISCUSSION

Regional Planning and Planning Agreements

The PDI Act provides Councils with a mechanism to deliver Local Government and/or State functions (subject to agreement by the Minister) on a regional basis, including preparation of Regional Plans, development assessment, appointment of Assessment Managers and amendments to a Designated Instrument, such as a Development Plan (or future equivalent).

This process begins with a Planning Agreement, which is an agreement between the relevant Councils and the Minister. A Planning Agreement is a long-term arrangement which allows for planning functions to be delegated to regional groupings of Councils, subject to agreed performance measures and targets. Planning Agreements may also include others matters that may be agreed on by other Ministers (e.g. regional development or natural resource management) and other entities may be party to the Agreement.

Each Planning Agreement is to be delivered by establishing a Joint Planning Board, which must comprise membership ranging between three (3) and seven (7) members to perform agreed functions (such as regional planning and/or assessment). In addition to the constitution of a Joint Planning Board and the delegation of functions and powers, ancillary matters associated with the operation of the board can also be addressed, such as staffing, support, financial and resourcing issues.

A flowchart showing the process associated with formally establishing a Planning Agreement is provided below (courtesy of DPTI):
A Planning Agreement is subsequently able to be varied (or terminated), but this must be agreed to by all parties or by the Minister. The Joint Planning Agreement expires at the end of ten (10) years and may be replaced by a new agreement. If the Council enters into an Agreement with the Minister and other ERA Councils, the term of the Agreement is a matter which requires further careful consideration. Given the untested nature of the proposed new planning system, it would be prudent for the initial commitment between the parties to be limited to no more than three years, to safeguard against entering into a long term commitment that may not represent ‘best value’ for our community.

The Planning and Development Division of the DPTI is looking to partner with an area/region to assist a number of Councils in establishing a business case for Joint Planning Agreements. ‘Seed funding’ will be provided to assist these Councils with this process and DPTI will engage a specialist in the area of governance and local government (and provide in-kind support) to assist in identifying the resultant benefits.

Participation would allow Council to build on the success of the existing ERA collaboration, with a focus on regional planning arrangements now and into the future. It is not intended that development assessment, or Regional Development Assessment Panels form part of the proposed Pilot Project.

**Establishing a Joint Planning Board**

As previously mentioned, the PDI Act gives Councils the ability to establish Joint Planning Boards. The ERA Mayors and Chief Executive Officers Group received and noted a Discussion Paper on regional planning matters prepared by Donna Ferretti for the LGA (SA) at its meeting of 23 November 2016.

The paper explored the rationale underpinning the establishment of Joint Planning Boards (which at that stage was referred to as a Regional Planning Board), the functions the Board would serve, the potential opportunities and constraints, and strategies for Councils to optimise their planning functions through the operation of Joint Planning Boards. The paper also related to issues such as stormwater, transport, and recreational facilities. A copy of the Discussion Paper is contained in [Attachment A](#).

The Group identified that there are potential benefits for ERA (Eastern Region Alliance) Councils in pursuing the possibility of undertaking a pilot of a Joint Planning Board.
It was noted that, as there is funding available, this presents an excellent opportunity to explore options and for ERA to lead the sector in regional planning for greater community benefit. The diagram below (from the SA Planning Portal) illustrates some of the functions that a Joint Planning Board could undertake:

A copy of a DPTI information sheet on Joint Planning Arrangements is contained in Attachment B.

Staff have engaged in a small number of discussions with relevant staff in ERA Councils. At those meetings there has been consistent support for pursuing the eastern region as a pilot for Regional Planning. The focus has been on matters such as open space planning, infrastructure planning, transport planning and overall master planning on a regional basis.

There has been general consensus to pursue this through discussions with DPTI, but to exclude Development Assessment and Development Assessment Panels due to the likely sensitivities and indeed complications around these matters. Those matters could be considered at any time in the future pending the success of the operations of the Joint Planning Boards.

**Regional Plans**

Under the new planning legislation, the State Planning Commission will prepare a Regional Plan for each designated planning region. If a Joint Planning Board has been constituted, the Regional Plan will be prepared in partnership with the Board. Regional Plans will play a similar role to volumes of the Planning Strategy under the current Development Act, with the new option of linking directly through to zoning changes.

Regional Plans may be divided into parts relating to sub-regions and may include structure plans, master plans, concept plans or other similar documents. Through participation in the Pilot Project, the Council (and ERA) will be able to explore the impacts and benefits that these new regional approaches would have on planning policy formulation, rather than having potentially limited input into a Regional Plan developed by the Commission.

**Submitting an Expression of Interest (EOI)**

To participate in DPTI’s Pilot Project, the Council needs to highlight its level of commitment to the project and the anticipated benefits of participating.

With all ERA Councils participating and building on a strong history of collaboration with adjoining Councils and DPTI in structure planning and planning policy matters, ERA would be well-positioned to be successful in its submission of an EOI.

An EOI must be submitted by 12 May 2017 and will detail the experience of the ERA Councils in working collaboratively, the level of support gained by participating Councils, the types of functions the councils would like to consider in the Pilot Project, the resources to be allocated and the amount of funding support being sought from the DPTI.

The particulars supporting the EOI will be developed by staff from the City of Prospect upon receipt of the endorsement of all ERA Councils.

It is understood that all ERA Councils are set to consider this opportunity prior to the deadline to submit an expression of interest.
OPTIONS

The Council can determine to participate or not participate in the Pilot Project, having regard to the issues contained in the body of this report.

CONCLUSION

New planning legislation (the Planning, Development and Infrastructure Act 2016) (PDI Act) creates a path to establish Planning Agreements between councils which, via the operation of a Joint Planning Board (JPB), allows for planning matters (such as planning policy formulation) to be addressed on a regional basis.

The Department of Planning, Transport and Infrastructure (DPTI) have announced an opportunity to participate in a Joint Planning Arrangements Pilot Project, which would ‘road-test’ the legislative framework in relation to regional coordination, cost-sharing, and community benefit. DPTI would contribute funding of up to $50,000 in support of the Pilot Project plus in-kind support.

The Mayors, Chief Executive Officers and Directors/General Managers responsible for Planning across Councils of the Eastern Region Alliance (ERA) have given consideration to this opportunity and are supportive of participating in the pilot. The co-contribution of associated costs to participate in the Pilot Project would be drawn from the ERA membership fees, hence requiring no additional expenditure from member Councils other than in-kind support.

By participating, ERA has the opportunity to lead the local government sector in the testing and implementation of a new planning system. It is therefore desirable that the Council supports the submission of an Expression of Interest on behalf of ERA to participate in the Pilot Project.

COMMENTS

Nil.

RECOMMENDATION

1. That the Council endorses its participation in the ‘Joint Planning Arrangements Pilot Project’ being implemented by the Department of Planning, Transport and Infrastructure.

2. That the Council notes that the City of Prospect will submit an expression of interest, on behalf of the Eastern Region Alliance, to participate in the ‘Joint Planning Arrangements Pilot Project’.

3. That the Council endorses the Eastern Region Alliance committing funding to the ‘Joint Planning Arrangement Pilot Project’ drawn from membership fees, with in-kind support being provided by relevant Council staff.

Cr Duke moved:

1. That the Council endorses its participation in the ‘Joint Planning Arrangements Pilot Project’ being implemented by the Department of Planning, Transport and Infrastructure.

2. That the Council notes that the City of Prospect will submit an expression of interest, on behalf of the Eastern Region Alliance, to participate in the ‘Joint Planning Arrangements Pilot Project’.

3. That the Council endorses the Eastern Region Alliance committing funding to the ‘Joint Planning Arrangement Pilot Project’ drawn from membership fees, with in-kind support being provided by relevant Council staff.

Seconded by Cr Frogley and carried unanimously.
11.9  LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA – 2017 REVIEW OF THE LGA MEMBERSHIP SUBSCRIPTION FORMULA

REPORT AUTHOR: General Manager, Governance & Community Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: S/0022
ATTACHMENTS: A - B

PURPOSE OF REPORT

The purpose of the report is to advise the Council of the release of the Local Government Association of South Australia’s 2017 Review of LGA Membership Subscription Formula – Summary for Consultation research report (the Report), regarding Council Membership fees and to enable the Council to provide comments to the Association.

BACKGROUND

In May 2015, the Local Government Association of South Australia Board, resolved to undertake a review of the Local Government Association of South Australia’s (LGA) membership subscription formula, including identification of alternative options for consideration and decision, prior to the setting of 2016-17 Subscription fees.

The LGA review also included external advice in respect to the calculation of the financial benefits to Councils as members of the LGA.

In summary, as part of the review and subsequent consultation, the following outcomes were identified:

1. there was broad support for change to the formula used to calculate the LGA Subscription fees;
2. the flat fee component of the formula should be increased to 20%;
3. any changes to the formula should be phased in over a period of time, or delayed until the next budget cycle to ensure Councils have the ability to plan accordingly;
4. ensuring the flat component tier is linked to population is the preferred approach, however the population tiers should be further reviewed. The suggestion of using the Remuneration Tribunal’s approach is worthy of investigation. Any alternative tiers adopted should be consistent with the voting rights outlined in the LGA Constitution;
5. using a three (3) year average for the operating revenue is considered appropriate to moderate fluctuations that can occur due to one-off grants or natural disaster funding;
6. there was no clear position on the use of capping subscription fees; and
7. the current weighting of population (40%) and revenue (60%) are considered appropriate.

The outcomes of the review were presented to the LGA Board at its meeting held on 19 May 2016. Following consideration of the matter, the LGA Board resolved the following:

That the LGA Board:

1. notes the consultation report outlining the outcomes of the review of LGA SA Membership Subscriptions Formula;
2. adopts the following approach to reforming the LGA SA Subscription Formula:

   a. an increase in the flat amount to collect 20% of subscriptions using the three tiers;
   b. maintaining the 40% population and 60% revenue weighting for the balance of subscriptions;
   c. using three year average revenue; and
   d. maintaining the three times average cap.
3. endorses the introduction of the above approach being deferred until the 2017-2018 financial year to allow councils sufficient time to plan;

4. requests that prior to the introduction of the above approach, further research and modelling be done on using alternative population tiers for the tiering of the flat component of the subscription fee including the tiers used by the Remuneration Tribunal; and

5. requests that the LGA Governance Review take into account the feedback provided as part of this review concerning:
   5.1 the population tiers and their application to voting rights; and
   5.2 the review of service delivery and value for money (efficient use of LGA subscriptions) of LGA operations

On 12 July 2016, the Council received a letter from the Chief Executive Officer of the LGA, advising the Council that the Council’s 2016-2017 Membership Subscription would be $49,539, which, based on the Council’s 2015-2016 Membership Subscription, represented an increase of $381.00.

However, in terms of this Council’s 2017-2018 Membership fee and based on the resolution of the LGA Board, as set out above, the Council’s LGA Membership Subscription fee will reduce by approximately $2000.00 in 2017-2018.

Notwithstanding this, the LGA Board requested that further research be undertaken regarding population tiers to ensure appropriate differentiation between Councils of varying sizes prior to finalising the 2017-2018 Membership Subscriptions.

The LGA is seeking feedback from Councils in respect to these matters.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

As stated above, the Council’s annual Membership Subscriptions are significant and based on the resolution of the LGA Board, the Council’s Membership Subscription will be $49,539 for the 2017-2018 financial year.

The Council allocates funds for the LGA Membership Subscription as part of its Recurrent Budget.

As stated in the Report, there are a number of options in terms of determining Membership Subscriptions which may be applied. Depending on which option is adopted by the LGA Board, this Council’s Membership Subscription may increase.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable

SOCIAL ISSUES

Not Applicable

CULTURAL ISSUES

Not Applicable

ENVIRONMENTAL ISSUES

Not Applicable
RESOURCE ISSUES
Not Applicable

RISK MANAGEMENT
Not Applicable

CONSULTATION
- Elected Members
  Elected Members were advised of the outcome of the first stage of the review via a memorandum dated 22 July 2016 from the General Manager, Governance & Community Affairs.

- Community
  Not Applicable.

- Staff
  Nil

- Other Agencies
  Nil.

DISCUSSION
LGA member subscription fees fund the core of the LGA activities. These fees are calculated by applying a formula which has been designed to achieve the following basic principles in relation to the benefit of membership:

a. some services have a fixed benefit to all members, irrespective of population or revenue base; and
b. some services provide benefits relative to the size of the population of the council; and
c. some services provide benefits relative to the revenue base of the council.

The current formula for Membership Subscriptions includes:

1. A flat fee component which varies relative to the population of members with the base amount set at $2,500 for Councils with a population less than 10,000, increasing to $5,000 for those Councils with a population between 10,000 and 50,000 and increasing to $7,500 for those Councils with a population greater than 50,000.

   These population tiers are consistent with those set out in the LGA Constitution for Council member voting rights.

2. The balance of the Subscriptions are then calculated on the basis of population share (40% weighting) and operating revenue (60% weighting).

3. A Subscription cap of three (3) times the average Subscription as well as no Council receiving an increase greater than 5% in a year.

As stated above, in May 2016, the LGA Board resolved to adopt the following formula from 1 July 2017:

1. increase the flat amount collected to 20% (up from 13%) of subscriptions using the current three (3) population tiers;

   This means that Councils with a population of less than 10,000 would have a flat charge of $3,748, those Councils with a population between 10,000 and 50,000 would have a flat charge of $7,497 and those Councils with a population greater than 50,000 would have a flat charge of $11,245.

2. Maintaining the 40% population and 60% revenue weighting for the balance of subscriptions;
3. Using a three (3) year average for the revenue calculation; and

4. Maintaining the three (3) times average cap.

Notwithstanding that the LGA Board adopted the model as set out above, the LGA Board also asked that more research and modelling be undertaken on using alternative population tiers for the flat component of the Subscription Fee, including the tiers used by the Remuneration Tribunal, in recognition of the circumstance where the largest “capped” council (City of Onkaparinga) is significantly larger in terms of population and revenue of the other “capped” Councils (eg City of Tea Tree Gully, City of Playford and City of Marion).

Morton Consulting Services Pty Ltd were subsequently engaged by the LGA to undertake this work. The additional modelling has now been completed and addresses each of the four (4) Subscription options presented as part of the initial review undertaken in 2015-16 Review including:

- an updated base case of the option as adopted by the LGA Board in 2016, using current population and revenue figures for each Council;
- remodelling of Options 1 – 4 using the Remuneration Tribunal of South Australia’s (RTSA) categories as a general guide to population tiers;
- remodelling of Options 1 – 4 using a modified Remuneration Tribunal of South Australia (RTSA) from that presented above;
- having one (1) common flat component for all Councils like other States, with no population steps for this part of the formula; and
- having one (1) equal flat charge, and replacing the cap with a declining block rate based on population and revenue.

A copy of the RTSA’s groupings of Councils which are applied when determining Elected Member Allowances is contained within Attachment B.

Remodelling of Options 1-4 using the RTSA categories, results in the following:

- reduces the fee for Councils with a population of less than 4,000;
- increases the fees for Councils with a population between 4000 and 10,000; and
- Councils which have reached the cap have no change in their Subscription fee.

Remodelling of Options 1-4 using a modified RTSA category, results in the following:

- reduces the fee for Councils with a population of less than 4,000;
- a relatively small increase in the fee for Councils with a population between 4000 and 10,000; and
- Councils with a population over 30,000 have an increase of approximately $3,000 (apart from capped Councils); and
- Councils which have reached the cap have no change in their Subscription fee.

As highlighted above and as set out on Page 10 of the LGA Report, a remodelled option using a modified RTSA population categories, would result in an increase of $3324 for this Council’s 2017-2018 Membership Subscription.

One (1) common flat component (ie no population steps) results in the following:

- increases of up to $2,500 per year for those Councils with a population less than 10,000; and
- reduction of the fees of approximately $2,500 per year for those Councils with a population over 10,000.

This means that this Council would receive a reduction in its 2017-2018 Membership Subscription of $2629.
The new modelling reveals that having a common flat component for all Councils with no population steps, would align the formula with the third principle adopted by the LGA in setting Subscription fees namely; ‘that some services have a fixed benefit to all members, irrespective of population or revenue base’.

This is consistent with the approach of other State associations where the flat component is an equal amount per member.

One (1) equal flat charge and replacing the “cap” with a declining block rate based on population and revenue, would result in the following:

- increases in the fees of between $2,500 and $4,000 for those Councils with a population less than 10,000; and
- minor decreases for the remaining Councils except for three (3) of the “capped” Councils (City of Playford, City of Marion and City of Tea Tree Gully) which would receive a significant decrease between $17,000 and $19,500. The fee for the City of Onkaparinga would significantly increase by $7,365.

This Council’s Membership Subscription would decrease by $161 under this model.

Table 8.1 of the Report (Page 8) and Table 8.2 of the Report (Page 11) sets out details of the financial outcomes for each Council (ranked by population size), based on the application of the RTSA model, the modified RTSA model and the No Tiers model.

Table 8.1 is based on maintaining the three (3) times “cap” and Table 8.2 is based on eliminating the “cap”.

Details of the financial outcomes for this Council using a flat charge approach (and as set out in Table 8.1 of the Report) are set out in Table 1 below.

**TABLE 1 – OUTCOMES OF THE MEMBERSHIP MODELLING USING A FLAT CHARGE APPROACH FOR THE CITY OF NORWOOD PAYNEHAM & ST PETERS**

<table>
<thead>
<tr>
<th>Current Tiers (Base Case)</th>
<th>RTSA Model</th>
<th>Change</th>
<th>Modified RTSA Model</th>
<th>Change</th>
<th>No Tiers</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>$47,521</td>
<td>$48,367</td>
<td>$846</td>
<td>$50,845</td>
<td>$3,324</td>
<td>$44,892</td>
<td>$2,629</td>
</tr>
</tbody>
</table>

Details of the financial outcomes for this Council eliminating the “cap” approach (and as set out in Table 8.2 of the Report) are set out in Table 1 below.

**TABLE 2 – OUTCOMES OF THE MEMBERSHIP MODELLING ELIMINATING THE CAP**

<table>
<thead>
<tr>
<th>Current Tiers (Base Case)</th>
<th>Change</th>
<th>RTSA Model</th>
<th>Change</th>
<th>Modified RTSA Model</th>
<th>Change</th>
<th>No Tiers</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>$48,752</td>
<td>$1,231</td>
<td>$49,671</td>
<td>$2,150</td>
<td>$51,349</td>
<td>$3,828</td>
<td>$47,630</td>
<td>$161</td>
</tr>
</tbody>
</table>

As highlighted in Table 1 above, the best option in terms of costs is the flat charge approach and the No Tiers Option, which results in a Membership Subscription decrease for this Council of $2,629.

Table 2 above also shows that in terms of the costs, the No Tiers option presents the best option for the Council, albeit the decrease in the Membership Subscription is minor.

As stated above, from a purely financial point of view, the flat charge and no tiers option, is the best option for this Council, however this Council is one of 68 Councils and therefore it is recommended that the Council supports options which provide for a fair and equitable Membership Subscription fee across all Councils.
A comment regarding each of the subscription elements is set out below:

- **Flat Fee Component (No Tier Option)**

  It is recommended that the Remuneration Tribunal population tiers be used as a guide for the flat fee component of the Membership Subscription, designed to collect at least 20% of overall subscriptions. The use of the Independent Remuneration Tribunal's population tiers would be consistent with the population tiers used to determine Elected Member Allowances and therefore, the use of these tiers reflects a consistent and logical approach across Local Government.

  It is recognised that some LGA services have a benefit to all members, irrespective of population or revenue base and it could therefore be argued, that an equal flat rate should be applied to reflect this. However, as highlighted in the calculations modelled in the Report, the No Tiers option (in both the "capped" and eliminated "cap" options), while providing a significant decrease in fees for the larger Councils (with the exception of the City of Onkaparinga), would result in a significant increase to the smaller regional Councils and one (1) metropolitan Council (ie the Town of Walkerville).

  This is a significant impost on a large number of Councils – one as high as 38% increase in the subscription fee compared to the current tiered approach. While it could be argued that these are LGA services which are already utilised by these regional councils and therefore they should be compensating the LGA to reflect these benefits, consideration should be given to the limited resources available to these Councils.

- **Population and Revenue Weighting**

  It is recommended that the Council continue to support the use of operating costs or rate revenue as part of the Membership Subscription calculation, on the basis that this represents a fair and accountable means to measure the size of a Council and its ability to pay. The current weighting of 40% population and 60% operating revenue over a three (3) year average for operating revenue, addresses fluctuations in revenue on a year-to-year basis as a result of one-off grants or other funding.

- **Subscription Cap**

  The current subscription "cap" does not address the significant variations in the size of Councils. The removal of the subscription "cap" therefore provides for a fairer and equitable distribution of the subscription fees, although the removal of the cap does not impact on this Council's Membership Subscription fees.

**Voting Entitlements**

Whilst the voting entitlements of member Councils has not been the focus of the review of Membership Subscriptions, the decision of the LGA Board in May 2016, referred to the population tiers used in the subscription formula and their application to voting rights.

As stated previously within this report, the alignment with the Remuneration Tribunal populations tiers for matters that are to be applied across the sector represents a practical and logical approach.

It is therefore also recommended that the Council recommends to the LGA, that consideration should be given to amending the voting entitlements of Councils at LGA Annual General Meetings and Ordinary General Meetings to align with the population tiers the Remuneration Tribunal Determination currently uses to determine Elected Member Allowances.

**OPTIONS**

The Council can determine to forward comments to the LGA or decline the invitation to do so.

Based on the analysis which has been undertaken regarding the various models which could be applied to the LGA Membership Subscriptions and the impact of some of the models on this Council (ie the potential for a significant increase in the fee if the modified RTSA model were applied), and on the premise that the Membership Subscriptions should be applied in a fair and equitable manner for all Councils, it is recommended that the Council forward comments to the LGA regarding its preferred option.
As stated within this report, it is the recommended that the RTSA population tiers should be used a basis for the fee model and that the three (3) times capped subscription limit should be eliminated and replaced with a model which involves a declining block rate for set increments in population and revenue. This means that larger Councils, in terms of population and revenue, will still pay more than smaller ones, however the increase will be at a smaller rate.

CONCLUSION

Membership of the LGA is voluntary and all Councils in South Australia are members along with Anangu Pitjantjatjara. Associate members include Nepabunna Aboriginal Community, Gerard Aboriginal Community and the Outback Areas Community Development Trust. The LGA is primarily funded by member subscriptions, and Councils receive many direct and indirect benefits as a result of being a member of the Association.

In a report commissioned by the LGA in July 2016, *LGA Value of Membership*, UHY Haines Norton (consultants) found that the value of LGA membership provided an average benefit to each individual Council of approximately $1.55m through activities of the LGA and the entities established by the LGA.

COMMENTS

Whilst a review of subscription fees is certainly necessary from time-to-time, it would be advantageous to look at the expenditure side of the equation first and then the revenue side.

RECOMMENDATION

1. That the Council advises the Local Government Association of South Australia, that having considered the *2017 Review of LGA Membership Subscription Formula – Summary for Consultation* report, the Council endorses the following Membership Subscription model:
   - increasing the flat amount collected to 20% (up from 13%) of subscriptions, using the Remuneration Tribunal population tiers;
   - maintaining the 40% population and 60% revenue weighting for the balance of subscriptions;
   - using a three (3) year average for the revenue calculation; and
   - removing the three (3) times “capped” subscription limit and replace it with a declining block rate for set increments in population and revenue.

2. That the LGA consider amending the Member Council Voting entitlements at LGA Annual General Meetings and Ordinary General Meetings, to align with the current Remuneration Tribunal of South Australia's population tiers to provide a more consistent approach to voting entitlements for Councils.
Mayor Bria declared an interest in the matter as he is a Member of the Local Government Association Board.

Cr Minney moved:

1. That the Council advises the Local Government Association of South Australia, that having considered the 2017 Review of LGA Membership Subscription Formula – Summary for Consultation report, the Council endorses the following Membership Subscription model:
   - increasing the flat amount collected to 20% (up from 13%) of subscriptions, using the Remuneration Tribunal population tiers;
   - maintaining the 40% population and 60% revenue weighting for the balance of subscriptions;
   - using a three (3) year average for the revenue calculation; and
   - removing the three (3) times “capped” subscription limit and replace it with a declining block rate for set increments in population and revenue.

2. That the LGA consider amending the Member Council Voting entitlements at LGA Annual General Meetings and Ordinary General Meetings, to align with the current Remuneration Tribunal of South Australia’s population tiers to provide a more consistent approach to voting entitlements for Councils.

Seconded by Cr Knoblauch and carried unanimously.
11.10 LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA – PUBLIC AWARENESS CAMPAIGN – RATE CAPPING

REPORT AUTHOR: General Manager, Governance & Community Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: S/0022
ATTACHMENTS: Nil

PURPOSE OF REPORT
The purpose of the report is to advise the Council of the request from the Local Government Association of South Australia, to support the LGA’s Public Awareness Campaign which is being implemented in the lead up to the 2018 State Government election for the Council’s consideration.

BACKGROUND
As Elected Members may recall, in 2015 the Economic and Finance Committee of State Parliament commenced an inquiry into Local Government Rate Capping Policies.

As part of the Inquiry, the Committee examined the following:

1. the operation of rate capping elsewhere in Australia, given the commonality of Local Government system in place, including:
   - the period the policy has operated for;
   - conditions attached to the policy;
   - any opportunities for increases above the regulated increase and details of conditions required to submit such a request;

2. peer review of the outcomes of rate capping policy;

3. information on other nations in which a Local Government rate capping policy operates; and

4. other related matters.

This Inquiry followed the State Liberal Party's policy position as part of the 2014 State Government Election, which was to impose rate capping on Local Government.

At that time, the Local Government Association of South Australia (LGA) prepared a submission to the Inquiry, which was provided to all Councils to enable Councils to consider and determine their respective positions on rate capping.

As Elected Members may recall, at its meeting held on 3 August 2015, the Council considered the LGA’s submission and rate capping generally and resolved the following:

1. That the Economic and Finance Committee of State Parliament be advised that:
   (a) the Council does not support the introduction of rate capping to Local Government in South Australia; and
   (b) the Council supports the submission prepared by the Local Government Association of South Australia.

2. That this report and the submission prepared by the Local Government Association of South Australia, be used as the basis of this Council’s submission to the Economic and Finance Committee of State Parliament.
In accordance with the Council’s decision a submission was forwarded to the Economic and Finance Committee of State Parliament in response to the Inquiry.

On 24 September 2015, the Mayor and Chief Executive Officer appeared before the Economic and Finance Committee to present a case against rate capping in response to the Inquiry.

In addition to the position which was adopted by the Council in respect to rate capping, a report was considered at the LGA’s Ordinary Meeting held on 14 April 2016, regarding rate capping.

Following consideration of the matter, the LGA Ordinary General Meeting unanimously resolved to:

1. reaffirm the view that decisions concerning Council rates are better informed, and the impacts better understood, when made by the respective councils in consultation with their communities;

2. reject the State Opposition’s policy on rate capping; and

3. endorse the LGA President and CEO to continue to work with all Members of Parliament to ensure rate capping is not imposed on South Australian councils.

On 6 July 2016, the Economic and Finance Committee tabled its final report, Inquiry into Local Government Rate Capping Policies.

In summary, the Inquiry into Local Government Rate Capping Policies report contained the following four (4) recommendations:

- Recommendation 1
  Local Councils retain full authority to set their own rates and that no rate cap be introduced.

- Recommendation 2
  Local Councils continue to set rates after full consultation with their communities.

- Recommendation 3
  Councils be subject to a thorough auditing process under the auspices of the Auditor-General, consistent with section 36 of the Public Finance and Audit Act 1987.

- Recommendation 4
  Councils be required to publish, on an annual basis, these audits.

Notwithstanding the recommendations which are contained within the Inquiry into Local Government Rate Capping Policies report and the LGA’s attempts to work collaboratively with the State Liberal Party to consider other initiatives to drive efficiencies and reduce the cost of living pressures on communities (other than rate capping), the State Liberal Party has flagged its intention to introduce rate capping amendments into legislation which is currently before the State Parliament and should this not be successful, such increases will be introduced if it forms Government at the next State Election.

The LGA therefore is implementing a public awareness campaign as part of a three (3) phase strategy to position Local Government in the lead up to the State Election in March 2018.

The President of the LGA has written to Councils seeking their support and commitment to the LGA’s campaign.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.
FINANCIAL AND BUDGET IMPLICATIONS

The actual costs associated with the LGA’s campaign have not yet been determined, however the LGA has advised that Phase 3 of the campaign will be funded through LGA investment returns and will not be funded through Membership Subscriptions which are paid by councils.

Notwithstanding this there will be some costs incurred by the Council through the distribution of collateral and promotion of the campaign at the local level in support of the LGA’s campaign. These costs also are yet to be determined.

However, given the implications of rate capping in terms of Council services (ie any attempts to cap rates will result in fewer services especially where costs increases are greater than CPI) it is important that funds be allocated to support the campaign which is intended to stop the introduction of rate capping.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable

SOCIAL ISSUES

Not Applicable

CULTURAL ISSUES

Not Applicable

ENVIRONMENTAL ISSUES

Not Applicable

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Not Applicable

CONSULTATION

- **Elected Members**
  As set out in the report, Elected Members have been advised of the rate capping matter through various reports as part of Council Meeting agendas and memorandums from the Chief Executive Officer and the General Manager, Governance & Community Affairs.

- **Community**
  Not Applicable.

- **Staff**
  Nil

- **Other Agencies**
  Not Applicable.
DISCUSSION

The LGA’s public awareness campaign, which has been endorsed by the LGA Board, will be aimed at informing, activating and encouraging communities to support the extent and value of services provided by Councils. It will highlight the importance of Local Government in enhancing the communities we live in and delivering the services they expect.

The introduction of a rate capping policy has been recognised by Local Government as the biggest threat currently facing Local Government and by implication the councils. Where rate capping has been introduced in other States it has significantly reduced the renewal of infrastructure and services, with many Councils being forced to cut a range of activities that are valued by local the community, such as libraries, parks and community support services.

Rate capping limits a Council’s ability to provide local services, creates infrastructure backlogs, restricts budgetary authority and undermines local democracy. These adverse outcomes are evident in New South Wales where rate capping has been in place for many years and will be noticed in Victoria which has also introduced such measures.

On 15 February 2017, the State Liberal Party indicated to the State Parliament, that it will seek an amendment to the Local Government (Boundary Adjustment) Amendment Bill 2016, to introduce rate capping.

The State Liberal Party has committed to taking this policy to the State election in March 2018. As part of the policy, the State Liberal Party has proposed that rate capping functions would be undertaken by the Essential Services Commission of SA (ESCOSA), with Councils being required to apply for variations above the determined percentage increase, with the support of their communities.

In her correspondence to the Council, the LGA President has stated that “….local government is being taken for granted by some members of Parliament. We need to let our communities know what is at stake if they lose their democratic right to decide what services they want councils to provide in their communities.”

The LGA’s public awareness campaign messages will evolve over the coming months to support the following three phases:

- **Phase 1:** Educate and Advocate
- **Phase 2:** Engage and Mobilise
- **Phase 3:** Actively Oppose

To inform the development of the campaign, the LGA commissioned research company Hudson Howells, to undertake quantitative market research. A survey of South Australian residents (metropolitan and regional), Elected Members, Council staff, and Union Representatives, has recently been completed. The research confirmed that, with the right messaging and campaigning, South Australians are willing to vote against rate capping.

The approach taken by the Western Australian Local Government Association (the only State to successfully resist the introduction of rate capping where it has been proposed), has also been used to inform the LGA’s campaign.

The LGA has engaged an advertising agency to develop a multi-media campaign based on the outcomes of the research which has been undertaken. The campaign will also include traditional media, community engagement and advocacy at both a State and Local level, including targeted and marginal seat campaigning.

While the LGA will lead the campaign, the LGA has advised that formal support from all Councils and collaboration throughout the campaign are crucial to its success.
During the campaign period, the LGA will provide Councils with a range of materials to co-brand or adapt for use at the local level. This will include artwork for rate notice inserts, email footers, social media and web banners, posters, outdoor banners and advertisements for Council produced magazines and newsletters.

If the Council supports the LGA’s campaign, the first round of material will be distributed with the Council’s Rates notices. Further campaign materials will be provided by the LGA as they are developed.

OPTIONS

The Council can resolve to support the LGA’s public awareness campaign or resolve not to support the campaign.

Given the Council’s position in respect to rate capping, it is recommended that the Council support the campaign against rate capping as part of a sector wide strategy to positively position Local Government in the lead up to the 2018 State Government Election.

CONCLUSION

In accordance with legislative obligations, Councils continually strive to improve the efficiency and effectiveness of their services and consult with their community on the setting of strategic priorities, annual business plans and rates.

Rate capping will introduce an expensive bureaucratic process that will restrict vital service delivery to the community or, if services are maintained, postpone the financial burden of today’s services and infrastructure onto future generations.

It is therefore important that the community be made fully aware of and understand the implications of rate capping on the levels of services and programs which they currently receive.

COMMENTS

Nil

RECOMMENDATION

That the Council advises the Local Government Association of South Australia that the Council:

1. Notes the unanimous decision of South Australian Councils at the 2016 LGA Ordinary General Meeting to reject rate capping.

2. Opposes the introduction of rate capping in any form.

3. Agrees to support and participate in the LGA’s public awareness campaign, including placing material in quarterly rates notices.

4. Notes that the LGA will continue to work with all Members of Parliament and Political Parties to ensure rate capping is not imposed on South Australian communities.
Cr Whitington moved:

That the Council advises the Local Government Association of South Australia that the Council:

1. Notes the unanimous decision of South Australian Councils at the 2016 LGA Ordinary General Meeting to reject rate capping.

2. Opposes the introduction of rate capping in any form.

3. Agrees to support and participate in the LGA’s public awareness campaign, including placing material in quarterly rates notices.

4. Notes that the LGA will continue to work with all Members of Parliament and Political Parties to ensure rate capping is not imposed on South Australian communities.

Seconded by Cr Minney and carried.
11.11 PROPOSAL TO AMEND THE LOCAL GOVERNMENT (ELECTIONS) ACT 1999 – CANDIDATES ELECTED UNOPPOSED

REPORT AUTHOR: General Manager, Governance & Community Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: S/0022
ATTACHMENTS: Nil

PURPOSE OF REPORT

The purpose of the report is to advise the Council that the Local Government Association of South Australia, is seeking comments from Councils regarding a proposal to amend the Local Government (Elections) Act 1999 and to enable the Council to provide feedback to the Association.

BACKGROUND

The Local Government Association of South Australia (LGA) is seeking comments regarding a proposal to amend the Local Government (Elections) Act 1999 (the Act), which will require the Electoral Commission SA (ECSA) to provide information (by post) regarding candidates for Local Government Elections who are elected unopposed to ensure that voters are aware of those candidates and have some information about them.

The reasoning behind this proposal is that Local Government extensively promotes the election process and seeks to achieve higher levels of participation from the community, however those community members who do not receive ballot papers for candidates who have been elected unopposed are not aware of who those candidates are.

The LGA sought the views of ECSA regarding the proposal and was advised that if profile data for candidates who are elected unopposed is to be sent out by mail, in the same manner as undertaken for those candidates who are contesting an election (ie with the ballot packs sent to each voter), there would be additional printing, enveloping and mailing costs which would have to be borne by Councils. These costs cannot be estimated because such costs will depend on the number of nominations which are received for each position. In the 2014 elections there were 73 candidates across South Australia elected unopposed.

In addition to the above, requiring ECSA to perform this function will require an amendment to the Act.

The LGA has therefore identified other options for achieving a higher profile within the community of those candidates who have been elected unopposed.

These options are set out in the Discussion section of this report.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The ECSA conducts the Local Government election process on behalf of Local Governments on a fee for service basis. The fee is based on the number of electors within each Local Government area.

As stated above, it is difficult to determine the actual additional costs to the process when the number of candidates who are elected unopposed is not known until the close of the nominations.

However, for example, if in the case of this Council, the Mayor is elected unopposed, the additional costs associated with printing and distributing profile information by post to every elector within the City, would be significant.
EXTERNAL ECONOMIC IMPLICATIONS
Not Applicable.

SOCIAL ISSUES
Not Applicable.

CULTURAL ISSUES
Not Applicable.

ENVIRONMENTAL ISSUES
Not Applicable.

RESOURCE ISSUES
Not Applicable.

RISK MANAGEMENT
Not Applicable.

CONSULTATION
- Elected Members
  Nil.
- Community
  Nil.
- Staff
  Nil.
- Other Agencies
  Nil.

DISCUSSION
The proposal which has been presented to the LGA for consideration is to amend the Act to require ECSA to mail out information about Local Government Election candidates who have been elected unopposed.

Putting costs to one side there are benefits in respect to this proposal on the basis that currently, if a candidate is elected unopposed, there is no communication with voters about the results of that particular election.

This may create confusion for voters who:

- may be aware that there are general Local Government elections being held and do not know why they have not received voting papers; or
- do not know about the elections and are confused how a new local Mayor or Elected Member was elected when they did not get an opportunity to vote.
The options identified by the LGA to deal with this issue are set out below:

**Publication on the Candidates Website**

The LGA could obtain the profile data of those candidates who have been elected unopposed from ECSA and publish it on the LGA Candidates' Website together with all other Candidates' data.

There would be no cost to Councils associated with this option.

This option does however require a minor amendment to the Act, as the candidate profiles of those candidates elected unopposed are not currently published.

**Councils can determine on an individual basis to mail out information regarding Candidates elected unopposed**

Councils that want to mail out or publish information about candidates who have been elected unopposed, can do so now under the current legislation.

The LGA has stated that "**Councils currently have a responsibility under Section 21 of the Act to display all valid nominations received at the principal office of the Council and therefore this information could be mailed to electors by the Council.**"

It is important to note that Section 21 of the Act only requires the display of the Nomination Form and not the candidate Profiles. Candidate Profiles are provided to ECSA which distributes them as part of the Ballot Pack.

The profiles therefore for candidates who are elected unopposed, are not published.

It is not clear therefore as to what value posting the Nominations forms to electors would serve.

**Councils could obtain the Candidates' profiles from ECSA**

This option leaves the choice up to each Council.

Councils could obtain the profiles for candidates who have been elected unopposed and mail out this information to electors. This means that only those Councils wishing to undertake this would bear the costs associated with providing the information by mail out.

This option would require a minor legislative change as profiles for candidates who are elected unopposed are not currently published.

The costs associated with the mail out of information to electors regarding candidates who are elected unopposed, cannot be justified when there are other options to provide this information at no or minimal cost to individual Councils.

**OPTIONS**

The Council can determine to forward feedback to the LGA or decline the invitation to provide comments.

Based on the commentary contained within this report regarding the potential significant costs to individual Councils should the proposal be successful, it is important that the Council’s position in respect to this matter is forwarded to the LGA.

**CONCLUSION**

This Council provides a link from the Council’s election pages to the LGA Candidates Website to promote the candidates as part of the Election process.

The use of the Candidate Website to provide information to electors about those candidates who have been elected unopposed, provides the most cost efficient and logical option.
COMMENTS

Nil

RECOMMENDATION

That the Council advises the Local Government Association of South Australia that the Council:

1. does not support the proposal to amend the Local Government (Elections) Act 1999 to require the Electoral Commissioner to mail out information about Local Government Election Candidates who have been elected unopposed; and

2. supports Option Two – namely, the publication of information about Local Government Election Candidates who have been elected unopposed being provided on the LGA Candidates Website.

Cr Whitington moved:

That the Council advises the Local Government Association of South Australia that the Council:

1. does not support the proposal to amend the Local Government (Elections) Act 1999 to require the Electoral Commissioner to mail out information about Local Government Election Candidates who have been elected unopposed; and

2. supports Option Two – namely, the publication of information about Local Government Election Candidates who have been elected unopposed being provided on the LGA Candidates Website.

Seconded by Cr Duke and carried unanimously.
11.12 PROPOSAL TO AMEND THE VOTING SYSTEM FOR LOCAL GOVERNMENT ELECTIONS

REPORT AUTHOR: General Manager, Governance & Community Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: S/0022
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of the report is to advise the Council that the Local Government Association of South Australia is seeking comments from Councils regarding a proposal to change the voting system for Local Government Elections and to enable the Council to provide feedback to the Local Government Association of South Australia regarding the proposal.

BACKGROUND

The Local Government Association of South Australia (LGA) is seeking comments on a proposal submitted to the LGA by the Mayor of the Adelaide Hills Council, to change the voting method for Local Government Elections.

The proposal is to change the system of voting from a proportional representation system to optional preferential voting. The Mayor of Adelaide Hills Council has provided information to the LGA in support of the proposal, a copy of which is contained within Attachment A.

Elected Members should note that the information supplied by the Mayor of the Adelaide Hills Council has not been checked by the LGA or the Electoral Commission SA, prior to being distributed to Councils.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Not Applicable.
CONSULTATION

- Elected Members
  Nil.

- Community
  Nil.

- Staff
  Nil

- Other Agencies
  Nil.

DISCUSSION

In his proposal, Mayor Spragg has suggested that “the voting system needs to change to encourage more people to vote”.

The proposal therefore is to change the method for voting as part of the Local Government elections, where more than one (1) Candidate is required to be elected (ie Ward elections).

The proposal allows for electors to cast a vote for one (1) candidate without preferencing other candidates to the number of vacancies. For example, if there were two (2) Candidates to be elected, voters could choose to vote for one (1) Candidate only and their vote would be accepted (under the current proportional representation voting system this vote would be considered to be informal).

Mayor Spragg has determined that (based on the Electoral Commission SA’s reports following the last four (4) Local Government Elections which stated that there was a high percentage of votes declared to be informal on the basis that they did not indicate preferences), the introduction of an optional preferential voting system “would encourage more people to vote and reduce the number of informal votes”.

Prior to 1990, the South Australian Local Government electoral system enabled Councils to use ‘optional preferential voting’ for elections. This was discontinued as a proportional representation voting system was considered to be a fairer system.

The optional preferential voting system certainly does provide voters with a choice in terms of the number of candidates they wish to vote for and gives them the option of not voting for other Candidates, if they do not know them or do not agree with their views on particular matters.

Whilst the counting of votes under an optional preferential voting system would be a much more simpler and efficient process, this system could result in Candidates being elected below the quota due to a lack of preferences available to be distributed.

Whilst electors are required under the proportional representation voting system to indicate a vote for a Candidate when they may not be comfortable voting for, simply to ensure their vote for the first preference is counted, this system ensures that only those with the majority of the votes will be elected.

The Electoral Commission SA’s 2014 Local Government Elections report states the following:

In 2014 there were 189 contested elections with 13 430 ballot papers recorded as informal, representing 2.3% of all ballot papers admitted to the count. This reflects a minor increase in informality when compared to the 2.0% informal rate recorded for the 2010 council elections.¹

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¹ 2014 Local Government Elections report, Electoral Commission SA, Page 44
An audit of the informal ballot papers was undertaken, with “unacceptable preferences” recording the highest category in terms of informal ballot papers. “Unacceptable preferences” includes the following:

- number of 1st preferences equal to the number of vacancies;
- single 1st preference but insufficient further preferences; and
- single 1st preference but other duplicated or skipped numbers.

Whilst “unacceptable preferences” was the highest cause of informal votes, as stated above, informal votes accounted for only 2.3% of all returned ballot papers. This is not a significant number.

The 2010 Local Government elections recorded a 2% informal rate.

The Electoral Commission SA conducts an audit of the informal votes to assist in developing strategies to reduce informal voting by educating electors on how to ensure their ballot papers are completed correctly.

The informal rate recorded for both the 2010 and 2014 Local Government elections, is very low (ie 2% and 2.3%) and the information which has been provided by Mayor Spragg, does not really justify how a change in the voting method would in fact encourage more people to vote or indeed reduce the number of informal votes.

As stated previously within this report, the current voting system used for Local Government Elections has been in place since 1990 on the basis that it represented a fairer system.

**OPTIONS**

The Council can determine to forward comments to the LGA or decline the invitation to do so.

On the basis of the low informal rate and a lack of justification in terms of how a change in the voting system would encourage more people to vote, it is recommended that the Council advises the LGA that it does not support the proposal presented by Mayor Spragg to change the voting system which is used for Local Government Elections.

**CONCLUSION**

Based on the low percentage of informal votes, it would appear that the current voting system is working well.

One could argue that changing the voting system for Local Government Elections will not encourage more voters. Put simply, many people are not interested in voting in an election when they are either content with the situation as it stands, or are ambivalent, or simply do not want to vote because it is not compulsory.

Over the years a number of campaigns have been initiated to encourage people to vote in Local Government Elections and unless there is a burning issue for either the local Council or the Local Government sector generally, it is highly unlikely that voter numbers will increase significantly in any future election.

**COMMENTS**

Nil.

**RECOMMENDATION**

That the Council advises the Local Government Association of South Australia be advised that the Council does not support the proposal to amend the system of voting for Local Government Elections to a partial preference voting system and that the Council supports the current system of voting for Local Government Elections.
Cr Duke moved:

That the Council advises the Local Government Association of South Australia that the Council supports the proposal to amend the system of voting for Local Government Elections to a partial preference voting system.

Seconded by Cr Dottore and carried.
11.13 NOMINATION TO EXTERNAL BODIES – SOUTH AUSTRALIAN PUBLIC HEALTH COUNCIL

REPORT AUTHOR: General Manager, Governance & Community Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: S/00022
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of the report is to advise the Council of the call for nominations by the Local Government Association (LGA), for appointment to the South Australian Public Health Council.

South Australian Public Health Council

The Minister for Health has written to the Local Government Association of South Australia (LGA), requesting nominations for a Deputy Member for appointment to the South Australian Public Health Council, due to the resignation of Ms Louise Miller Frost, formerly of the City of Burnside.

The South Australian Public Health Council (SAPHC), is established pursuant to the South Australian Public Health Act 2011.

The role of the SAPHC is to:

(a) assist and advise the Chief Public Health Officer in relation to:
   i. the protection and promotion of public health;
   ii. the development and maintenance of a system of strategic planning for public health at the local, regional and State-wide levels;
   iii. the development of health plans under this Act;
   iv. strategies to ensure that a sufficiently trained and skilled workforce is in place for the purposes of this Act;
   v. programs to promote public health research in the State;
   v. the preparation of the biennial report under Division 2; and the setting of standards and qualifications for authorised officers; and

(b) any other functions assigned to the South Australian Public Health Council (SAPHC) by this or any other Act or by the Minister or the Chief Public Health Officer.

The LGA is currently represented by the following Members:

- Cr Sue Whittington, City of Norwood Payneham & St Peters;
- Cr Arthur Mangos, City of West Torrens; and
- Mr Gary Mavriniac, Barossa Council.

The appointment to the SAPHC will commence immediately and continue until 11 March 2018. SAPHC meets approximately four times a year. Sitting fees, allowances and expenses approved by the Governor are applicable.

A copy of the Selection Criteria and Nomination Form is contained within Attachment A.

RELEVANT POLICIES & STRATEGIC DIRECTIONS

Not Applicable.
RECOMMENDATION

1. The Council notes the report and declines the invitation to submit a nomination to the Local Government Association for the South Australian Public Health Council.

or


Cr Duke moved:

The Council notes the report and declines the invitation to submit a nomination to the Local Government Association for the South Australian Public Health Council.

Seconded by Cr Minney and carried.
11.14  ERA WATER – THE GUMS RESERVE EASEMENT

REPORT AUTHOR:  General Manager, Governance & Community Affairs
GENERAL MANAGER:  Chief Executive Officer
CONTACT NUMBER:  8366 4549
FILE REFERENCE:  S.02454
ATTACHMENTS:  A - B

PURPOSE OF REPORT

The purpose of this report is to seek the Council’s approval to exchange a bore located at Max Amber Reserve (located within the Campbelltown Council) for an easement over Shakespeare Reserve (also located within the Campbelltown City Council).

BACKGROUND

As part of the pipe network, ERA Water requires an easement over portion of Shakespeare Reserve. The easement is required to accommodate a booster pump station for the trunk main system. The booster pump station is required to provide required pressure to the City of Burnside and the City of Norwood Payneham & St Peters portions of the network.

As part of the negotiation process to secure the easement, the Campbelltown City Council has requested that ERA Water surrender as part of the exchange process, a bore which is located on Max Amber Reserve.

The ERA Water Board considered a report on this proposal, at its meeting held on 29 March 2017 and a copy of the Report is contained in Attachment A.

Pursuant to Clause 2.6 of the ERA Water Charter, all property held by ERA Water is held on behalf of the Constituent Councils. In addition, Clause 2.1.4 stipulates that ERA Water is required to seek approval from its Constituent Councils to sell any real property or interest therein.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

There are no financial or Budget implications associated with this transaction.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable

SOCIAL ISSUES

Not Applicable

CULTURAL ISSUES

Not Applicable

ENVIRONMENTAL ISSUES

Not Applicable

RESOURCE ISSUES

Not Applicable
RISK MANAGEMENT

Not Applicable.

CONSULTATION

- **Elected Members**
  In the Chief Executive Officer’s absence, Cr John Minney attended ERA Water Board Meetings as the Proxy and he is aware of this proposal.

- **Community**
  Not Applicable.

- **Staff**
  Not Applicable.

- **Other Agencies**
  Not Applicable.

DISCUSSION

As Elected Members may recall, the City of Tea Tree Gully and the Campbelltown City Council, were originally involved in the Project. However, both the City of Tea Tree Gully and Campbelltown City Council, withdrew from the Project.

As part of the feasibility study undertaken to establish the viability of the Project, nine (9) bores were drilled. One of these bores is located on Max Amber Reserve and is no longer required by ERA Water, following the withdrawal of the Campbelltown City Council from the Project.

In respect to the nine (9) bores which were drilled, at its meeting held on 6 February 2017 the Council considered a report regarding the transfer of those bores to ERA Water.

In this respect, at the meeting held on 6 February 2017, the Council resolved the following in respect to the transfer of the nine (9) bores to ERA Water:

1. That Council agrees to transfer ownership of the following nine (9) bores that were created as part of the Eastern Region Alliance feasibility study for the Waterproofing the East Project to ERA Water, to be held by ERA Water on behalf of its member Councils:

<table>
<thead>
<tr>
<th>Locality</th>
<th>Permit No.</th>
<th>Well Unit Number</th>
<th>Coordinates Easting/northing (MGA 54)</th>
<th>Year Drilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athelstone</td>
<td>206142</td>
<td>6628-26205</td>
<td>290072/6139856</td>
<td>2011</td>
</tr>
<tr>
<td>Athelstone</td>
<td>230003</td>
<td>6628-27277</td>
<td>290140/6139893</td>
<td>2014</td>
</tr>
<tr>
<td>Felixstow</td>
<td>203121</td>
<td>6628-26032</td>
<td>284979/6137143</td>
<td>2011</td>
</tr>
<tr>
<td>Drage</td>
<td>206141</td>
<td>6628-26199</td>
<td>284370/6136873</td>
<td>2014</td>
</tr>
<tr>
<td>Max Amber</td>
<td>236260</td>
<td>6628-27698</td>
<td>289173/6139208</td>
<td>2011</td>
</tr>
<tr>
<td>Marden</td>
<td>231646</td>
<td>6628-27437</td>
<td>283608/6136624</td>
<td>2011</td>
</tr>
<tr>
<td>Langman (Burnside)</td>
<td>203120</td>
<td>6628-26031</td>
<td>286783/6130694</td>
<td>2011</td>
</tr>
<tr>
<td>Scales</td>
<td>203118</td>
<td>6628-26033</td>
<td>282668/6136037</td>
<td>2011</td>
</tr>
<tr>
<td>Tusmore</td>
<td>226933</td>
<td>6628-27182</td>
<td>285120/6131969</td>
<td>2011</td>
</tr>
</tbody>
</table>
2. That ERA Water accepts any and all liabilities associated with any one or all bores, which may be deemed redundant and therefore requiring backfill.

3. That ERA Water accepts any and all liabilities associated with any one or all bores, which may be deemed useful and require further fit out work.

4. That ERA Water is not to sell any bores or interests therein, without the prior approval of its member Councils.

In respect to the bore on Max Amber Reserve, the Federal Government has agreed that it can be realised as an asset (of monetary value) and sold subject to the proceeds being used for the ERA Water Project.

The Campbelltown City Council has agreed to the easement over portion of the Gums Reserve, provided ERA Water transfers ownership of the bore which is located on Max Amber Reserve to the Campbelltown City Council.

As set out in the Background Section of this Report, the ERA Water Board has agreed to this proposal, subject to the agreement of the Constituent Councils.

To ensure that the transaction is fair and reasonable, the ERA Water Board obtained a Valuation of the proposed Easement. The Easement has been valued at $50,000.00 (a copy of the Valuation can be provided if required by Elected Members).

A copy of the plan showing the proposed easement is contained in Attachment B.

The bore located at Max Amber Reserve has been valued at approximately $54,000.00.

As the bore is no longer required by ERA Water and the easement is required by ERA Water, and given the approximate equal value of both items, it is recommended that the Council approved of the transfer of ownership of the bore at Max Amber Reserve (Permit Number 236260) to the Campbelltown City Council, in exchange for an easement over a portion of the Gums Reserve (located at Shakespeare Avenue) from the Campbelltown City Council.

OPTIONS

Should Council withhold its consent to the proposed property transfer, ERA Water may be hampered in satisfying its obligations under the Charter and the overall viability and success of the ERA Water Project may be compromised. Construction of a booster pump station on The Gums Reserve will allow for the distribution, use and supply of water to occur as originally intended under the ERA Water Project.

CONCLUSION

Nil.

COMMENTS

Nil.

RECOMMENDATION

That the proposal from ERA Water to transfer ownership of the bore located at Max Amber Reserve (Permit Number 236260) to the Campbelltown City Council, in exchange for securing an easement over portion of the Gums Reserve (located on Shakespeare Avenue), from the Campbelltown City Council, be approved.
Cr Minney moved:

That the proposal from ERA Water to transfer ownership of the bore located at Max Amber Reserve (Permit Number 236260) to the Campbelltown City Council, in exchange for securing an easement over portion of the Gums Reserve (located on Shakespeare Avenue), from the Campbelltown City Council, be approved.

Seconded by Cr Duke and carried unanimously.
11.15 CODE OF CONDUCT MATTER

REPORT AUTHOR: General Manager, Governance & Community Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: S/04331
ATTACHMENTS: A - C

PURPOSE OF REPORT

The purpose of this report is to provide the Council with information regarding a complaint which has been lodged by a resident, during the investigation of which, it was identified that Councillor MacRae and Councillor Moore have breached certain provisions of Part 2 (Behavioural Code) of the Code of Conduct for Council Members ("the Code").

BACKGROUND

Clause 2.24 of the Code requires a breach of the Behavioural Code to be the subject of a report to a public meeting of the Council.

A copy of the Code is contained within Attachment A.

This report therefore provides information to the Council regarding the findings and recommendations of an investigation authorised by the Chief Executive Officer which has identified breaches of the Code by Councillor MacRae and Councillor Moore.

DISCUSSION

On 27 April 2016, a resident made a request, via an email, to make a deputation to the Council regarding traffic management issues in Stepney and in making this request stated that he had “serious concerns with transparency, democratic process, unnecessary and hindering influence and a complete lack of accountability by Councillors on this matter”. A further email forwarded to the Council on 28 April 2016 by the resident, restated those concerns regarding alleged impropriety.

The Chief Executive Officer determined that an independent investigation of the allegations made by the resident would be undertaken and as part of that process, it was independently determined that there was no evidence to support any criticism of or concerns regarding Councillor Dottore. However, as part of the investigation, evidence was provided that identified various breaches of the Code by Councillor MacRae and Councillor Moore.

Details of the breaches of the Code are set out below.

Cr MacRae provided confidential Council information which was provided to her in her capacity as an Elected Member, and in so doing, breached her legal obligations as an Elected Member.

On 27 April 2016, as part of the initial investigations which had been undertaken in response to the traffic management issues which had been raised by the resident, Council staff met with the Ward Councillors to discuss the feedback which had been received from residents in respect to the issues which had been raised and the process which would be undertaken by staff to address the issues.

Following the meeting, Cr MacRae informed the resident of the matters which were discussed at the meeting, the outcome of the meeting and disclosed information to the resident regarding the submissions which had been received and the manner in which the Ward Councillors had determined to proceed.

The information provided to the resident by Cr MacRae led the resident to reach certain conclusions upon which led to him making various allegations against another Elected Member and Council staff.
This conduct by Cr MacRae amounted to a breach of Clauses 2.1, 2.7 [and 3.3] of the Code which respectively provide as follows:

2.1 Show commitment and discharge duties conscientiously.
2.7 Deal with information received in their capacity as Council members in a responsible manner.
3.3 Not release or divulge information that the Council has ordered be kept confidential, or that the Council member should reasonably know is information that is confidential, including information that is considered by Council in confidence.

Cr Moore disclosed personal information concerning Cr Dottore (ie Cr Dottore's address) to the resident that was not otherwise readily available to the resident in circumstances where the resident held clear animosity towards Councillor Dottore. The conduct of Cr Moore amounted to a breach of Clauses 2.7 and 2.9 of the Code, which respectively provide as follows:

2.7 Deal with information received in their capacity as Council members in a responsible manner.
2.9 Endeavour to establish and maintain a respectful relationship with all Council members, regardless of differences of views and opinions.

Councillor MacRae and Councillor Moore have been provided with a copy of the findings and recommendations of the investigation and have been given the opportunity to respond to the findings and recommendations.

A copy of Councillor MacRae’s response to the findings and recommendations of the Investigator is contained within Attachment B.

A copy of Councillor Moore’s response to the findings and recommendations of the Investigator is contained within Attachment C.

Where a breach of the Code is found, the Council’s Procedure sets out the following:

Compliance with this Code shall be monitored by the Council. Alleged breaches of the Code shall be reported to the General Manager, Governance & Community Affairs and where, after consideration, it is determined that the matter is of substance, a Report shall be submitted for the consideration of the Council.

Alleged breaches or failure to comply with the Code of Conduct that are not the subject of statutory provisions will be dealt with internally by the Council. Sanctions will be determined by the Council, based on an assessment of the nature of any breach and all relevant circumstances.

Clause 2.25 sets out the sanctions that may be applied in respect to a breach of the Behavioural Code by an Elected Member as follows:

2.25 If, following investigation under the Council’s complaints handling process, a breach of the Behavioural Code by a Council is found, the Council may, be resolution:

2.25.1 Take no action;
2.25.2 Pass a censure motion in respect of the Council member;
2.25.3 Request a public apology, whether written or verbal;
2.25.4 Request the Council member to attend training on the specific topic found to have been breached;
2.25.5 Resolve to remove or suspend the Council member from a position within the Council (not including the member’s elected position on Council);
2.25.6 Request the Member to repay monies to the Council/
The recommendations of the Investigators for the Council's consideration in terms of resolving this matter are as follows:

1. **Cr MacRae be reprimanded and subsequently counselled for breaching Clauses 2.1, 2.7 [and 3.3] of the Code, by disclosing confidential Council information to a resident;**

2. **Cr MacRae undertake further training with regards to the responsibility of Elected Members to not disclose confidential Council information, (together with the process under which the Council receives and assesses, Traffic Management Complaints and Proposals);**

3. **Cr MacRae write a letter of apology to Cr Dottore for divulging confidential Council information to the resident pertaining to Cr Dottore; and**

4. **On the basis that the breach is of a more minor nature, Cr Moore be counselled for her breach of Clauses 2.7 and 2.9 of the Code by divulging to Mr Cave, personal information about Cr Dottore.**

**OPTIONS**

Essentially the Council has three (3) options in respect to this matter.

**Option One**

The Council can resolve to accept the Investigator's recommendations and apply the sanctions as set out above.

**Option Two**

The Council can determine that, based on the response provided to the Council by Councillor MacRae and Councillor Moore to the findings and recommendations of the investigation determine alternative sanctions.

**Option Three**

The Council can determine that, based on the response provided to the Council by Councillor MacRae and Councillor Moore to the findings and recommendations of the investigation determine that no further action is required.

**RECOMMENDATION**

That the report be received and noted.

Cr Moore declared a conflict of interest as she is an Elected Member subject to the matter set out in the report and left the meeting at 9.03pm.

Cr MacRae declared a conflict of interest as she is an Elected Member subject to the matter set out in the report and left the meeting at 9.03pm.

Cr Dottore declared a conflict of interest as he is an Elected Member subject to the matter set out in the report and left the meeting at 9.03pm.

Cr Granozio declared a perceived conflict of interest and left the meeting at 9.04pm.
Cr Duke moved:

That based on the minor breach of the Code of Conduct by Cr Moore that no further action be taken against Cr Moore regarding this matter.

Seconded by Cr Minney and carried unanimously.

Cr Wormald moved:

That no action be taken against Cr MacRae regarding the breach of the Code of Conduct by Cr MacRae, on the basis that she writes a letter of apology to Cr Dottore.

Seconded by Cr Frogley and lost.

Cr Minney moved:

That following consideration of the breach of the Code of Conduct by Cr MacRae, the Council has determined the following:

1. That Cr MacRae be reprimanded and subsequently counselled for breaching Clauses 2.1, 2.7 [and 3.3] of the Code, by disclosing confidential Council information to a resident; and

2. That Cr MacRae write a letter of apology to Cr Dottore for divulging confidential Council information to the resident pertaining to Cr Dottore.

Seconded by Cr Marcuccitti.

Amendment

Cr Whittington moved:

That following consideration of the breach of the Code of Conduct by Cr MacRae, the Council has determined the following:

1. That Cr MacRae be reprimanded for breaching Clauses 2.1, 2.7 [and 3.3] of the Code, by disclosing confidential Council information to a resident; and

2. That Cr MacRae write a letter of apology to Cr Dottore for divulging confidential Council information to the resident pertaining to Cr Dottore.

The amendment lapsed for want of a seconder.

The original motion was put and was carried.

Cr Moore returned to the meeting at 9.57pm.
Cr MacRae returned to the meeting at 9.57pm.
Cr Dottore returned to the meeting at 9.57pm.
Cr Granozio returned to the meeting at 9.57pm.
12. ADOPTION OF COMMITTEE MINUTES
   Nil

13. OTHER BUSINESS

   Cr Duke left the meeting at 9.57pm.

   13.1 Resignation – Cr Sophia MacRae (S.02395)

   Cr MacRae sought leave of the meeting to make a Personal Explanation.

   The meeting granted leave for Cr MacRae to make a Personal Explanation.

   Cr MacRae’s Personal Explanation

   Cr MacRae advised the meeting that she has resigned as an Elected Member of the Council effective from Monday 8 May 2017.

   Cr Duke returned to the meeting at 10.00pm.

14. CONFIDENTIAL REPORTS
14.1 COUNCIL RELATED MATTER

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the Local Government Act, 1999 the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

(g) matters that must be considered in confidence in order to ensure that the council does not breach any duty of confidence;

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 2

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

Cr Minney moved:

That pursuant to Section 90(2) and (3) of the Local Government Act, 1999 the Council orders that the public, with the exception of the Council staff present [Chief Executive Officer, General Manager, Governance & Community Affairs, General Manager, Urban Services, Acting General Manager, Corporate Services, Acting General Manager, Urban Planning & Environment and Executive Assistant, Urban Services], be excluded from the meeting on the basis that the Council will receive, discuss and consider:

(g) matters that must be considered in confidence in order to ensure that the council does not breach any duty of confidence;

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Seconded by Cr Knoblauch and carried.

Cr Mex left the meeting at 10.05pm.
Cr Knoblauch left the meeting at 10.06pm.
Cr Mex returned to the meeting at 10.07pm.
Cr MacRae left the meeting at 10.08pm.
Cr Knoblauch returned to the meeting at 10.08pm.
Cr MacRae returned to the meeting at 10.09pm.
Cr MacRae left the meeting at 10.12pm.
Cr MacRae returned to the meeting at 10.13pm.
Cr Minney left the meeting at 10.33pm.
Cr Minney returned to the meeting at 10.34pm.
Cr Wormald left the meeting at 10.42pm.
Cr Wormald returned to the meeting at 10.46pm.
Extension of Council Meeting

At 10.48pm Cr Whitington moved:

That the Council meeting be extended by a period of up to 30 minutes.

Seconded by Cr Duke and carried.

Cr Wormald left the meeting at 10.50pm and did not return.
Cr Moore left the meeting at 10.52pm and did not return.
Cr Granozio left the meeting at 11.06pm and did not return.

Cr Frogley moved:

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

Seconded by Cr Knoblauch and carried.
14.2 COUNCIL RELATED MATTER

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the Local Government Act, 1999 the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

(b) information the disclosure of which –

(i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and

(ii) would, on balance, be contrary to the public interest;

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 2

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

Cr Minney moved:

That pursuant to Section 90(2) and (3) of the Local Government Act, 1999 the Council orders that the public, with the exception of the Council staff present [Chief Executive Officer, General Manager, Governance & Community Affairs, General Manager, Urban Services, Acting General Manager, Corporate Services, Acting General Manager, Urban Planning & Environment and Executive Assistant, Urban Services], be excluded from the meeting on the basis that the Council will receive, discuss and consider:

(b) information the disclosure of which –

(i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and

(ii) would, on balance, be contrary to the public interest;

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Seconded by Cr Knoblauch and carried.

Cr Whitington moved:

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

Seconded by Cr Knoblauch and carried.
14.3 COUNCIL RELATED MATTER

RECOMMENDATION 1
That pursuant to Section 90(2) and (3) of the Local Government Act, 1999 the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

(a) information, the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead); and

(h) legal advice

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 2
Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

Cr MacRae declared a conflict of interest in the matter and left the meeting at 11.17pm and did not return.

Cr Knoblauch moved:

That pursuant to Section 90(2) and (3) of the Local Government Act, 1999 the Council orders that the public, with the exception of the Council staff present [Chief Executive Officer, General Manager, Governance & Community Affairs, General Manager, Urban Services, Acting General Manager, Corporate Services and Acting General Manager, Urban Planning & Environment], be excluded from the meeting on the basis that the Council will receive, discuss and consider:

(a) information, the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead); and

(h) legal advice

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Seconded by Cr Minney and carried.
Extension of Council Meeting

At 11.20pm Cr Frogley moved:

That the Council meeting be extended until 11.45pm.

Seconded by Cr Mex and carried.

Cr Minney moved:

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

Seconded by Cr Knoblauch and carried.
15. Closure

There being no further business, the Mayor declared the meeting closed at 11.35pm.

Mayor Robert Bria

Minutes Confirmed on ___________________________ (date)