

Special Council Meeting Minutes

19 May 2020

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
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
Norwood
Payneham
& St Peters

Page No.

1.	CONFIRMATION OF THE MINUTES OF THE COUNCIL MEETING HELD ON 4 MAY 2020.....	1
2.	WRITTEN NOTICES OF MOTION	1
2.1	2020-2021 OPERATING AND CAPITAL PROJECTS BUDGET – CHRISTMAS MOVIE ON THE OVAL – RESCISSION OF MOTION - SUBMITTED BY MAYOR ROBERT BRIA	2
3.	STAFF REPORTS	5
3.1	EAST WASTE DRAFT 2020-2021 ANNUAL PLAN	6
3.2	EASTERN HEALTH AUTHORITY DRAFT 2020-2021 ANNUAL BUSINESS PLAN AND BUDGET	10
3.3	ERA WATER DRAFT 2020-2021 BUDGET	14
3.4	HIGHBURY LANDFILL AUTHORITY DRAFT 2020-2021 BUDGET	17
4.	CLOSURE	20

VENUE Council Chambers, Norwood Town Hall

HOUR 7.00pm

PRESENT

Council Members

Mayor Robert Bria
Cr Connie Granzio
Cr Sue Whittington
Cr John Callisto
Cr Kester Moorhouse (*via electronic communication*)
Cr Evonne Moore (*via electronic communication*)
Cr Garry Knoblauch (*via electronic communication*)
Cr John Minney (*connected to the meeting via electronic communication at 7.13pm*)
Cr Carlo Dottore (*via electronic communication*)
Cr Kevin Duke (*via electronic communication*)
Cr Mike Stock (*via electronic communication*)
Cr Scott Sims (*via electronic communication*)
Cr Fay Patterson (*via electronic communication*)

Staff

Mario Barone (Chief Executive Officer)
Peter Perilli (General Manager, Urban Services) (*via electronic communication*)
Carlos Buzzetti (General Manager, Urban Planning & Environment) (*via electronic communication*)
Lisa Mara (General Manager, Governance & Community Affairs)
Sharon Perkins (General Manager, Corporate Services)
Andrew Alderson (Financial Services Manager)
Marina Fischetti (Executive Assistant, Urban Services)

APOLOGIES Cr Christel Mex

ABSENT Nil

1. CONFIRMATION OF THE MINUTES OF THE COUNCIL MEETING HELD ON 4 MAY 2020

Cr Callisto moved that the Minutes of the Council meeting held on 4 May 2020 be taken as read and confirmed. Seconded by Cr Whittington and carried unanimously.

2. WRITTEN NOTICES OF MOTION

2.1 2020-2021 OPERATING AND CAPITAL PROJECTS BUDGET – CHRISTMAS MOVIE ON THE OVAL – RESCISSION OF MOTION - SUBMITTED BY MAYOR ROBERT BRIA

NOTICE OF MOTION: 2020-2021 Operating and Capital Projects Budget – Christmas Movie on the Oval – Rescission of Motion
SUBMITTED BY: Mayor Robert Bria
FILE REFERENCE: qA1039 qA1821
ATTACHMENTS: Nil

Pursuant to Regulation 12(1) of the Local Government (Procedures at Meetings) Regulations 2013, the following Notice of Motion has been submitted by Mayor Robert Bria.

NOTICE OF MOTION

That the following resolution passed by the Council at its Special Council meeting held on 22 April 2020 (Item 2.1, page 11 of the Minutes) be rescinded:

That 'in principle', Project No. O-CV2 (Christmas Movie on the Oval - \$25,000) for 2020 not be funded.

and be replaced with the following:

That 'in principle' Project No. O-CV2 (Christmas Movie on the Oval) for 2020 be funded up to \$7,000.

REASONS IN SUPPORT OF MOTION

Financial

The Council's decision not to fund the 2020 *Christmas Movie on the Oval*, was based on financial considerations which in turn was based on staff advice that 600 people attended the 2019 *Christmas Movie on the Oval* event.

Having been provided with this information, Cr Moorhouse argued along the lines that the 'cost per head' of \$42.00 for the '*Christmas Movie on the Oval*' would not provide value for money for ratepayers and therefore should not be funded. This sentiment was echoed by the Mover (Cr Sims).

In making the decision not to fund the 2020 *Christmas Movie on the Oval* based solely on the 'cost per head', the Council in effect, has now introduced an arbitrary criteria for funding Council events.

However, it should be noted that the cost per head of \$42.00, as calculated by Cr Moorhouse, was based on 600 people attending last year's event and based on this year's proposed budgeted amount of \$25,000.

A budget proposal of \$25,000 to conduct the 2020 event, as presented to the Council as part of the 2020-2021 Budget to conduct the event, is incorrect. Staff have advised that this was unfortunately an error (as last year's budget allocation was simply transposed to the draft 2020-2021 Budget) and that the budget proposal should have been for a reduced amount of \$7,000, based on a review of the costs associated with the 2019 event.

The reason for the difference in the proposed Budget of \$25,000 (a reduction from \$25,000 to \$7,000) is that the Norwood Football Club have installed a permanent large screen at the Oval, which means that the Council does not need to hire a large screen to project the movie, which is a significant cost saving for the Council, and unlike the first event, pre-movie entertainment is not planned as part of the event.

Therefore, if the 'cost per head' is to be used, it should be based on the actual cost of the 2019 *Christmas Movie on the Oval* event, which was \$6,200 thereby making the 'cost per head' \$10.33, not \$42.00. Staff have advised that the additional \$800 (from \$6,200 to \$7,000) is to be used for promotion of the event.

If Council is to be consistent and avoid criticism for hypocrisy, then it should also use the 'cost per head' criteria when considering other Council events.

If the Council doesn't want to be consistent using the 'cost per head' criteria for other events, then it has an obligation to explain to ratepayers why it targeted the *Christmas Movie on the Oval* as the event not to fund?

Notwithstanding the above, the Council has not previously applied a 'cost per head' formula to determine whether a Council event or activity should be funded.

The Council has recognised that events enrich our sense of place and promote participation - these objectives are articulated in *CityPlan 2030* which sets out that the Council is committed to encouraging 'an engaged and participating community' and attracting 'more community life in public spaces'.

The *Christmas Movie on the Oval* event forms part of a range of events and activities the Council hosts as part of its annual celebration of Christmas (ie. the Norwood Christmas Pageant, Twilight Carols & Christmas Market, the Children's Christmas Trees on Osmond Terrace, etc).

Social

So far this year, the Council has, by necessity, cancelled several community events due to the health-related restrictions as a result of COVID-19, including:

- Melodies in the Park;
- Symphony in the Park;
- St Peters Fair;
- Art on Parade;
- History Month; and
- Zest Fest.

All of these popular events bring the Norwood Payneham & St Peters community together – something that has not been able to happen for several weeks and as an ongoing impact of COVID-19, may not happen for some months.

Having been denied the opportunity to attend these events, I believe that our community will be looking forward to attending community events at the end of the year and in early 2021.

To now take away another event from our community by choice (resolution of the Council) rather than necessity due to COVID-19, appears to be a heavy-handed approach and given it is a Christmas-related event, not in the spirit of the festive season.

STAFF COMMENT

Nil

Cr Whittington moved:

That the following resolution passed by the Council at its Special Council meeting held on 22 April 2020 (Item 2.1, page 11 of the Minutes) be rescinded:

That 'in principle', Project No. O-CV2 (Christmas Movie on the Oval - \$25,000) for 2020 not be funded.

Seconded by Cr Callisto.

Amendment

Cr Duke moved:

That this matter be deferred for consideration at the June 2020 Council meeting.

Seconded by Cr Stock.

The amendment was put and carried and on becoming the motion was again put and carried.

At 7.13pm Cr Minney connected to the meeting via electronic communication.

3. STAFF REPORTS

3.1 EAST WASTE DRAFT 2020-2021 ANNUAL PLAN

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA1932 / A14987
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present to the Council the East Waste Draft 2020-2021 Annual Plan (the Plan) for endorsement.

BACKGROUND

East Waste (the Authority) is a Regional Subsidiary established pursuant to Section 43 of the Local Government Act 1999, for the purpose of providing waste management services to Constituent Councils. The City of Norwood Payneham & St Peters, together with the City of Burnside, the City of Campbelltown, the City of Mitcham, Adelaide Hill Council, Town of Walkerville and the City of Prospect make up the Constituent Councils of East Waste.

Pursuant to Clause 51 of the East Waste Charter (the Charter), East Waste must prepare an Annual Business Plan which informs and supports the Authority's Annual Budget.

Upon completion of the draft Annual Business Plan and Budget, pursuant to Clause 52.3 of the Charter, the Authority must provide the draft Annual Plan to Constituent Councils for the purposes of obtaining approval from the Constituent Council's on or before 31 May.

The Annual Plan can only be adopted by the East Waste Board, with absolute majority approval of the Constituent Councils.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

As a Constituent Council, there are financial implications for the Council's budget, emanating from the East Waste Draft Annual Plan and Budget and while Constituent Councils are not required, pursuant to the East Waste Charter, to approve the East Waste Budget, by virtue of the endorsement of the Annual Plan, the Councils ostensibly endorse the Authority's draft Budget.

The Authority's draft Budget is developed based on a Common Fleet Costing methodology, with Common Fleet Costs, which predominately relate to collection costs, which are charged to Constituent Councils based on the cost to undertake the collection of each Council's waste streams. The allocation of the Common Fleet Costs is based on the Authority's GPS System.

In addition, where Constituent Councils utilise East Waste for other services such as Contract Management Services (Disposal and Resource processing) and Waste Bin Maintenance, these services are on charged to Councils at cost.

The Draft 2020-2021 Budget is reporting an Operating Deficit of \$29,000. The Council's share of the draft Operating Deficit is \$4,147, which is based on an ownership share of the Authority of 14.3%.

The Authority's collection costs have increased by 4.43% on the 2019-2020 Budget. East Waste has advised that the main drivers for the increase being additional staff to meet operational need of the Hard Rubbish collections, increasing maintenance costs due to the age of the fleet and an allowance of 5 cents per litre associated with an increase in diesel fuel prices.

The Council's Draft Waste Management Budget, reflects a proposed Common Fleet fee of \$2.098 million (2019-2020 \$2.017 million) to be charged for the collection of this Council's waste streams, which include Domestic waste, Green Organics, Recyclables, Public Litter Bins, Illegal Dumping and pre-booked Hard Rubbish Collection. The year-on-year increase in the Common Fleet Cost is 5.42%, which is made up of the Council share of the increased common fleet costs (\$44,880), offset by a slight reduction in the Council's share of Common Fleet Costs from 16.6% to 16.5% (\$46,302)

The breakdown of proposed fee per service, for this Council is detailed in Table 1 below.

TABLE 1: BREAKDOWN OF PROPOSED WASTE COLLECTION FEE

Fee Component	2019-2020 Adopted Budget	2020-2021 Draft Budget	Movement	% Change	Comments
Administration Fee	32,143	33,018	647	2.0%	
Collection Costs (Landfill, Recyclables, Green organics and Hard waste)	2,017,145	2,097,611	80,467	5.4%	Cost increase in direct common fleet costs \$80,808 decrease in share of Common Fleet Costs \$341
Total Collection Costs	\$2,049,288	\$2,130,629	81,341	4.0%	
Green Organics Disposal	160,650	170,000	9,350	5.8%	Fee based on tonnage estimates
Recyclables Disposal	320,000	340,000	20,000	6.3%	Fee based on tonnage estimates.
Hard Waste Disposal (including illegal dumping)	90,000	139,900	49,900	55.5%	Fee based on tonnage estimates. Includes a mattress collection fee of \$75 per mattress
Total Waste Collection and Processing Fee	2,619,938	2,780,529	160,591	6.13%	

As previously advised, disposal charges are a "pass through" cost from East Waste to each Constituent Council; as such the proposed budget for the disposal of the Council's streams is based on the Council's estimate of waste which is collected and processed.

In previous years, Constituent Councils have made a capital contribution (\$0.021m) to the East Waste Equity Loan. This loan is associated with the formation of the current East Waste entity, following the creation of the Highbury Landfill Authority (which comprises the former Constituent Councils of East Waste prior to the establishment of the current East Waste). This loan has been finalised.

EXTERNAL ECONOMIC IMPLICATIONS

Nil

SOCIAL ISSUES

Nil

CULTURAL ISSUES

Nil

ENVIRONMENTAL ISSUES

Nil

RESOURCE ISSUES

Nil

RISK MANAGEMENT

Nil

CONSULTATION

- **Elected Members**
Not Applicable
- **Community**
Not Applicable
- **Staff**
Representatives from East Waste have held discussions with the Council's Manager, City Services and the Financial Services Manager, regarding the collection costs.
- **Other Agencies**
Not Applicable

DISCUSSION

The Authority offers a number of services to its Constituent Councils, with these services encompassing the collection of various waste streams, contract and procurement management of disposal contracts and bin procurement, Customer Service, RFID and GPS Tracking and Waste Education and marketing. The City of Norwood Payneham & St Peters utilises all of the services provided by East Waste with the exception of procurement of dog bags, RFID tracking and personalised truck advertising.

The Draft Annual Plan as presented, builds on the strategic and operational success of East Waste and is based on the key focus areas of Governance, Operational Management, Communication, Work Health & Safety and Financial Management and Performance, which are set out in the 2015-2024 East Waste Business Plan.

A summary of the key activities planned for 2020-2021 are detailed below.

Governance

- Implementation of a Records Management System compliant with the State Records Act 2017.

Operational Management

- Work with Constituent Councils to ensure all members utilise the full suite of services offered.
- Finalise the upgrade of the GPS tracking software to the latest technology.
- Replacement of six (6) waste collection vehicles.
- Investigate opportunities for increased re-use of Hard Waste materials.

Communications

- Continuation of generic educational messaging, maximising the "Why Waste It?" and "Which Bin" branding.
- Implement the Kerbside Services Plan.
- Undertake a review of the East Waste Education Program.

Work Health & Safety

- Undertake Independent Truck Fleet Audit
- Implementation of 2019 Risk Management Evaluation Plan.

Financial Management & Performance

- Undertake a cost benefit analysis of services

A copy of the Draft 2020-2019 Annual Plan & Budget is contained in **Attachment A**.

OPTIONS

The Council can choose not to endorse the Draft Annual Business 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

In line with the East Waste Charter, Constituent Councils are not required to endorse the Draft Budget however by virtue of the endorsement of the Annual Plan, the Council is also ostensibly endorsing the East Waste Budget.

COMMENTS

Nil

RECOMMENDATION

That the Eastern Waste Management Authority Incorporated be advised that pursuant to Clause 52 of the Charter, the Council has considered and hereby approves the Authority's Draft 2020-2021 Annual Plan.

Cr Dottore moved:

That the Eastern Waste Management Authority Incorporated be advised that pursuant to Clause 52 of the Charter, the Council has considered and hereby approves the Authority's Draft 2020-2021 Annual Plan.

Seconded by Cr Knoblauch and carried unanimously.

3.2 EASTERN HEALTH AUTHORITY DRAFT 2020-2021 ANNUAL BUSINESS PLAN AND BUDGET

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA1934 / A15006
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present to the Council the Eastern Health Authority (EHA) Draft 2020-2021 Annual Business Plan and Budget for endorsement.

BACKGROUND

Eastern Health Authority (EHA) is a Regional Subsidiary established pursuant to Section 43 of the Local Government Act 1999, for the purpose of providing environmental health services to the Constituent Councils. The other Constituent Councils are the Cities of Burnside, Campbelltown and Prospect and the Town of Walkerville.

Pursuant to Clause 8 of the Eastern Health Authority Charter (the Charter), EHA must prepare an Annual Business Plan which informs and supports the Authority's Annual Budget.

Upon completion of the draft Annual Business Plan and Budget, pursuant to Clause 8.1 (c) of the Charter, the EHA must provide the draft Annual Plan to Constituent Councils for the purposes of obtaining consent from the Constituent Council's.

The Annual Business Plan and Budget can only be adopted by the EHA Board, with absolute majority approval of the Constituent Councils.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

As a Constituent Council, there are financial implications for the Council's budget, emanating from the EHA Draft 2020-2021 Annual Business Plan and Budget.

As a receiver of services from EHA, the Council's budget includes an annual fee of \$587,000 for the provision of the environmental health services which are provided by EHA. In addition, the Council must also account for its share of EHA's operating result.

The financial implications are discussed in detail in the Discussion section of this report.

EXTERNAL ECONOMIC IMPLICATIONS

Nil

SOCIAL ISSUES

Nil

CULTURAL ISSUES

Nil

ENVIRONMENTAL ISSUES

Nil

RESOURCE ISSUES

Nil

RISK MANAGEMENT

Nil

COVID-19 IMPLICATIONS

Not Applicable.

CONSULTATION

- **Elected Members**
Councillors Whittington and Knoblauch are the Council appointments to the Eastern Health Authority Board.
- **Community**
Not Applicable
- **Staff**
General Manager, Urban Planning & Environment
- **Other Agencies**
Not Applicable

DISCUSSION

The key priorities outlined in the Annual Business Plan include:

- implementation of the Regional Public Health Plan, '*Better Living, Better Health*' as it applies to EHA;
- continuing to undertake the necessary public health functions on behalf of Constituent Councils to protect the health and well-being of the community during the COVID-19 Pandemic. Other COVID-19 priorities include:
 - the participation in Local Government COVID-19 meetings and forums to ensure consistency of approach in relation to public health and operational matters;
 - review of the Business Continuity Plan in light of the COVID-19 Pandemic; and
 - ensure operational activities (inspections, investigations, immunisation services etc) are undertaken in line with required social distancing and hygiene measures to protect EHA employees and the community;
- promotion of EHA's online immunisation appointment booking system;
- conduct immunisation surveys to gain client feedback for use in development of the 2021 Clinic Immunisation Timetable;
- implement improvements to the recalls and reminders for overdue immunisation clients; and
- undertake the organisation service review which considers the current scope and delivery of public and environmental health services by EHA to its Constituent Councils.

EHA has advised that significant influences on the Annual Business Plan and in particular the Draft Budget include:

- EHA's response to the COVID-19 Pandemic;
- the reduction of income from the School Based Immunisation Program, due to the finalisation of the year 11 catch-up program during 2019-2020. The 2020-2021 program is based on the immunisation of Year 8 and 10 students only;
- immunisation services no longer being provided to the City of Unley;
- the commencement of the Adelaide Public Health Network Immunisation Community Engagement Partnership Project; and
- Enterprise Bargaining wage increase for staff.

EHA's main source of income to fund its operations is contributions from its Constituent Councils. To deliver the Annual Business Plan, EHA requires contributions of \$1,790,674 (which equates to a 1.91% or \$33,554 increase on 2019-2020) to fund the operational expenditure, with the respective Councils contribution being based on the weighted activities across nine (9) categories which are detailed in **Table 1** below.

TABLE 1: ACTIVITY WEIGHTING

Activity Description	Activity Weighting	NPSP Share
Administration	12.5%	2.5%
Number of Food Premises	35.0%	13.15%
Environmental Health Complaints	7.0%	2.95%
Supported Residential Facilities	6.5%	1.30%
Cooling Towers	6.5%	2.24%
Hairdresser/Beauty	6.5%	0.19%
Swimming Pools	2.0%	0.6%
Year 8/10/11 Enrolments (Vaccinations)	15.0%	5.1%
Average Number of Clients Receiving Vaccinations	15.0%	4.7%

In addition, the Constituent Councils will be required to contribute \$40,000, shared equally, for the service review which was postponed from the 2019-2020 financial year.

It should be noted that the Council's ownership share of EHA has increased from 31.87% to 32.74%, an increase of 4.71%, driven by a greater proportion of environmental health complaints and school enrolment numbers. The Councils contribution to EHA's operations is \$586,306, an increase of \$26,354 on 2019-2020, with the increase in the share of EHA attributing \$15,600 to the annual increase.

The Council's Draft 2020-2021 Budget includes a funding allocation for the provision of environmental health services of \$587,000 plus \$8,000 for its share the operational service review. Given that EHA are forecasting a break even operating result, the Council's draft 2020-2021 Budget does not need to be adjusted to include this Council's share of the EHA Operating result. A copy of the Authority's draft Annual Business Plan and Budget is contained in **Attachment A**.

OPTIONS

The Council can choose not to endorse the Draft 2021-2020 Annual Business Plan and Budget, 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

EHA's Business Plan is consistent with previous years Business Plans and is in-line with the objectives set out in its Charter. While the Authority's Charter does not require the Constituent Councils to endorse the Draft Budget, however by virtue of the endorsement of the Business Plan, the Council is also ostensibly endorsing the EHA Draft Budget. The Business Plan, as contained in **Attachment A** does not present any specific issues or activities which would create a financial or risk management issue for this Council,

COMMENTS

Nil

RECOMMENDATION

That the Eastern Health Authority be advised that pursuant to Clause 8 of the Charter, the Council has considered and hereby approves the Authority's Draft 2020-2021 Business Plan.

Cr Whittington moved:

That the Eastern Health Authority be advised that pursuant to Clause 8 of the Charter, the Council has considered and hereby approves the Authority's Draft 2020-2021 Business Plan.

Seconded by Cr Granozio and carried unanimously.

3.3 ERA WATER DRAFT 2020-2021 BUDGET

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA1931 / A14989
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present to the Council the ERA Water Draft 2020-2021 Budget 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. ERA Water manage the Scheme on behalf of the Constituent Councils 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.

The Draft Budget can only be adopted by the ERA Water Board, following unanimous approval of the Constituent Councils.

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, once absolute majority is provided by the Constituent Councils.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The Draft 2020-2021 Budget is forecasting an Operating Deficit of \$587,000. This Councils share of the Operating Deficit, which will be required to be included in the Councils 2020-2021 Budget is \$195,700. While ERA Water is budgeting for an Operating 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 Constituent Councils.

The Draft Budget includes water sales to this Council of \$257,000, which is based on water consumption of 76.67ML. The Council's Draft 2020-2021 Budget include a budget estimate of \$345,000, which includes water sourced from SA Water and ERA Water for the Councils reserves, parks, medians and sporting grounds.

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**
Cr John Minney is a member of the ERA Water Board.
- **Community**
Not Applicable
- **Staff**
Nil
- **Other Agencies**
Not Applicable

DISCUSSION

The Draft Budget assumes that 296ML of water will be sold in the 2020-2021 Financial year, with the first 205ML of the available water, being sold to the Constituents Councils on a take or pay basis and the balance (91.5ML) being made available for third parties. The water sold to Constituent Councils will be priced at the SA Water price, which is forecast at \$3.35/kl. Forecast income from Constituent Councils is in the order of \$701,000.

The third party water sales, are assumed to be made at 85% of the SA Water price, with the income forecast at \$261,000 and represent 27% of total water sales for 2020-2021.

Operating costs are forecast to be \$742,000 which includes Employee Expenses of \$102,000 and \$568,500 to operate and maintain the Scheme. The Scheme's operational costs include mechanical and electrical operations and maintenance support provided by an external contractor, licence fees, water testing, utilities costs and administration costs such as insurances, audit fees and general administrative costs.

The ERA Water Draft 2020-2021 Budget includes Capital Expenditure of \$225,000, which includes \$150,000 to support additional connections to external customers, and \$75,000 allocated for upgrades to the SCADA system and a general provision for capital works.

A copy of the Draft Budget is contained in **Attachment A**.

OPTIONS

The Council can choose not to endorse the Draft 2020-2021 Budget, 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 forecast, the financial projections contained within the Budget are meant to provide an indication of the Scheme direction and financial capacity based on a set of assumptions. The achievement of the financial forecast is dependent on the assumptions holding true. The key assumption, in which ERA Water has limited influence on, is the level of rainfall which is received.

COMMENTS

Nil

RECOMMENDATION

That ERA Water be advised that pursuant to Clause 5.1.1 of the Charter, the Council has considered and hereby approves the Draft 2020-2021 Budget, as contained in Attachment A.

Cr Minney moved:

That ERA Water be advised that pursuant to Clause 5.1.1 of the Charter, the Council has considered and hereby approves the Draft 2020-2021 Budget, as contained in Attachment A.

Seconded by Cr Patterson and carried unanimously.

3.4 Highbury Landfill Authority Draft 2020-2021 Budget

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA1821 / A14990
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present to the Council the Draft 2020-2021 Highbury Landfill Authority Budget (Draft Budget) for endorsement.

BACKGROUND

The Highbury Landfill Authority (the Authority) is a Regional Subsidiary established pursuant to Section 43 of the *Local Government Act 1999*, for the purpose of facilitating the closure and post closure management of the former Highbury Landfill site. The City of Norwood Payneham & St Peters, together with the City of Burnside and the Town of Walkerville make up the Constituent Councils of the Authority.

Pursuant to Clause 4.4 of the Authority's Charter (the Charter), the Authority must prepare an Annual Budget.

Upon completion of the Draft Budget, pursuant to Clause 4.4.2 of the Charter, the Authority must provide the Draft Budget to the Constituent Councils for the purposes of obtaining approval from the Constituent Council's on or before 30 June.

Pursuant to the Authority's Charter the Annual Budget can only be adopted by the Board of the Highbury Landfill Authority, following the approval of the draft Budget by an absolute majority of the Constituent Councils.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The financial implications for the Council associated with the Draft Budget essentially relate to the cash which is required to fund the required post closure works and management of the former landfill and the recognition of the Authority's Operating Result within the Council's Statement of Comprehensive Income.

The Authority will require a Capital Contribution of \$200,000 from the Constituent Councils to fund the Post-Closure Provision expenditure, which includes monitoring and site maintenance costs. This Council's share of the Capital Contribution is \$80,714.

The Council's Draft Budget will also incorporate the Councils Share (40.4%) of the Authority's projected Operating Surplus of \$19,032 with this Council's share of the surplus being \$7,689. The factors contributing to the Operating Surplus is the anticipated reduction in the value of the Post Closure Provision.

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**
Cr Minney is this Council's appointee on the Authorities Board and is aware of the contents of the Draft 2020-2021 Budget.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

The Draft Budget includes expenditure items associated with the post-closure requirements which include:

- monthly monitoring of landfill gas and annual monitoring of ground water across the landfill site;
- site maintenance, which includes ongoing maintenance for fire control, fencing and access track maintenance; and
- administration costs such as insurance, utilities, Council rates and general administration of the Authority.

The Authority is required to oversee the management of the site until a steady state of conditions in respect to the gas emissions is maintained, which could be more than 25 years.

The Post Closure Provision, relates to anticipated future liability to manage the post closure of the landfill.

Elected Members may recall that as part of the 2018-2019 Budget, the Authority undertook an Expression of Interest process to engage a consultant to undertake a review of the future use options for the Highbury Landfill site. The objectives of the Expression of Interest were to assess options for the future use of landfill, in order to reduce the financial burden on the Constituent Councils.

The Board resolved to investigate the option to generate solar power on the site. Initial investigations indicate that currently there appears to be limited financial reward, however the Board is of the opinion that the environmental and social benefits of solar energy generated from the infrastructure install on the site should be investigated further. The draft Budget includes funding to progress investigations to determine if the solar project is viable.

A copy of the Draft Budget is contained in **Attachment A**.

OPTIONS

The Council can choose to endorse or not to endorse the Authority's Draft 2020-2021 Budget. There are no specific issues or activities which present a financial or risk management issue for this Council, and as such it is recommended that the Council endorse the Authority's Draft 2020-2021 Budget.

CONCLUSION

Nil

COMMENTS

Nil

RECOMMENDATION

That the Highbury Landfill Authority be advised that pursuant to Clause 4.4 of the Charter, the Council has considered and hereby approves the Authority's Draft 2020-2021 Budget.

Cr Minney moved:

That the Highbury Landfill Authority be advised that pursuant to Clause 4.4 of the Charter, the Council has considered and hereby approves the Authority's Draft 2020-2021 Budget.

Seconded by Cr Sims and carried unanimously.

4. CLOSURE

There being no further business, the Mayor declared the meeting closed at 7.29pm.

Mayor Robert Bria

Minutes Confirmed on _____
(date)