

# Special Council Meeting Minutes

18 April 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.*

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City of  
Norwood  
Payneham  
& St Peters

Page No.

1.	CONFIRMATION OF THE MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 10 APRIL 2017 .....	1
2.	STAFF REPORTS .....	1
2.1	CITY OF NORWOOD PAYNEHAM & ST PETERS REPRESENTATION REVIEW .....	2
2.2	EXTENSION OF THE SEPARATE RATE FOR THE PARADE PRECINCT .....	13
2.3	NORWOOD PARADE PRECINCT COMMITTEE DRAFT 2017-2018 ANNUAL BUSINESS PLAN .....	21
2.4	2017-2018 OPERATING AND CAPITAL PROJECTS BUDGET .....	24
3.	CLOSURE .....	35

**VENUE** Council Chambers, Norwood Town Hall

**HOUR** 7.00pm

**PRESENT**

**Council Members** Mayor Robert Bria  
Cr Lucy Marcuccitti  
Cr Christel Mex  
Cr Connie Granozio (entered the meeting at 7.39pm)  
Cr Sophia MacRae  
Cr Kevin Shepherdson  
Cr Carlo Dottore  
Cr Kevin Duke  
Cr Evonne Moore  
Cr John Frogley  
Cr Garry Knoblauch  
Cr John Minney  
Cr Sue Whittington  
Cr Paul Wormald

**Staff** Mario Barone (Chief Executive Officer)  
Peter Perilli (General Manager, Urban Services)  
Lisa Mara (General Manager, Governance & Community Affairs)  
Sharon Perkins (Acting General Manager, Corporate Services)  
Mark Thomson (Acting General Manager, Urban Planning & Environment)  
Keke Michalos (Acting Manager, Economic Development & Strategic Projects)  
Andrew Alderson (Financial Services Manager)  
Jane Hughes (Finance Officer)  
Tina Zullo (Administration Officer, Governance & Community Affairs)

**APOLOGIES** Nil

**ABSENT** Nil

**1. CONFIRMATION OF THE MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 10 APRIL 2017**

*Cr Shepherdson moved that the minutes of the Special Council meeting held on 10 April 2017 be taken as read and confirmed. Seconded by Cr Knoblauch and carried.*

**2. STAFF REPORTS**

## 2.1 CITY OF NORWOOD PAYNEHAM & ST PETERS REPRESENTATION REVIEW

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**REPORT AUTHOR:** General Manager, Governance & Community Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4549  
**FILE REFERENCE:** S/04096  
**ATTACHMENTS:** A - G

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### PURPOSE OF REPORT

The purpose of the report is to present the final City of Norwood Payneham & St Peters Representation Review Report (the Review Report) to enable the Council to finalise the City of Norwood Payneham & St Peters Representation Review.

### BACKGROUND

Section 12 of the Local Government Act 1999, requires a council to conduct a review of its area in respect to the composition of the council, at least once in every eight (8) years. The Council previously conducted a Representation Review in 2009-2010.

The Council commenced this Representation Review in 2016, in accordance with the requirements of the Local Government Act 1999.

At its meeting held on 7 November 2016, the Council adopted the City of Norwood Payneham & St Peters Options Paper for the purposes of community consultation. The Options Paper contained ten (10) Options which the Council considered worthy of consideration.

The community consultation period commenced on 16 November 2016 and concluded on Friday 20 January 2017. The legislated consultation period of six (6) weeks, was extended by three (3) weeks to allow for the Christmas and New Year period.

A copy of the Options Paper is contained in **Attachment A**.

A total of two (2) submissions were received and considered by the Council.

At its meeting held on 27 February 2017, the Council considered the submissions received in respect to the Options Paper and resolved the following:

1. *That the Council agrees in principle that the Office of Mayor (elected by the whole of the electors) be retained;*
2. *That the Council agrees "in principle" to amend its composition and structure to that presented as Option 1a (ie Mayor, 13 Ward Councillors and 6 Wards) as set out in the Discussion Paper (Attachment C of this report); and*
3. *That the Council authorises the Chief Executive Officer to finalise the Representation Review Report, pursuant to the provisions of Section 12(8a) of the Local Government Act 1999, in accordance with the Council's preferred option and to commence the required three (3) week public consultation process.*

The Representation Review Report was subsequently prepared in accordance with the Council's endorsed position, for the purposes of undertaking community consultation on the Council's preferred position in respect to the future structure and composition of the Council. A copy of the Review Report which was placed on consultation is contained in **Attachment B**.

The community consultation period of three (3) weeks commenced on 7 March 2017 and concluded on Friday 31 March 2017.

At the conclusion of the community consultation period, three (3) submissions were received regarding the Review Report from the following individuals and organisations:

- Ms Gunta and Mr Phillip Groves;
- St Peters Residents Association; and
- Hackney Residents Association.

In accordance with the Local Government Act 1999, all of the above individuals and organisations were invited to address the Council in respect to their submissions.

At its meeting held on Monday 10 April 2017, representatives from the Hackney Residents Association and the St Peters Residents Association, addressed the Council in respect to their submissions.

Following consideration of the submissions, the Council resolved the following:

1. *That the report be received and noted.*
2. *That the three (3) written submissions made in respect to the Review Report be formally received and noted.*
3. *That staff seek advice on the process for considering possible amendments involving the transfer of sufficient electors from St Peters Ward to Torrens Ward and still achieve appropriate tolerances.*
4. *That Ms Gunta and Mr Phillip Groves, the St Peters Residents Association and the Hackney Residents Association be thanked for their respective submissions and advised of the Council's decision.*

This report presents information to the Council in accordance with the Council's decision set out above, to enable the Council to formally adopt its final position in respect to the composition and structure of the Council and to enable the Council to finalise the Review Report.

#### **RELEVANT STRATEGIC DIRECTIONS & POLICIES**

Not Applicable.

#### **FINANCIAL AND BUDGET IMPLICATIONS**

Funds to undertake the Representation Review have been allocated in the 2016-2017 Budget.

#### **EXTERNAL ECONOMIC IMPLICATIONS**

Not Applicable.

#### **SOCIAL ISSUES**

The review of the composition of the Council needs to ensure fair and equitable representation for all electors within the City and sufficient numbers of Elected Members to provide responsive and adequate representation to address the roles and responsibilities of the Council and balance the needs of the community with the needs and responsibilities of the Council.

#### **CULTURAL ISSUES**

Not Applicable.

#### **ENVIRONMENTAL ISSUES**

Not Applicable.

## RESOURCE ISSUES

Not Applicable.

## RISK MANAGEMENT

Not Applicable.

## CONSULTATION

- **Elected Members**

Not Applicable.

- **Community**

The community have been invited to provide submissions to the Council regarding the Representation Review at various stages of the review in accordance with the *Local Government Act 1999*.

Details of the community consultation process are set out below.

The Representation Options Paper was made available to the community for comment at the Norwood Town Hall, the Norwood, Payneham & St Peters Libraries, the Payneham Community Centre and the Council's website. An advertisement inviting feedback from the community was placed in *The Advertiser* newspaper, the two (2) Messenger Newspapers circulating within the City and the Government Gazette, in accordance with the Act. Copies of the advertisements were also displayed on the noticeboards at the Council's three (3) Libraries, the Payneham Community Centre and the Norwood Town Hall.

The Representation Review Report was made available to the community for comment at the Norwood Town Hall, the Norwood, Payneham & St Peters Libraries, the Payneham Community Centre and the Council's website. An advertisement inviting feedback from the community was placed in *The Advertiser* newspaper, the two (2) Messenger Newspapers circulating within the City and the Government Gazette, in accordance with the Act. Copies of the advertisements were also displayed on the noticeboards at the Council's three (3) Libraries, the Payneham Community Centre and the Norwood Town Hall.

- **Staff**

Not Applicable.

- **Other Agencies**

Not Applicable.

## DISCUSSION

Section 12 of the *Local Government Act 1999* (the Act), sets out the powers of councils and the framework for councils when undertaking a representation review. An extract of the Act setting out the process associated with a representation review is contained within **Attachment C**.

Having commenced its review in 2016, the Council is now nearing the final stages of the process from the Council's perspective.

However, prior to finalising the review, the Council has requested information regarding the proposal which was presented to the Council by the St Peters Residents Association and the Hackney Residents Association at its meeting held on Monday 10 April 2016, to retain the suburb of Hackney within the St Peters Ward.

The St Peters Residents Association and the Hackney Residents Association have suggested that in order to address the elector quotas in the Wards, a section of Joslin should be transferred to the Torrens Ward. The section suggested is the section between Seventh Avenue and the River Torrens.

A map highlighting the St Peters Residents Association and Hackney Residents Association suggestion is contained within **Attachment D**.

As Elected Members will recall, information was presented to the Council at its meeting held on Monday 10 April 2017, which demonstrated that the proposal as suggested by the Associations was not a viable option. In other words, the transfer of this particular section of the suburb of Joslin to the Torrens Ward, would mean that the Torrens Ward Elector Representation ratio variation would be greater than the quota and therefore would make the proposal invalid.

A copy of the information provided to Elected Members at its meeting held on Monday 10 April 2017, in response to the suggestion by the Associations is contained within **Attachment E**.

Following consideration of this information, the Council requested that “*staff seek advice on the process for considering possible amendments involving the transfer of sufficient electors from St Peters Ward to Torrens Ward and still achieve appropriate tolerances.*”

The implications of amending the proposed St Peters Ward to various streets within the suburb of Joslin to accommodate the required quotas is set out in Table 1 below.

**TABLE 1: OPTIONS TO AMEND THE ST PETERS WARD BOUNDARY**

Dividing Street	Ward	Number of Councillors	Current Number of Electors	Number of Electors to be Transferred	Resulting Number of Electors	Resulting Number of Electors per Councillor	Variation from the Quota of 1,952
Current	St Peters	2	4,319	-	4,319	2,160	+10.6%
	Torrens	2	3,978	-	3,978	1,989	+1.9%
Seventh Avenue	St Peters	2	4,319	- 347	3,972	1,986	+3.2%
	Torrens	2	3,978	+ 347	4,325	2,163	+10.8%
Eighth Avenue	St Peters	2	4,319	- 270	4,049	2,025	+3.7%
	Torrens	2	3,978	+ 270	4,248	2,124	+8.1%
Ninth Avenue	St Peters	2	4,319	- 192	4,127	2,064	+5.7%
	Torrens	2	3,978	+ 192	4,170	2,085	+6.8%
Tenth Avenue	St Peters	2	4,319	- 119	4,200	2,100	+7.6%
	Torrens	2	3,978	+ 119	4,097	2,049	+4.9%

As set out in Table 1 above, the transfer of a section of the suburb of Joslin to the proposed Torrens Ward can be achieved at either Ninth Avenue or Tenth Avenue. The Ninth Avenue proposal (as highlighted in green) does however, provide for a more even variation in the quota and therefore a more balanced solution. A map highlighting the Ninth Avenue example is contained within **Attachment F**.

Notwithstanding the above, the basis of the submission presented by the St Peters Residents Association and the Hackney Residents Association relies on the historical origins of the suburb of Hackney and the former Town of St Peters.

Whilst as a basis there is no disputing these facts, they do not have any relevance in terms of the structure of the City of Norwood Payneham & St Peters at this current time. That is former Local Government boundaries are not relevant.

In fact, there is no requirement to consider previous Local Government boundaries as part of the process.

The review undertaken to determine Elector ratios relies on the facts of today and the future and not how the Wards within a Local Government Area were formerly structured.

The Hackney Residents Association submission is based predominantly on the demographics and amenity of Hackney, in particular the differences between the suburb of Hackney with the West Norwood/Kent Town Ward, including:

- Hackney is separated from Kent Town by a main road (ie North Terrace);
- Hackney is made up of narrow historic streets predominantly of a residential nature;
- West Norwood/Kent Town Ward is primarily commercial and light industrial;
- A rise in high density living with increasing building heights throughout the suburb will impact on the amenity of the suburb of Hackney.

In addition, there is suggestion that the current zoning of the Kent Town area and the re-development which is currently occurring, will spill over into the suburb of Hackney, should Hackney be included in the proposed West Norwood/Kent Town Ward.

In response to the Hackney Residents Association's submission it must be noted that the Kensington Ward is divided by a main road (ie Portrush Road).

In terms of the comments regarding high rise developments, the zoning of an area is not based on Ward boundaries.

On the basis of the analysis of the submissions presented by the Hackney Residents Association and the St Peters Residents Association, there is no overwhelming reason why the Council should amend its current position.

In respect to the process from this point onwards, the Council must now determine its final position in respect to the structure and composition of the Council.

Advice has been received from the Office of the Electoral Commission SA (the Deputy Electoral Commissioner) to confirm the next stages of the review process and in particular, the implications for the Council if the Council amends the structure and composition of the Council at this stage in the process.

The Deputy Electoral Commissioner has advised that if the Council makes amendments to its preferred position in respect to its composition and structure as set out in the Review Report following consideration of the submissions, the Council would be required to determine if the amendments are of a minor or significant nature.

If the amendments are deemed by the Council to be of a minor nature only, then further consultation on the Review Report, incorporating the amendments, would not, in the opinion of the Deputy Electoral Commissioner, be required.

The question therefore that must be determined is what constitutes a significant change?

The Deputy Electoral Commissioner has advised that a change to the composition and structure involving the addition or deletion of the number of Councillors or Wards would constitute a significant change.

For example, if the Council increases the number of Elected Members or the number of Wards then this would require further consultation.

The proposal to retain the suburb of Hackney within the proposed St Peters Ward and make a boundary adjustment to the St Peters and Torrens Wards to accommodate the quotas would, in the opinion of the report author following discussions with the Deputy Electoral Commissioner, be deemed to be of a significant nature and therefore would require additional consultation.

It is a requirement under the Act (Section 33(2)) that the average number of electors represented by a Councillor within all Wards is within the specified 10% quota.

The endorsed position of the Council, ie to transfer the suburb of Hackney to the West Norwood/Kent Town Ward, provides for quotas which are sustainable into the near future. Table 2 below sets out the elector ratios under the Council's endorsed position.

**TABLE 2: ELECTOR REPRESENTATION RATIOS UNDER THE COUNCIL'S ENDORSED POSITION**

Ward	Number of Councillors	Total Electors	Electors per Councillor	Variation from Quota
St Peters	2	3,896	1,948	-0.2%
Torrens	2	3,978	1,989	+1.9%
Payneham	2	3,922	1,961	+0.5%
Maylands/Trinity	3	5,841	1,947	-0.3%
West Norwood/Kent Town	2	3,995	1,998	+2.3%
Kensington	2	3,748	1,874	-4.0%
	<b>13</b>	<b>25,380</b>	<b>1,952</b>	-

In addition to the above however, and in the event that the Council resolves to adopt a structure which transfers a section of the suburb of Joslin to the Torrens Ward, should the Council also consider the views of those residents of Joslin who would be affected by the transfer? In this respect, the Council did not receive submissions from those residents who would be affected by the proposal put forward by the Associations. This could be due to residents being satisfied with the Council's proposal or, alternatively, not interested in the issue.

It could also be argued that the residents of Joslin did not forward a submission to the Council regarding the Council's adopted position and in accordance with the Review Report which was the subject of consultation because at that time they were not affected by the proposal.

If the Council does resolve to amend its position and undertake further community consultation, the Deputy Electoral Commissioner has advised that a letter would be required to be forwarded to the Electoral Commissioner SA seeking an extension to the deadline for the completion of the review. The Deputy Electoral Commissioner has advised that in these circumstances a new deadline would be set to accommodate the additional consultation.

### Summary

The Council has undertaken a comprehensive process as part of its Representation Review, set out in Figure 1 below.

Whilst there has been criticism of the process, the facts remain that the process has been comprehensive and has provided the opportunity of any and all interested persons and organisations to make comment and have input into the decision. The process undertaken in respect to the review is set out in Figure 1 below.

**FIGURE 1 REPRESENTATION REVIEW PROCESS**

**APPOINTMENT OF A SUITABLE PERSON TO CONDUCT THE REVIEW – RESOLVED BY THE COUNCIL AT ITS MEETING HELD ON 1 AUGUST 2016**



**RESEARCH & PREPARATION OF VARIOUS OPTIONS  
AUGUST – SEPTEMBER 2016**



**INFORMATION BRIEFING HELD ON 10 OCTOBER 2016  
TO DISCUSS PROCESS, KEY STAGES, ROLES &  
RESPONSIBILITIES OF STAKEHOLDERS & OPTIONS**



**INFORMATION BRIEFING HELD ON 31 OCTOBER 2016  
TO PRESENT VARIOUS OPTIONS**



**PREPARATION OF THE DRAFT OPTIONS PAPER**



**ENDORSEMENT OF THE OPTIONS PAPER BY THE  
COUNCIL FOR THE PURPOSE OF CONDUCTING  
COMMUNITY CONSULTATION AT THE COUNCIL  
MEETING HELD ON 5 NOVEMBER 2016**

**TEN (10) OPTIONS PRESENTED FOR COMMUNITY  
CONSULTATION**



**CONSULTATION CONDUCTED OVER & ABOVE THE  
LEGISLATED 6 WEEK PERIOD TO ALLOW FOR  
CHRISTMAS/NEW YEAR**

**16 NOVEMBER 2016 – 20 JANUARY 2017**



**NOTICES PLACED IN VARIOUS PUBLICATIONS  
INVITING SUBMISSIONS ON THE OPTIONS PAPER**



**INFORMATION BRIEFING HELD ON 13 FEBRUARY 2017  
TO CONSIDER THE SUBMISSIONS RECEIVED IN  
RESPECT TO THE OPTIONS PAPER**



CONSIDERATION OF THE SUBMISSIONS & ADOPTION OF THE REVIEW REPORT FOR THE PURPOSE OF COMMUNITY CONSULTATION AT THE SPECIAL COUNCIL MEETING HELD ON 27 FEBRUARY 2017



CONSULTATION CONDUCTED OVER 3 WEEKS  
7 MARCH 2017 – 31 MARCH 2017



NOTICES PLACED IN VARIOUS PUBLICATIONS INVITING SUBMISSIONS ON THE REVIEW REPORT



CONSIDERATION OF THE SUBMISSIONS AT THE SPECIAL COUNCIL MEETING HELD ON 10 APRIL 2017



ADOPTION OF THE FINAL REVIEW REPORT (CURRENT COUNCIL MEETING 18 APRIL 2017)



REPRESENTATION REVIEW FORWARDED TO THE ELECTORAL COMMISSIONER FOR CERTIFICATION BY 30 APRIL 2017

The proposed structure adopted by the Council and placed on community consultation ensures that the required quotas are satisfied.

A map highlighting the Council's adopted composition and structure is contained within **Attachment G**.

In addition to the composition and structure of the Council, the Council, via the Options Paper and Review Report proposed to change the name of the Kensington Ward to Kensington/East Norwood Ward.

No objections have been received in response to this proposal and it is therefore recommended that the new name for the Kensington Ward be approved as part of this review process.

## OPTIONS

The Council has the following options in respect to this matter.

### Option One

The Council can resolve to maintain its current position as set out in the Representation Review Report and which was placed on community consultation.

### Option Two.

The Council can resolve to place the suburb of Hackney within the proposed St Peters Ward and make a minor boundary adjustment to the St Peters, Torrens Ward and West Norwood/Kent Town Wards to accommodate the quotas.

To assist the Council with a resolution in respect to both of these Options, Model Resolutions are set out below.

Option One - Model Resolution:

*That having conducted its 2016 Representation Review, the Council resolves as follows:*

1. *That the Office of Mayor (elected by the whole of the community) be retained;*
2. *That the Council agrees to amend its composition and structure as follows and as represented in **Attachment G**:*
  - *Mayor, 13 Ward Councillors and 6 Wards;*
  - *the transfer of the suburb of Hackney to the West Norwood/Kent Town Ward;*
  - *and the amendment of the boundary between the Payneham and Maylands/Trinity Ward as follows:*
    - *extension of the Payneham Ward boundary to the east along Coorara Avenue over the suburb boundary between Payneham South and Firlie to Gage Street;*
    - *along Gage Street to the north to Marian Road and then follow Marian Road to the west until Marian Road meets Avenue Road.*
3. *That the Kensington Ward be renamed to Kensington/East Norwood Ward and all other Ward names remain the same.*
4. *The Council authorises the Chief Executive Officer to prepare and forward the necessary report and documents to the Electoral Commissioner of South Australia, pursuant to the provisions of Sections 12(11) and 12(12) of the Local Government Act 1999.*

Option Two – Model Resolution:

*That having conducted its 2016 Representation Review, the Council resolves as follows:*

1. *That the Office of Mayor (elected by the whole of the community) be retained;*
2. *That the Council agrees to amend its composition and structure as follows and as represented in **Attachment F**:*
  - *Mayor, 13 Ward Councillors and 6 Wards;*
  - *the transfer of a portion of the suburb of Joslin to the Torrens Ward as follows:*
    - *the section between Ninth Avenue and the River Torrens*
  - *and the amendment of the boundary between the Payneham and Maylands/Trinity Ward as follows:*
    - *extension of the Payneham Ward boundary to the east along Coorara Avenue over the suburb boundary between Payneham South and Firlie to Gage Street;*
    - *along Gage Street to the north to Marian Road and then follow Marian Road to the west until Marian Road meets Avenue Road.*
3. *That the Kensington Ward be renamed to Kensington/East Norwood Ward and all other Ward names remain the same.*
4. *The Council authorises the Chief Executive Officer to prepare and forward the necessary report and documents to the Electoral Commissioner of South Australia, pursuant to the provisions of Sections 12(11) and 12(12) of the Local Government Act 1999.*

## **CONCLUSION**

The requirement for the Council to finalise its preferred position in respect to the future composition and structure, represents the final stage of the Representation Review process from the Council's perspective.

## COMMENTS

The Council's Representation Review is due to be completed by the end of April 2017. The final Representation Review Report will therefore be presented to the Electoral Commissioner SA following the Council's determination of its final position at this meeting.

## RECOMMENDATION

That the report be received and noted.

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*Cr Frogley moved:*

*That having conducted its 2016 Representation Review, the Council resolves as follows:*

1. *That the Office of Mayor (elected by the whole of the community) be retained;*
2. *That the Council agrees to amend its composition and structure as follows and as represented in Attachment F:*
  - *Mayor, 13 Ward Councillors and 6 Wards;*
  - *the transfer of a portion of the suburb of Joslin to the Torrens Ward as follows:*
    - *the section between Ninth Avenue and the River Torrens*
  - *and the amendment of the boundary between the Payneham and Maylands/Trinity Ward as follows:*
    - *extension of the Payneham Ward boundary to the east along Coorara Avenue over the suburb boundary between Payneham South and Firle to Gage Street;*
    - *along Gage Street to the north to Marian Road and then follow Marian Road to the west until Marian Road meets Avenue Road.*
3. *That the Kensington Ward be renamed to Kensington/East Norwood Ward and all other Ward names remain the same.*
4. *That the Council authorises the Chief Executive Officer to prepare a new Representation Review Report, pursuant to the provisions of Section 12(8a) of the Local Government Act 1999, in accordance with the Council's option as set out above and to commence the required three (3) week public consultation process.*
5. *That an extension of time be requested from the Electoral Commission SA to complete the Representation Review.*

*Seconded by Cr MacRae.*

*Cr Granozio entered the meeting at 7.39pm.*

*The motion was put and lost.*

## Division

*Cr Moore called for a division and the decision was set aside.*

*Those in favour:*

*Cr Wormald, Cr Whittington, Cr MacRae, Cr Mex, Cr Frogley and Cr Moore.*

*Those against:*

*Cr Knoblauch, Cr Minney, Cr Duke, Cr Dottore, Cr Shepherdson, Cr Granozio and Cr Marcuccitti.*

*The Mayor declared the motion lost.*

*Cr Duke moved:*

*That having conducted its 2016 Representation Review, the Council resolves as follows:*

- 1. That the Office of Mayor (elected by the whole of the community) be retained;*
- 2. That the Council agrees to amend its composition and structure as follows and as represented in Attachment G:*
  - Mayor, 13 Ward Councillors and 6 Wards;*
  - the transfer of the suburb of Hackney to the West Norwood/Kent Town Ward;*
  - and the amendment of the boundary between the Payneham and Maylands/Trinity Ward as follows:*
    - extension of the Payneham Ward boundary to the east along Coorara Avenue over the suburb boundary between Payneham South and Firlie to Gage Street;*
    - along Gage Street to the north to Marian Road and then follow Marian Road to the west until Marian Road meets Avenue Road.*
- 3. That the Kensington Ward be renamed to Kensington/East Norwood Ward and all other Ward names remain the same.*
- 4. The Council authorises the Chief Executive Officer to prepare and forward the necessary report and documents to the Electoral Commissioner of South Australia, pursuant to the provisions of Sections 12(11) and 12(12) of the Local Government Act 1999.*

*Seconded by Cr Shepherdson and carried.*

#### Division

*Cr Whittington called for a division and the decision was set aside.*

*Those in favour:*

*Cr Knoblauch, Cr Minney, Cr Duke, Cr Dottore, Cr Shepherdson, Cr Granozio and Cr Marcuccitti.*

*Those against:*

*Cr Wormald, Cr Whittington, Cr MacRae, Cr Mex, Cr Frogley and Cr Moore.*

*The Mayor declared the motion carried.*

## 2.2 EXTENSION OF THE SEPARATE RATE FOR THE PARADE PRECINCT

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**REPORT AUTHOR:** Acting Manager, Economic Development & Strategic Projects  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4509  
**FILE REFERENCE:** S/01916  
**ATTACHMENTS:** A – B

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### PURPOSE OF REPORT

The purpose of this report is to present to the Council, an evaluation of the effectiveness of the Separate Rate, which has been applied to the properties within The Parade Precinct and to seek the Council's approval to undertake consultation on the extension of the Separate Rate for a further three (3) years.

### BACKGROUND

At its meeting held on 17 June 2014, the Council resolved the following:

1. *That a Separate Rate be implemented for properties located on The Parade in the following zones (as contained in the Council's Development Plan): District Centre Zone, Business Zone and Mixed Use Zone (adjacent The Parade) except that the Council will apply a discretionary rebate of 50% of the amount payable for offices and consulting rooms within this location.*
2. *That the revenue to be raised from the Separate Rate on The Parade be set at \$200,000 for the first year and increased annually by the Consumer Price Index.*
3. *That at the end of the three (3) year period, a full review evaluating the effectiveness of the Separate Rate on The Parade be undertaken.*

The purpose of this Report is to advise the Council that the Separate Rate is required to be reviewed and to provide the Council with a report (in accordance with Part 3 above), which sets out the request of a review and evaluation of the programs and initiatives using the revenue which has been raised from the Separate Rate over the last three (3) financial years (2014-2015, 2015-2016 and 2016-2017).

At its meeting held on 28 February 2017, the Norwood Parade Precinct Committee (NPPC) considered a report regarding the extension of the Separate Rate for The Parade Precinct and resolved the following:

1. *That the Committee advises the Council that it supports the continuation of the Separate Rate for The Parade for a further three (3) year period.*
2. *That the Committee supports the amount of revenue raised by the Separate Rate on The Parade to be set at \$205,000 for the first year (2017-2018) and increased annually by the Consumer Price Index (CPI).*

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

The relevant Objectives and Strategies contained in *CityPlan 2030* are outlined below:

#### **Outcome 3: A dynamic and thriving centre for business and services.**

*Objective 3.1: A diversity of business and services attractive to consumers.*

*Strategy: Retain and attract small, specialty and family businesses.*

*Strategy: Attract specific businesses to locate in our City to cater for all ages.*

*Strategy: Promote the City as a tourist destination and facilitate a wider choice of accommodation options.*

The NPPC Annual Business Plans for the past three (3) years have contained initiatives to achieve all of these strategies including:

- subsidised advertising in publications such as the Parade Magazine, Aspire, City Brief, City Mag and SA Life, all designed to support The Parade's small, specialty and family-owned businesses as well as its broad range of businesses and services;
- the Adelaide Fashion Festival/ Parades on Norwood Parade to promote existing businesses and attract more fashion businesses to locate on The Parade; and
- advertising in various tourism publications such as Destinations Australia and Welcome To Australia, as well as major Bus Advertising Campaigns to help bring more tourists and visitors to The Parade.

*Objective 3.2: Cosmopolitan character business precincts contributing to the prosperity of the City.*

- *Preserve and enhance the unique character of all our City's business precincts.*

The NPPC Annual Business Plans for the past three (3) years have contained initiatives to achieve these strategies including the development of a new logo and branding to capture and reflect the essence of The Parade.

*Objective 3.5: A local economy supporting and supported by its community.*

- *Support opportunities for people to interact in business areas.*
- *Promote the preservation of accessible, local shopping.*

The NPPC Annual Business Plans for the past three (3) years have contained initiatives to achieve these strategies including support for events such as the Parades on Norwood Parade, in order to attract locals and visitors to the Precinct, as well as advertising to encourage the local community to support their local businesses by 'shopping local' and spending more time on The Parade.

The relevant Objectives and Strategies contained in the *Business & Economic Development Strategy 2008-2013* are outlined below.

*Theme 1: Village precincts that service locals and attract visitors.*

*Objective 1.1: Maintain the diversity of business and services and cosmopolitan character of precincts.*

- *Strategy 1.1.2: Develop precinct plans for each commercial precinct to articulate identity, clear visions and a framework of strategies and actions to frame the development of business and commercial precincts.*
- *Strategy 1.1.3: Support existing businesses to maintain a diverse business mix within each precinct (via the Eastside Business Enterprise Centre and precinct groups).*

The Parades on Norwood Parade aim to support the fashion branding of The Parade to support the strong café culture branding, which already exists.

*Objective 1.2: Support a year-round calendar of events.*

- *Strategy 1.2.1: Work with precinct and business groups to help businesses understand how they can capitalise on tourism events.*
- *Strategy 1.2.2: Use events to generate activity, attract visitors, provide local community engagement opportunities, promote learning and creativity.*

The Adelaide Fashion Festival, now the Parades on Norwood Parade is an initiative of the NPPC. The NPPC also supports events such as the Tour Down Under.

*Objective 1.4: Actively target tourism and visitation that capitalises on the proximity to Adelaide.*

- *Strategy 1.4.5: Encourage the uptake of customer service and retailing skills in local businesses to enhance the experience of visitors and improve business profitability.*

The NPPC's Networking events are designed to offer free professional development opportunities for local business owners and their staff in the areas of customer service and other business skills.

## FINANCIAL AND BUDGET IMPLICATIONS

The revenue which has been raised through the Separate Rate over the last three (3) years, has been based on an amount of \$200,000 in its base year (2014-2015), followed by an increase in line with the CPI annually over the two (2) subsequent financial years, resulting in total amount of revenue collected in 2015-2016 of \$202,600 and \$205,842 in 2016-2017.

To assist the Council in its consideration, Table 1 sets out the comparison of Separate Rates which are charged for similar mainstreet precincts within metropolitan Adelaide.

**TABLE 1: COMPARISON OF THE SEPARATE RATE COLLECTED FOR SIMILAR MAINSTREET PRECINCTS IN METROPOLITAN ADELAIDE**

<i>Year</i>	<i>Mainstreet / Precinct</i>	<i>Separate Rate Revenue</i>
2016-2017	Glen Osmond Road, Parkside	\$18,355
2016-2017	Goodwood Road, Goodwood	\$55,000
2016-2017	Unley Road, Unley	\$107,000
2016-2017	King William Road, Hyde Park	\$144,000
2016-2017	The Parade, Norwood	\$205,842
2016-2017	Jetty Road, Glenelg	\$553,470

The comparison demonstrates that the current rate which is collected from The Parade Precinct is commensurate for the size and significance of the Precinct and the number of businesses which are located within the Precinct.

Should the Council resolve to extend the Separate Rate for a further three (3) years, it is recommended that the Separate Rate be set at \$205,000 in the base year (2017-2018) and then indexed to increase in line with CPI over the subsequent two (2) years. This proposal would ultimately result in a zero revenue increase in the 2017-2018 financial year, given that the amount collected in 2016 – 2017 is \$205,842 and the amount proposed in 2017 – 2018 is \$205,000, followed by minor increases in the two (2) subsequent years (2018-2019 and 2019-2020).

This Separate Rate model for The Parade has been designed to ensure that The Parade remains viable in an increasingly competitive market, whilst bearing in mind the additional cost to the property owners and businesses.

Reducing the rate would result in less revenue to implement initiatives and less capacity to market The Parade. In contrast, increasing the Separate Rate would add additional financial stress to property owners and subsequently business owners, in the instances where the additional levy is passed on. Given that the NPPC has been able to deliver a significant number of market and promotional initiatives with an annual budget of approximately \$200,000 - \$205,000 over the last three (3) years, as outlined in **Attachment A**, it is considered that the proposed total revenue of \$205,000 as a base is considered sufficient.

On this basis it is recommended that retaining the Separate Rate at the current level would ensure that the Committee is still able to deliver significant initiatives for the size and diversity of the businesses and properties within the Precinct.

## **EXTERNAL ECONOMIC IMPLICATIONS**

The Separate Rate revenue must be used expressly for the benefit of the area from which it is raised and for the property owners who pay the Separate Rate. The Council, through the activities of the NPPC, aims to attract high quality businesses and services to locate on The Parade thus contributing to the diversity of businesses and services available.

The NPPC Annual Business Plans contain strategies to attract residents and visitors to The Parade and are aimed at enhancing the prosperity and sustainability of The Parade by maintaining and enhancing a pleasant environment for residents and visitors. This in turn is likely to attract additional business opportunities to the area with the spinoff effect of increasing local employment opportunities.

A dynamic and thriving commercial centre creates a community hub and a 'sense of place' for residents.

## **SOCIAL ISSUES**

Economic and social issues are invariably intertwined. Business and economic development impacts on both the business sector and the local community, and the future development of key business precincts such as The Parade also impacts on the broader community. The collection of a separate rate that enables a range of incentives to be delivered will not only assist in delivering economic benefits but will also assist in developing social capital and substantially contribute to the ongoing development of a vibrant local community.

The NPPC is working to maintain and enhance The Parade as "the CBD of Adelaide's east" providing a single precinct where residents and visitors can access a variety of services including all major banks and credit unions as well as a Centrelink Office.

## **CULTURAL ISSUES**

Many of the initiatives delivered as part of the Annual Business Plan aim to enhance the unique character of The Parade and its sense of place.

## **ENVIRONMENTAL ISSUES**

Not Applicable.

## **RESOURCE ISSUES**

Prior to the 2016-2017 financial year the budget, which was allocated by the Council to the Norwood Parade Precinct Committee comprised of the revenue raised by the Council through The Parade Separate Rate and a Council allocation of \$55,000.

From this total available budget (The Parade Separate Rate plus the Council Allocation), the Norwood Parade Precinct Committee would fund the equivalent of a 0.8 Full Time Equivalent (FTE) Economic Development Coordinator position. However, at its meeting held on 11 April 2016, the Council resolved to replace its grant allocation of \$55,000 to the Norwood Parade Precinct Committee with all of the required staffing to meet the costs of the programs that the Committee has approved within its funding from Separate Rate levy of the Norwood Parade businesses.

The 2016-2017 Annual Business Plan was subsequently amended to reflect the resolution of the Council, which resulted in an increase of \$20,382 in the NPPC's available budget from \$185,460 to the full Separate Rate revenue of \$205,842, to distribute across the various strategies and deliver on the initiatives.

## **RISK MANAGEMENT**

Prior to implementing a Separate Rate, the Council must comply with the provisions of the *Local Government Act 1999*, in respect to the consultation requirements regarding a Separate Rate. For this reason it is important that the Council undertakes comprehensive consultation with the business and property owners regarding the extension of the Separate Rate before resolving to extend the application of a Separate Rate. More detail regarding the proposed consultation process is outlined in the Discussion Section of this Report.

## CONSULTATION

- **Elected Members**

The Elected Members that form part of the NPPC has been consulted as part of the Committee.

- **Community**

The Council resolves to continue to collect a Separate Rate, consultation will be undertaken with the key stakeholders (The Parade businesses and property owners) in accordance with the provisions outlined under the *Local Government Act 1999*.

To ensure that all affected stakeholders are informed of the Council's intentions, a variety of different platforms will be used to communicate with the key stakeholders, including advertisements in the local Messengers, written information packs sent to all business and commercial property owners located in the affected area, information posted on both The Parade and the Council's websites, as well as one-on-one information sessions. In addition, the monthly Electronic Direct Marketing (EDM) newsletter, "News on Parade", will also be used to inform The Parade Businesses of the Council's intentions.

It should be noted that in addition to the consultation regarding the Separate Rate, The Parade business and commercial property owners are consulted annually on the development of the Annual Business Plan. The draft 2017-2018 NPPC Annual Business Plan will be released for consultation at the same time as the Separate Rate, to demonstrate what the Council proposes to do with the revenue which is collected through the separate rate.

- **Staff**

Economic Development Coordinators.

- **Other Agencies**

Not Applicable.

## DISCUSSION

In accordance with the provisions of Section 154 of the *Local Government Act 1999*, the revenue collected by the Council as part of the Separate Rate, is required to be used expressly for the benefit of the area from which it is raised and for the property owners who pay the Separate Rate.

More specifically, the revenue raised through the Separate Rate, is allocated by the Council to the Norwood Parade Precinct Committee (NPPC), which was established to perform the following functions:

- To develop and recommend to the Council in each financial year, an Annual Business Plan and Budget for The Parade Precinct.
- To develop a budget in conjunction with the Annual Business Plan, that meets the objectives set out in the Annual Business Plan, for the Council's approval.
- To oversee the implementation of the Annual Business Plan as approved.
- To oversee the implementation of the approved Marketing and Promotional Plan for The Parade.
- To assist in the development and promotion of a vibrant cultural and leisure tourism destination for businesses, residents and visitors.
- To facilitate and encourage networking and communication.

Each financial year, the Norwood Parade Precinct Committee is required to present an Annual Business Plan to the Council for its approval, outlining how the Committee intends to use the Separate Rate revenue to market and promote The Parade Precinct. An overview of the key programmes and initiatives that were delivered by the Norwood Parade Precinct Committee using the Separate Rate, in each financial year of this three (3) year Separate Rate period, is contained in **Attachment A**.

In general, each of the NPPC Annual Business Plans contain strategies to promote and market The Parade with the overarching objective of attracting more people to The Parade, which will ultimately enhance the prosperity and sustainability of The Parade. This in turn is likely to attract additional business opportunities, which contributes to the diversity of the businesses and services available and has the spinoff effect of increasing local employment opportunities.

Over the last three (3) years the NPPC, has implemented a range of initiatives designed to promote the Norwood Parade Precinct and support the diverse range of businesses on The Parade. Whilst the majority of these initiatives are difficult to measure quantitatively, the anecdotal evidence suggests that The Parade is a successful mainstreet both through the low vacancy rates, the feedback which is received as well as the number of visitors observed in the Precinct each day and the overall vibrancy of the Precinct.

Through the establishment of the Norwood Parade Precinct Committee and the revenue collected from the Separate Rate, the Council is ensuring that The Parade continues to maintain its status as one of Adelaide's Premier Mainstreets as well as enhance The Parade as "the CBD of Adelaide's east" - which provides a single precinct where residents and visitors can access a variety of services and entertainment options. Achieving a dynamic and thriving commercial centre in turn creates a community hub and a sense of pride for residents.

As outlined earlier in this Report, in June 2014, the Council requested that a review evaluating the effectiveness of the Separate Rate on The Parade be undertaken to assist it in determining whether to extend the Separate Rate for a further three (3) year period. To assist the Council in considering whether to continue with the Separate Rate, it is worthwhile reflecting on why both the Council and the NPPC, supported the proposal of a Separate Rate for The Parade in the first instance. A summary of these reasons is set out below:

- The Parade is facing increased competition from master planned, off-street shopping centres such as the Westfields, Burnside Village, Mitcham Shopping Centre and even Marryatville and Firlie. These centres enjoy co-ordinated centre management, which includes a compulsory marketing levy along with maintenance of centre infrastructure and management of retail mix. While the charm and unique character of mainstreets like The Parade act as a drawcard, they simply cannot continue to compete in this increasingly competitive retail environment without a more coordinated marketing approach.
- At the same time, it is important that the unique charm, character and "sense of place" of The Parade, is carefully managed – to do otherwise would be counterproductive to what the Council and indeed the property owners, tenants and the community wish to achieve.
- The unique charm, character and 'sense of place' has been recognised for a long time by Adelaide's other major mainstreet precincts including Unley Road, King William Road, Goodwood Road, Jetty Road Glenelg and Rundle Mall, which are considered to be The Parade's principle competitors and are themselves undertaking major marketing, promotion and development programmes in order to stay competitive in metropolitan Adelaide's retail environment.
- The Council's *Strategic Plan for The Parade and Magill Road Precincts*, which underwent extensive consultation, recommends the implementation of a Separate Rate in order to enable the strategies and actions identified in the Plan to be implemented.
- Historically, this Council has supported The Parade through grant funding over a number of years, however it is clear that The Parade must contribute to its own marketing, promotion and development, in order to stay competitive today and into the future, particularly in light of the fact that the Council has an obligation to consider how it can support other significant business precincts in the City such as Magill Road, Payneham Road and the Glynde Corner.

### Consultation

Section 151(5) of The *Local Government Act 1999* requires that the Council consult all stakeholders before declaring a Separate Rate. The consultation program is an important process and must ensure that all commercial property and business owners located within the Precinct are well informed and have ample opportunity to comment.

If the Council proceeds with extending the Separate Rate for The Parade Precinct, it is required to provide details of what the revenue would be used for. At its meeting held on 28 March 2017 the NPPC endorsed a *Draft 2017-2018 Annual Business Plan* for recommendation to the Council based on a Separate Rate of \$205,000.

If the Council endorses the extension of the Separate Rate for The Parade, it is recommended that consultation commence as soon as practicable to stay in line with the Council's general budget setting process.

It is proposed that consultation will comprise of an advertisement in the two (2) Messenger newspapers announcing consultation on the proposed Separate Rate and providing details of the consultation programme. It is also proposed that information will be distributed to both The Parade business owners and to each of the business and commercial property owner potentially affected by the proposed Separate Rate, outlining the following information:

- what is a Separate Rate/Trader Levy;
- where the proposed Separate Rate would be applied;
- how much revenue would be raised through the Separate Rate (\$205,000);
- on what basis the Separate Rate would be applied (Capital Value);
- what the revenue raised from the Separate Rate would be used for (enclose *Draft NPPC 2017-2018 Annual Business Plan*);
- for what period the Separate Rate would apply (three (3) years);
- the likely impact of the Separate Rate on traders (ie. the sample effect figures); and
- details of the consultation programme, how to access further information and how to provide written feedback on the proposal (available on the Council website, The Parade website, by contacting the Council and at the information sessions).

In line with the Council's Consultation Policy and Section 151(7)(a) of the Local Government Act 1999, it is proposed that a consultation period of at least twenty-one (21) days will be applied to ensure, as far as possible, that all stakeholders have the opportunity to participate.

In addition, all business and property owners will be given the opportunity to meet with Council Staff to obtain more information and discuss any concerns.

In addition a media release will be prepared for the Messenger, developed around issues specific to the Separate Rate, in order to keep it front of traders' minds and to generate information and discussion. .

### **Implementing the Separate Rate**

At the conclusion of the consultation period a report will be prepared for the Council's consideration. If the Council resolves to extend the Separate Rate on The Parade, it will become part of the Council's overall Annual Business Plan and Budget.

It should be noted that the Local Government Act requires details of the Separate Rate to be listed separately on the relevant rates notices, including information about what that rate revenue will be used for.

### **OPTIONS**

The Council has a number of options available to it, including determining that a Separate Rate no longer be collected. However, given that a Separate Rate has been applied for two (2), three (3) year periods following comprehensive consultation with The Parade business community, the option of no longer collecting the Separate Rate is not recommended, particularly given that the previous consultation experiences have been quite positive, with business owners generally appreciating the direct benefit to their business of paying the Separate Rate to fund the initiatives of the NPPC, which focus strongly on promoting the Precinct as a whole.

Recommending to discontinue the Separate Rate would be detrimental to the long term survival and sustainability of The Parade particularly given that nearby centres (which contain both retail and office uses) are undergoing, or have recently undergone, major redevelopments and The Parade's mainstreet peers have all implemented a Separate Rate for many years.

As such, it is recommended that the Council endorse the extension of the Separate Rate for a further three (3) years and that The Parade business community again be consulted with regard to again declaring a Separate Rate on the Precinct for a further three (3) year period.

## CONCLUSION

The Separate Rate enables the Council to raise sufficient revenue to ensure high impact marketing and promotion programmes for The Parade, whilst minimising the impact on individual ratepayers who will experience the benefits of these programmes through increased patronage. A safeguard has been built in with the three (3) year timeframe, at which time the Separate Rate will once again be evaluated for its effectiveness.

## COMMENTS

The development of a sophisticated new logo and branding for The Parade is a reflection of the development of The Parade into a mature Adelaide mainstreet with a dynamic yet appropriate tenancy mix that makes it attractive to locals and visitors alike. This together with the Council's focus on developing strong relationships with The Parade business community with an emphasis on face-to-face contact through the Council's two (2) Economic Development Coordinators to ensure a high level of business owner engagement with the Council, the NPPC and The Parade Precinct itself are key ingredients for a successful future. All of these initiatives have been delivered with the revenue of the Separate Rate.

## RECOMMENDATION

1. That the Separate Rate for The Parade Precinct, (as shown on the Norwood Parade Precinct Committee Map in **Attachment B**), be endorsed 'in principle' for a further three (3) years commencing on 1 July 2017.
  2. That the Separate Rate based upon achieving revenue of \$205,000 in the first year (2017-2018), which is then increased annually by the Consumer Price Index (CPI) for the following two (2) years (ie 2018-2019 and 2019-2020), be endorsed 'in principle'.
  3. That consultation with business and commercial property owners located within The Parade Precinct be undertaken on the proposal to extend the application of a Separate Rate on The Parade Precinct for a further three (3) years commencing in the 2017-2018 financial year.
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Cr Moore left the meeting at 8.02pm.  
Cr MacRae left the meeting at 8.02pm.

*Cr Duke moved:*

1. *That the Separate Rate for The Parade Precinct, (as shown on the Norwood Parade Precinct Committee Map in Attachment B), be endorsed 'in principle' for a further three (3) years commencing on 1 July 2017.*
2. *That the Separate Rate based upon achieving revenue of \$205,000 in the first year (2017-2018), which is then increased annually by the Consumer Price Index (CPI) for the following two (2) years (ie 2018-2019 and 2019-2020), be endorsed 'in principle'.*
3. *That consultation with business and commercial property owners located within The Parade Precinct be undertaken on the proposal to extend the application of a Separate Rate on The Parade Precinct for a further three (3) years commencing in the 2017-2018 financial year.*

*Seconded by Cr Wormald.*

Cr MacRae returned to the meeting at 8.03pm.  
Cr Moore returned to the meeting at 8.04pm.

*The motion was put and carried unanimously.*

## 2.3 NORWOOD PARADE PRECINCT COMMITTEE DRAFT 2017-2018 ANNUAL BUSINESS PLAN

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**REPORT AUTHOR:** Economic Development Coordinator  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4512  
**FILE REFERENCE:** S/01916  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

The purpose of this report is to seek endorsement from the Council to release the Norwood Parade Precinct Committee's (NPPC) *Draft 2017-2018 Annual Business Plan*, for consultation for a period of twenty-one (21) days.

### BACKGROUND

At its meeting held on 28 March 2017, the NPPC considered the *Draft 2017-2018 Annual Business Plan*.

The Draft Plan is based on revenue which the Council collects from The Parade Separate Rate. A copy of the *Draft 2017-2018 Annual Business Plan* is contained in **Attachment A**.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

The *Draft 2017-2018 Annual Business Plan* is structured to implement the strategies relevant to The Parade, Norwood which are contained in the Council's *Business & Economic Development Strategy 2008-2013*, as well as working towards achieving the Vision for the City outlined in the *CityPlan 2030* and translated into the four (4) Outcomes of Cultural Vitality, Social Equity, Environmental Sustainability and predominantly Economic Prosperity.

The *Draft 2017-2018 Annual Business Plan* also seeks to implement the strategies contained in the *Strategic Plan for The Parade & Magill Road Precincts*.

### FINANCIAL AND BUDGET IMPLICATIONS

The proposed budget which has been allocated for the 2017-2018 financial year, is \$205,000 which is the revenue raised by the Council through The Parade Separate Rate. A separate report regarding the extension of The Parade Separate Rate has been prepared for the Council's consideration. The report proposes the extension of the rate for a further three (3) years.

At the conclusion of the 2016-2017 financial year, the Council will be provided with a report outlining the achievements of the past year and any carry forward amount.

### EXTERNAL ECONOMIC IMPLICATIONS

The *Draft 2017-2018 Annual Business Plan*, includes strategies and initiatives which are intended to improve the economic development of the Norwood Parade Precinct in areas including, but not limited to:

- increasing diversity of businesses and services;
- prosperity and development of The Parade precinct;
- attracting investment and business opportunities to the area;
- increasing local employment opportunities;
- development and support of appropriate industry clusters;
- building community support;
- attracting tourism visitors to The Parade; and
- creating a cohesive brand for The Parade.

## **SOCIAL ISSUES**

The future development of key business precincts such as The Parade, Norwood impacts positively on the City. A vibrant local economy contributes significantly to creating a vibrant local community and assists in developing social capital.

## **CULTURAL ISSUES**

The Draft Plan contains strategies for activities and events to enhance and express creativity. In particular, the use of street decorations will enhance the unique character and 'sense of place' for The Parade.

## **ENVIRONMENTAL ISSUES**

Not applicable.

## **RESOURCE ISSUES**

The implementation of the 2017-2018 Norwood Parade Precinct Committee Annual Business Plan will be undertaken by Council staff and managed by the Acting Manager, Economic Development & Strategic Projects. Input and involvement from other Council staff and/or external contractors will be sought as required.

## **RISK MANAGEMENT**

Not applicable.

## **CONSULTATION**

- **Elected Members**  
Mayor Robert Bria and Councillors Lucy Marcuccitti, Paul Wormald, Sue Whittington, Christel Mex are Members of the NPPC and are aware of and have had input into the Draft Plan.
- **Community**  
Following endorsement by the Council, the *Draft 2017-2018 Annual Business Plan* will be released for consultation for a period of twenty-one (21) days.
- **Staff**  
Not Applicable.
- **Other Agencies**  
Not Applicable.

## **DISCUSSION**

The Vision for The Parade in the *Draft 2017-2018 Annual Business Plan* has been identified as:

*A vibrant meeting place and business precinct where residents and visitors can experience and enjoy a place to eat, meet, shop and do business.*

In addition to the Vision, the Draft Plan has been developed around four (4) clear Objectives:

- Attract new customers.
- Promote the Precinct.
- Build on the Precinct's unique atmosphere, culture and 'sense of place'.
- Strengthen relationships amongst businesses and provide support.

Sitting below the overarching Objectives are five (5) Strategies all of which contain a number of Deliverables detailing the Strategies and more broadly how the Objectives will be achieved.

The five (5) Strategies are listed in the table below.

**TABLE 1: STRATEGIES CONTAINED IN DRAFT PLAN**

<b>Strategy</b>	<b>Budget</b>
Events & Activations	\$40,000
Marketing & Communication	\$66,000
Identity & Brand	\$86,000
Business Development	\$8,000
Administration	\$5,000
<b>TOTAL</b>	<b>\$205,000</b>

The Council is now required to endorse the *Draft 2017-2018 Annual Business Plan*, in order for it to be released for consultation with The Parade business community.

### **OPTIONS**

The Council can choose to either endorse this *Draft 2017-2018 Annual Business Plan* as presented, and release it for consultation, or alternatively, the Council can amend the contents of the *Draft 2017-2018 Annual Business Plan*, including the Separate Rate, prior to releasing it for consultation.

### **CONCLUSION**

Nil

### **COMMENTS**

Nil

### **RECOMMENDATION**

That the *Draft 2017-2018 Annual Business Plan* as approved by the Norwood Parade Precinct Committee, be endorsed for the purposes of consultation with The Parade business community for a period of twenty-one (21) days.

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*Cr Whittington moved:*

*That the Draft 2017-2018 Annual Business Plan as approved by the Norwood Parade Precinct Committee, be endorsed for the purposes of consultation with The Parade business community for a period of twenty-one (21) days.*

Cr Minney left the meeting at 8.08pm.

*Seconded by Cr Marcuccitti.*

Cr Minney returned to the meeting at 8.09pm.

*The motion was put and carried unanimously.*

## 2.4 2017-2018 OPERATING AND CAPITAL PROJECTS BUDGET

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

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### PURPOSE OF REPORT

The purpose of this report is to provide for the Council's consideration and "in principle" endorsement, the Operating and Capital Projects Budget components of the Draft 2017-2018 Budget.

### 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 Annual Business Plan and make it available for public consultation.

At the Special Meeting held on 10 April 2017, the Council endorsed 'in principle', the Draft 2017-2018 Recurrent Budget, which projected an Operating Surplus of \$2.227 million, on a full accrual basis, prior to factoring into account any increase in Rate Revenue, Operating Projects and interest costs on new borrowing required to be drawn down to fund new assets.

### RELEVANT POLICIES & STRATEGIC DIRECTIONS

The Council's Long Term Strategic direction is outlined in the *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 for the 2017-2018 Financial Year and explains how the Council intends to finance its continuing services and projects which are to be undertaken during the year.

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

In determining the services and projects 2017-2018, the Council needs to ensure that it will assist in delivering on its Long Term Strategic direction and financial objective set out in the LTFP.

### FINANCIAL AND BUDGET IMPLICATIONS

The 'in-principle' adoption of the Draft 2017-2018 Budget as presented in this report, (prior to any Rate Revenue increases) will deliver an Operating Surplus of \$1.264 million and a Net Surplus (after capital income) of \$7.341 million.

It should be noted that the Draft 2017-2018 Budgeted Net Surplus includes \$1.123 million from the Roads-to-Recovery Grant Funding Program. The Council receives funding annually from the Federal Government under the Roads-to-Recovery Program to perform works over and above the Councils existing Civil Infrastructure Capital Works Program. In the 2016-2017 Financial Year, the Councils Roads-to-Recovery funding was \$0.602 million, which was aligned to the River Torrens Linear Park Path upgrade works which have been carried forward into the 2017-2018 Financial Year. For the 2017-2018 Budget, that an additional \$0.521 million of Councils funding received from the Roads-to-Recovery Grants Program and will be allocated to the River Torrens Linear Park Path upgrade.

While this funding is being utilised to fund a Capital Project, in line with the requirements of the Model Financial Statements, if the Council is itself entitled to determine the purpose or the project on which the amount is spent, then it is classified as Grants, Subsidies and Contributions and the funding is to be included when determining the Council's Operating Surplus.

#### **SOCIAL ISSUES**

Nil.

#### **CULTURAL ISSUES**

Nil.

#### **ENVIRONMENTAL ISSUES**

Nil.

#### **RESOURCE ISSUES**

Nil.

#### **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 2017-2018 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 the process of consultation on the Draft 2017-2018 Annual Business Plan, will have input into the final form of the Draft 2017-2018 Budget.

- **Staff**

The review of the Operating Expenditure and Special Projects has been completed with the involvement of the Chief Executive Officer, General Managers and the various Responsible Officers.

- **Other Agencies**

Nil.

#### **DISCUSSION**

##### **Budgeted Recurrent Operating Position**

The Draft 2017-2018 Budget is prepared in two stages, with Stage One being the preparation and consideration of the Recurrent Budget and Stage Two being the preparation and consideration of the Operating and Capital Projects Budget.

At the Special Meeting held on 10 April 2017, the Council endorsed 'in principle', the Draft 2017-2018 Recurrent Budget, which projected an Operating Surplus of \$2.227 million, on a full accrual basis, prior to factoring into account any increase in Rate Revenue and Operating Projects. It should be noted that the Draft 2017-2018 Recurrent Budget endorsed 'in principle' on 10 April 2017, does not include interest cost associated with any new borrowings and Share of Joint Ventures & Associates.

A review of the interest expense in light of the proposed 2017-2018 Capital Budget has been undertaken and there is a minor increase in the finance costs of \$0.050 million. This is based on the assumption that the Council is successful in securing all of the proposed Capital Grant Funding and that new borrowings of \$4.000 million will be taken out during the later stages of 2017-2018. A more detailed discussion on borrowings is contained in this report.

### 2017-2018 Budgeted Operating Projects

The Draft 2017-2018 Budget, as presented, incorporates Operating Projects to the value of \$1.107 million inclusive of 2016-2017 carry forwards. This expenditure is offset by Grant and other Revenues to the value of \$0.045 million, resulting in a net to Council of \$1.062 million. The Long Term Financial Plan contains provision for Operating Projects with a net cost of \$0.940 million.

The proposed Operating Projects for 2017-2018 Budget have been broken down into a number of categories as detailed in Table 1 below:

**TABLE 1: OPERATING PROJECT CATEGORIES**

Operating Project category	2017-2018 Proposed Operating Projects	2017-2018 LTFP Operating Projects	Variance Fav/(unfav)
Council Building Maintenance and Painting Program	\$0.000m	\$0.239m	\$0.239m
New Operating Projects	\$0.794m	\$0.476m	(\$0.318m)
2016-2017 Project Carried Forward	\$0.312m	\$0.225m	(\$0.087m)
<b>Total Operating Projects Expenditure</b>	<b>\$1.106m</b>	<b>\$0.940m</b>	<b>(\$0.166m)</b>

In addition to the current year (2016 -2017) proposed Operating Projects, the Draft 2017-2018 Budget includes funding allocation for Operating Projects which were adopted as part of the 2016-2017 Annual Business Plan and Budget, which will not be completed by 30 June 2017. While the actual value of projects yet to be completed will not be determined until 30 June 2017, an estimate of the projects to be carried forward to the 2017-2018 Financial year, has been determined based on the 2016-2017 Third Quarter Budget Update.

Details of the recommended Operating Projects (inclusive of carried forwards) to be included in the 2017-2018 Budget are contained in **Attachment A**.

### Budgeted Capital Projects

The Draft 2017-2018 Budget, as presented, incorporates Capital Projects to the value of \$22.696 million inclusive of 2016-2017 Carry Forwards. This expenditure is offset by Capital Funding which incorporates Grant and other Revenues to the value of \$4.344 million, which result in a net cost to Council of \$18.362 million (exclusive of capitalised salaries). It should be noted that the Capital Funding includes the Norwood Football Clubs contribution to the Norwood Oval Clubrooms and Member Facilities (\$3.320 million). The Long Term Financial Plan contains provision for Capital Projects with a net cost of \$14.553 million. The proposed 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**

Capital Project category	2017-2018 Proposed Operating Projects	2017-2018 LTFP Operating Projects	Variance Fav/(unfav)
Whole-of-Life Capital Works Program			
• Road Resealing	\$1.186m	\$1.173m	(\$0.013m)
• Footpath Reconstruction	\$1.107m	\$1.054m	(\$0.053m)
• Kerbing Reconstruction	\$0.823m	\$0.747m	(\$0.076m)
• Stormwater Drainage Program	\$2.500m	\$2.294m	(\$0.206m)
New Operating Projects	\$3.722m	\$5.184m	\$1.602m
2016-2017 Project Carried Forward	\$13.873m	\$8.279m	(\$5.594m)
<b>Total Capital Projects Expenditure</b>	<b>\$23.207m</b>	<b>\$18.731m</b>	<b>\$4.476m</b>

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 received relating to Capital Projects will, however, be included as Capital Income within the Budgeted Statement of Comprehensive Income after the Operating Surplus/ (Deficit) as required by the Model Financial Statements prescribed by the Local Government Act 1999.

Details of the 2017-2018 Proposed Capital Projects are contained in **Attachment A**.

In addition to the current years proposed Capital Projects, 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 which are yet to be completed by 30 June 2017. While the actual value of projects yet to be completed will not be determined until the completion of the 2016-2017 Financial Year (30 June 2017), an estimate of the projects to be carried forward to the 2017-2018 Financial year has been determined based on the 2016-2017 Third Budget Update.

**Attachment B** contains the detailed Project Proposals for both the Operating and Capital Projects which have been proposed for inclusion in the Draft 2017-2018 Budget.

In undertaking the review of the Capital Project Proposals, the following project proposals are not recommended for inclusion in the Draft 2017-2018 Budget.

In developing the Draft 2017-2018 Operating Projects, consideration was given to the appropriateness and merit of the project proposals which were submitted. The assessment takes into account the relevance to the Council's Strategic outcomes, the operational need and the available resources to undertake or manage the projects.

In undertaking the review of the Funding Submissions, the following project proposals are not recommended for inclusion in the Draft Budget.

**1. Urban Forest Strategy (Stage 1: Tree Audit & Asset Management Integration) - \$250,000**

This project is not supported to be undertaken at this stage pending the development of a Policy on the Council's Urban Forest Strategy.

**2. Cleaning of The Parade Precinct Footpath - \$65,000**

Given the need to improve the existing infrastructure and management of the current cleaning contract, the proposed steam cleaning of paving is not supported.

### 3. Complete Street Plan - \$60,000

The general concept of the funding submission is supported, however due to the existing organisation commitment to completion of a number of significant projects in 2017-2018, it is considered that the Council has insufficient resourcing to commit to the project in 2017-2018.

### 4. Borthwick Park Master Plan - \$55,000

This funding submission is not supported due to the Councils pre-existing commitments and need to complete and deliver upon current open space Master Plans (for example Adey Reserve, Burchell Reserve, Syd Jones and Felixstow Reserve) prior to the development of any new Master Plans. In addition, whilst the development of a Master Plan for Borthwick Park would be in the order of \$55,000 the cost implications of the design of a Second Creek Beach Entry will be possibly \$100,000 - \$150,000 subject to the scale of the project, as the hydraulic requirements and implications associated with naturalisation of the creek.

### 5. Corporate Plan

This Project does not require funding as it was recurrent in nature and would be accommodated within existing recurrent budgets and to be undertaken with existing resources.

### 6. Norwood Concert Hall Test and Tag Appliance Purchase - \$4,500

It was agreed that this project did not require a funding submission as it was recurrent in nature and would be expensed within existing budgets.

### 7. Significant Tree Conservation Grants - Trial Program - \$10,000

The project concept is not supported as the community benefit will be restricted to a small number of residents.

Details of the Unfunded Projects are contained in **Attachment C**.

## Borrowings

Proposed net capital expenditure is \$18.362 million (inclusive of Roads-to-Recovery Grant Funding) 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	\$4.000 million
- Existing Cash Reserves	\$3.320 million

It is anticipated that long term borrowings of \$4.000 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.

In addition, given the anticipated cash reserves, there is no expectation that the Council will be required to take out short term borrowings to cover periods of negative cash flow.

## Overview of Budget Position

Table 3 sets out the Draft 2017-2018 Operating Surplus, prior to the incorporation of Rate Revenue increases. The Council's Operating Surplus/Deficit position before Capital Income is determined by combining the Draft 2017-2018 Recurrent Budget and Operating Projects Budget. Capital Income is defined as grants and subsidies received to fund specified Capital Projects, gains and losses on disposal of assets or direct contributions of physical assets.

The Operating Surplus of \$1.264 million is based on a Recurrent Operating Surplus of \$2.376 million, an Operating Deficit related to 2017-2018 Operating Projects of \$1.062 million (exclusive of Roads to Recovery Funding of \$1.123 million) and increased Finance Costs of \$0.050 million from Capital Project Funding.

**TABLE 3: 2017-2018 PROPOSED BUDGETED INCOME STATEMENT (BEFORE RATE REVENUE INCREASES)**

	Recurrent Operating 2017-2018	Carry Forwards 2016-2017	Operating Projects 2017-2018	Capital Projects 2017-2018	Proposed 2017-2018
	\$	\$	\$	\$	\$
<b>INCOME</b>					
Rates	33,102,678	-	-	-	33,102,678
Statutory charges	1,730,000	-	-	-	1,730,000
User charges	3,529,671	-	-	-	3,529,671
Grants, subsidies and contributions	2,268,586	45,000	-	-	2,313,586
Investment income	97,844	-	-	-	97,844
Other income	662,350	-	-	-	662,350
<b>Total Income</b>	<b>41,391,129</b>	<b>45,000</b>	<b>-</b>	<b>-</b>	<b>41,436,129</b>
<b>EXPENSES</b>					
Employee costs	15,070,155	-	-	-	15,070,155
Materials, contracts & other expenses	15,330,421	311,997	794,650	-	16,437,068
Finance costs	615,000	-	-	50,000	665,000
Depreciation, amortisation & impairment	8,000,000	-	-	-	8,000,000
Net loss Joint Ventures & Associates	-	-	-	-	-
<b>Total Expenses</b>	<b>39,065,576</b>	<b>311,997</b>	<b>794,650</b>	<b>50,000</b>	<b>40,222,223</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>2,375,553</b>	<b>(266,997)</b>	<b>(794,650)</b>	<b>(50,000)</b>	<b>1,263,906</b>

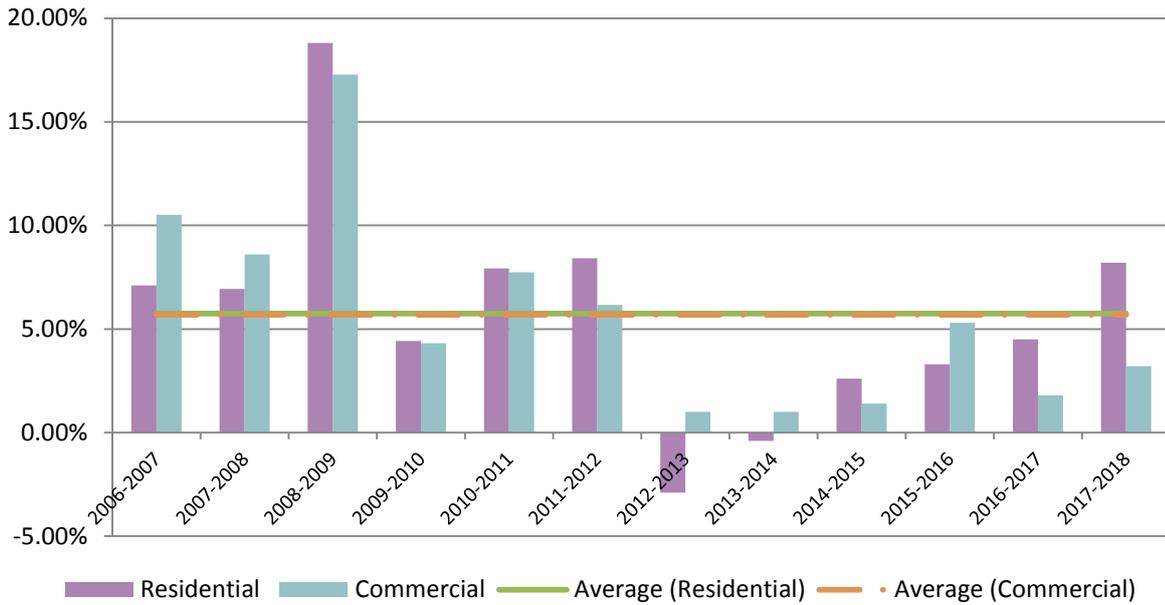
The Operating Deficit set out in Table 3, excludes the budgeted loss/gain from Joint Ventures and Associates. A request has been made that the Regional Subsidiaries provide details of their respective budgeted Operating Surplus/Deficit however, at the time of writing this report, the information has only been received from the Eastern Health Authority.

## Rating Strategy

For the 2017-2018 Financial year, current information from the Valuer-General, indicates strong capital value growth in the residential sector for the City, with a Capital Value increase of 8.2% on 2016-2017. New development accounts for 0.27% of this growth. For the Commercial Sector, the Capital Value increase is 3.2%, with new development accounting for 0.03% of this growth.

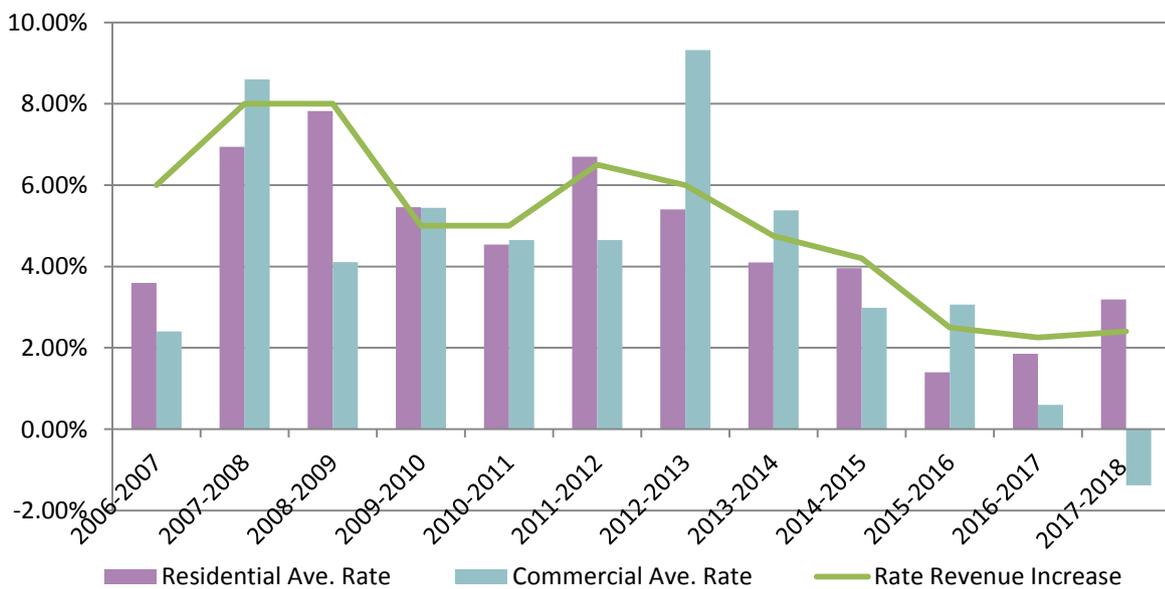
Despite the residential property growth for 2017-2018 being significantly higher than the increases being experienced over the last few years, as illustrated in Figure 1 below, over time, the average growth for both the Residential and Commercial sectors are in line with each other, at just over 5%.

**Figure 1: Capital Value Increase 2006-2007 to 2017-2018**



For the same period, the impact of the Council's Rating Policy is illustrated in Figure 2 below.

**Figure 1: Rating Policy 2006-2007 to 2017-2018**



The Council's Long Term Financial Plan, sets out the Council's 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 were 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*. For the previous Council Term, which concluded in October 2014, the average rate increase for the four (4) year term, was 5.36%, which was within the target range, albeit it at the upper limit, set in the Council's LTFP. For the same period, the average residential rate increase was 5%, with the average Commercial Rate increase being 5.6%.

Assuming a rate revenue increase of 2.4% for the 2017-2018 Financial year, for the current term of Council, the average rate revenue increase is 2.38%, which is within the target rate, of the recently endorsed draft Long Term Financial Plan. For the same period, the average residential rate increase was 2.15%, with the average Commercial Rate increase being 0.76%.

As such from a financial management perspective, the Council has been delivering on its financial objective. Based on the Rates Modelling which has been undertaken to date, the potential impact of rate increases are detailed in Table 4 below.

**TABLE 4: RATING STRATEGY**

Proposed Rate Revenue Increases	2017-2018				
	1.0%	1.2%	2.0%	2.25%	2.4%
	\$'000	\$'000	\$'000	\$'000	\$'000
Net General Rate Revenue	32,035	32,098	32,352	32,432	32,479
Net Increase on 2014-2015	317	381	634	714	761
<b>Operating Surplus/(Deficit) after rate revenue increases *</b>	<b>1,581</b>	<b>1,645</b>	<b>1,898</b>	<b>1,978</b>	<b>2,025</b>
<b>Residential Rate</b>					
Average Rate (inclusive of new development) (\$)	1,442	1,445	1,456	1,460	1,462
Average Rate Difference (\$)	25	28	39	43	45
Increase from previous year (%)	1.79%	1.99%	2.78%	3.04%	3.19%
Rate-in-the-Dollar	0.002387	0.002392	0.002410	0.002417	0.002420
<b>Commercial Rate</b>					
Average Rate (inclusive of new development) (\$)	2,480	2,485	2,504	2,510	2,513
Average Rate Difference (\$)	(69)	(64)	(45)	(39)	(35)
Increase from previous year (%)	(2.71)%	(2.52)%	(1.77)%	(1.52)%	(1.38)%
Rate-in-the-Dollar	0.002865	0.002870	0.002892	0.00289	0.002904
<b>Minimum Rate</b>	<b>948</b>	<b>950</b>	<b>958</b>	<b>960</b>	<b>962</b>

\* Excludes Roads to Recovery Grant Funding

As Elected Members are aware, as part of the Council's Rating Policy, the Council applies a cap (the Rate Capping Rebate) maximum rate increase. The Rate Capping 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 which is not attributable to development. For eligible properties, the amount of rates payable is capped at two times the adopted Rate Revenue increase. Based on a Rate Revenue increase of 2.4%, the rate cap rebate is automatically applied to assessments where the increase in rates payable is 4.8% 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 is in the order of \$150,000 on rate revenue. If the Council adopts a rating strategy which delivers an Average Residential Rate increase of 2%, the financial impact of the Rate Capping Rebate is in the order of \$300,000.

It should be noted that as the Rating Strategy is yet to be considered by the Council, the financial impact of the Rate Capping Rebate has not been taken into account in determining the Draft Operating Surplus (before rate revenue) of \$1.264 million. Therefore to achieve the financial Operating Surplus set out in the LTFP, the Council will be required to either:

- identify expenditure savings, either through the Recurrent Budget or via a reduction in the Operating Projects Budget (contained in this report), equal to the final Rate capping Rebate ; or
- absorb the financial impact; or
- remove/reduce the Rate Capping Rebate.

In considering the proposed Rating Strategy for the 2017-2018 Financial year, the Council needs to consider the financial impact of the decisions that are made today on the future financial sustainability of the Council. The proposed Rating Strategy will be presented to the Council for consideration at the Council meeting scheduled for 1 May 2017.

### OPTIONS

Elected Members can either endorse the Draft 2017-2018 Budget as presented in this report or choose to vary Draft 2017-2018 Budget by either:

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

### CONCLUSION

The Draft 2017-2018 Budget, as presented in this report, will deliver an Operating Surplus prior to Rate Revenue increase of \$1.264 million which is in line with the forward estimate detailed in the LTFP and exceeds the budget target as set by the Council at the meeting held on 16 January 2016.

In determining the continuing services and new initiatives for the 2017-2018 Financial Year, the Council needs to ensure that it can deliver on its Long Term Strategic direction and financial objective as set out in the Long Term Financial Plan.

### COMMENTS

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

### RECOMMENDATION

1. That the Proposed Operating and Capital Budget as set out in **Attachment A** be endorsed "in principle".
  2. That the Draft 2017-2018 Budget as set out in **Attachment D** be endorsed "in principle", subject to the presentation and adoption of a consolidated report for the Council's consideration of the Draft 2017-2018 Annual Business Plan and Budget.
  3. The Council notes that a report on the adoption of the Draft 2017-2018 Budget will be prepared for the Council's consideration.
-

Cr Wormald left the meeting at 8.55pm.  
Cr Wormald returned to the meeting at 8.57pm.  
Cr Wormald left the meeting at 9.01pm.  
Cr MacRae left the meeting at 9.06pm.

*Cr Frogley moved:*

- a. *That "in principle", the amount requested for Project No. O-SE7 (City-Wide Parking Review) be reduced from \$100,000 to \$75,000.*

*Seconded by Cr Shepherdson.*

Cr MacRae returned to the meeting at 9.08pm.

*The motion was put and the vote was tied and on the casting vote of the Mayor who voted for the motion, the Mayor declared the motion carried.*

Cr Wormald returned to the meeting at 9.13pm.  
Cr Dottore left the meeting at 9.13pm.  
Cr Dottore returned to the meeting at 9.14pm.

*Cr Frogley moved:*

- b. *That "in principle", Project No. O-CV3 (20<sup>th</sup> Anniversary Celebration of Norwood Payneham & St Peters) not be funded.*

*Seconded by Cr Whittington and carried unanimously.*

*Cr Frogley moved:*

- c. *That "in principle", the amount requested for Project No. O-CV5 (New Event – George Street Sessions) be reduced from \$100,000 to \$75,000.*

*Seconded by Cr Minney and carried.*

Cr Frogley left the meeting at 9.27pm.  
Cr Marcuccitti left the meeting at 9.27pm.  
Cr Frogley returned to the meeting at 9.28pm.  
Cr Marcuccitti returned to the meeting at 9.30pm.

*Cr Mex moved:*

- d. *That "in principle", Project No. O-ES2 (Significant Tree Conservation Grants – Trial Program) be included in the 2017-2018 Budget.*

*Seconded by Cr Minney and carried.*

Cr Mex left the meeting at 9.58pm.  
Cr Wormald left the meeting at 9.58pm and did not return.  
Cr Mex returned to the meeting at 9.59pm.  
Cr Minney left the meeting at 10.03pm.  
Cr Minney returned to the meeting at 10.04pm.

*Cr Frogley moved:*

- 1. That the Proposed Operating and Capital Budget as set out in Attachment A (as amended and set out as points a, b, c & d above) be endorsed "in principle".*
- 2. That the Draft 2017-2018 Budget as set out in Attachment D (as amended) be endorsed "in principle", subject to the presentation and adoption of a consolidated report for the Council's consideration of the Draft 2017-2018 Annual Business Plan and Budget.*
- 3. The Council notes that a report on the adoption of the Draft 2017-2018 Budget will be prepared for the Council's consideration.*

*Seconded by Cr Dottore and carried unanimously.*

**3. CLOSURE**

There being no further business, the Mayor declared the meeting closed at 10.07pm.

\_\_\_\_\_  
**Mayor Robert Bria**

**Minutes Confirmed on** \_\_\_\_\_  
(date)