

# Special Council Meeting Minutes

**13 June 2018**

## **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

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**VENUE** Council Chambers, Norwood Town Hall

**HOUR** 7.00pm

**PRESENT**

**Council Members** Mayor Robert Bria  
Cr Connie Granozio  
Cr Kevin Shepherdson  
Cr Mike Stock  
Cr Carlo Dottore  
Cr Kevin Duke  
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)  
Sharon Perkins (General Manager, Corporate Services)

**APOLOGIES** Cr Christel Mex, Cr Evonne Moore, Cr Lucy Marcuccitti

**ABSENT** Nil

**1. CONFIRMATION OF THE MINUTES OF THE COUNCIL MEETING HELD ON 4 JUNE 2018**

*Cr Minney moved that the minutes of the Council meeting held on 4 June 2018 be taken as read and confirmed. Seconded by Cr Duke and carried unanimously.*

**2. STAFF REPORTS**

## 2.1 DRAFT 2018-2019 ANNUAL BUSINESS PLAN – CONSIDERATION OF PUBLIC SUBMISSIONS

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**REPORT AUTHOR:** General Manager, Corporate Services  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4585  
**FILE REFERENCE:** S/05218  
**ATTACHMENTS:** A - B

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### PURPOSE OF REPORT

The purpose of this report is to present for the Council's consideration, the submissions which have been received in respect to the Draft 2018-2019 Annual Business Plan.

### BACKGROUND

As required by Section 123 of the *Local Government Act 1999* (the Act), the Council must have an Annual Business Plan and Budget (the Plan) for each financial year and the community must be given an opportunity to comment on that Plan.

At the Special Council Meeting held on 23 April 2018, the Council endorsed the Draft 2018-2019 Annual Business Plan, as required by the Act, for release for community consultation.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council's Long-term Strategic directions are outlined in the *City Plan 2030 – Shaping our Future*. The Draft Plan and supporting Draft 2018-2019 Budget (Budget), set out the proposed services and programs and initiatives for the 2018-2019 Financial Year and explains how the Council intends to finance its continuing services, programs and initiatives 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.

The adoption of the Draft 2018-2019 Plan will assist with the Council achieving its goals and objectives as set out in the suite of Strategic Planning documents set out above.

### FINANCIAL AND BUDGET IMPLICATIONS

If the Council chooses to amend the Draft Plan as a result of its consideration of the submissions, there may be financial implications on the Draft Budget. These will be determined following the consideration of the submissions.

### EXTERNAL ECONOMIC IMPLICATIONS

Nil.

### SOCIAL ISSUES

Nil.

### CULTURAL ISSUES

Nil.

### ENVIRONMENTAL ISSUES

Nil.

## RESOURCE ISSUES

Nil.

## RISK MANAGEMENT

Nil.

## CONSULTATION

- **Elected Members**

Elected Members have been involved throughout the preparation of the Draft Plan and Budget and have considered the various components of the Draft Plan and made decisions as appropriate.

- **Community**

The community through the process of public consultation on the Draft Plan have input into the final form of the Draft Plan.

- **Staff**

The review of the Operating Expenditure and Special Projects and the draft Annual Business Plan process has been completed with the involvement of the Chief Executive Officer, General Managers and the various responsible officers.

- **Other Agencies**

Not Applicable.

## DISCUSSION

At the Special Council Meeting held on 23 April 2018, the Council approved the Draft Plan for release for community consultation subject to any editorial changes be authorised by the Chief Executive Officer. The Draft Budget, which has been released for consultation in conjunction with the Annual Business Plan has been based on a rate revenue increase of 2.5%, which at the time of translated to an Average Residential Rate increase of 0.81% and a decrease in the Average Commercial Rate of 1.07%. Key aspects of the Draft Budget are set out in Table 1 below:

**TABLE 1: DRAFT BUDGET**

	<b>Public Consultation</b>
<b>Rate Revenue Increase</b>	<b>2.5%</b>
Average Residential Rate Increase (based on Week 45 valuations)	0.81%
Operating Surplus *	\$1.514 million
<i>* includes \$0.260m Roads-to-Recovery Grant Funding</i>	
<b>Underlying Operating Surplus *</b>	<b>\$1.254 million</b>
<i>* excluding \$0.260m Roads-to-Recovery Grant Funding</i>	
Expenditure on continuing services and programs	\$39.958 million
Expenditure on new initiatives and strategic operating projects (including 2017-2018 Carry-forward projects)	\$0.723 million
Total Capital Works Program (including 2017-2018 Carry-forward projects)	\$23.207 million
Non- Rate Operating Revenue (excluding R2R)	\$8.633 million
Net General Rate Revenue (excluding NRM Levy)	\$33.352 million
NRM Levy **	\$1.280 million
Capital Grant Funding	\$3.415 million

\*\* The Council is acting as a revenue collector for the Adelaide and Mount Lofty Ranges Natural Resources Board in this regard and does not retain this revenue.

A copy of the draft Plan which was released for consultation is contained in **Attachment A**.

### **Public Consultation**

Pursuant to Section 123 (3) and (4) of the Act, a Public Notice was published in in the Messenger Press, advising citizens that:

- the Council's Draft Annual Business Plan was be available for comment;
- written feedback was to be received by 5.00pm, Wednesday 30 May 2018.; and
- a public meeting will be held on Wednesday 30 May 2018 in the Mayor's Parlour at 7.00pm.

Promotion of the Community Consultation also included:

- a News Item on the Council's website at [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au);
- an article in the Council's Messenger Column;
- an article distributed via the Council's Electronic Direct Mail; and
- A4 posters displayed at the Council Buildings and display signs at strategic locations (ie Osmond Terrace) throughout the City.

The Draft Plan, was also available for viewing at the Reception Foyer of the Norwood Town Hall and at each of the Council's Libraries. Interested citizens could also download a copy of the Draft Plan from the Council's website.

Interested citizens were provided with the opportunity to provide feedback and comments on the Draft 2018-2019 Annual Business Plan and Budget via the following methods:

- Completing an on-line form via the Council's website.
- Emailing a completing a printable version of the on-line form, (available on the website) to [ABPConsultation@npsp.sa.gov.au](mailto:ABPConsultation@npsp.sa.gov.au).
- Completing a hard copy Feedback Form, which was available at the Reception Foyer at the Norwood Town Hall and at each of the Council's Customer Service Centres.
- Write to the Council, attention to:  
General Manager, Corporate Services  
City of Norwood Payneham & St Peters  
PO Box 204, Kent Town SA 5071; or
- Email: [ABPConsultation@npsp.sa.gov.au](mailto:ABPConsultation@npsp.sa.gov.au)

Two (2) written submissions were received by the closing date for written submission (5.00 pm on 30 May 2018). No verbal submissions were received at the Public Meeting, which was held on the 30 May 2018.

A copy of the written submissions received is contained in **Attachment B**.

Comments which have been provided by staff in respect to the written submissions are provided below;

#### **1. Comments on the Draft 2018-2019 Annual Business Plan Submitted by Mr Chris Cheshire**

##### **Submission:**

Mr Cheshire would like the Council to follow the Adelaide City Council in creating a business hub of the future in Norwood. To achieve this Mr Cheshire has requested that the Council invest in the back-end infrastructure required for faster business internet and to plan the rollout of 10GB Adelaide into Norwood.

**Comments:**

Within the City of Norwood Payneham & St Peters, the back-end infrastructure which allows for 1GB per second internet access currently exists and is available for businesses to connect to. The indicative cost for such a connection is \$800 per month on a four (4) year term.

To provide the back-end infrastructure that supports a 10GB City, the Council would be required to enter into a co-contribution arrangement with an Internet Service Provider (such as TPG). As the ownership of the infrastructure would be retained by the Internet Service Provider, the Council's contribution would be treated as an operating expense and would need to be funded through Rates Revenue.

To understand the potential cost of providing the required infrastructure (i.e. fibre-optic cable) throughout the City, a Heat-map of the coverage areas will be required to be provided to an internet provider to determine the extent of fibre-optic cabling required. The current cost to lay fibre optic cable is around \$650 per lineal metre.

The provision of telecommunications infrastructure is considered to be the responsibility of the Federal Government, not a Local Government responsibility. As such, the provision of such infrastructure is not considered to be a fiscally responsible use of ratepayers monies. Having said that, the Council could assist business's to advocate for faster internet within the City.

**2. Comments on the Draft 2018-2019 Annual Business Plan  
Submitted by Kensington Resident Association**

**Submission:**

The Kensington Residents Association supports the inclusion of the Hydrological Study of Second Creek in Borthwick Park.

The Kensington Residents Association has concerns with the western portion of Second Creek, including:

- erosion and damage to the "beach area" and adjacent biodiversity plantings;
- standing stagnant water in summer; and
- debris and silt build-up and damage to the trash rack.

**Comments:**

The Hydrological Study which is proposed in the draft Annual Business Plan and Budget is the first step in the process. The information collected through this study will determine the extent of the issues and identify possible solutions. The results of the study will then be used to inform any concepts that are developed for the Reserve, particularly the area around the creek. Consultation with the community will be undertaken during the Concept Plan stage.

**Draft Budget**

Since releasing the Annual Business Plan and Budget for consultation, there have been a number of decisions and a review of original submissions which have been undertaken which impact on the Draft Budget.

In addition to any changes that the Council determines to incorporate into the Draft Budget as a result of the submissions received, the following amendments have been made to the Draft Budget.

- Review of Mandatory Rate Rebates

During the 2017-2018 Financial year, 175 properties were transferred from the ownership of Renewal SA (State Government) to a Community Housing provider, Housing Choices.

The transfer of ownership occurred in September 2017. Pursuant to Section 161 of the Act, as a community housing provider, Housing Choices receives a 75% Mandatory Rebate on the Rates payable. A review of the full year impact of the rebate was undertaken and has resulted in a \$50,000 reduction (from \$0.950m to \$0.900m) in the total Rate Rebate estimate to be granted in the 2018-2019 Financial Year.

- Australian International Youth Film Festival

At the Special Council Meeting held on 29 May 2018, the Council resolved to support the Australian International Youth Film Festival with financial sponsorship of up to \$35,000. While the sponsorship will be funded from unspent monies from with the 2017-2018 Youth Development Budget, the actual Festival is being held in August 2018 (the 2018-2019 Financial Year). The 2018-2019 Operating Projects Budget has been increased by \$10,000 with an allowance for any associated events or receptions which may be hosted by the Council.

- Regional Subsidiaries Budget

The Council has received the Draft 2018-2019 Annual Business Plans and Budgets from the four (4) Regional Subsidiaries (i.e. East Waste, Highbury Landfill Authority, Eastern Health Authority and ERA Water):

- The Eastern Health Authority have budgeted a break even position for the 2018-2019 Financial Year.
- East Waste is budgeting for an Operating Surplus of \$45,000. The Council's share of the budgeted Operating Surplus is \$7,295.
- ERA Water is budgeting for an Operating Deficit of \$0.375 million. The Council's share of the budgeted Operating Deficit is \$0.125 million.
- The Highbury Landfill Authority is budgeting for an Operating Deficit of \$5,170, resulting from the anticipated movement in the post closure provision and depreciation charges. The Council's share of the budgeted Operating Deficit is \$2,077. In addition, the Council will be required to make a Capital Contribution to Highbury Landfill Authority of \$96,000 as its contribution to the Post-Closure Provision expenses.

As a result of the respective Regional Subsidiaries budgets, the Council will record within its Draft Budget a net loss in Joint Ventures of \$0.120 million. It should be noted, that other than the Capital Contribution to the Highbury Landfill Authority, the Council is not required to fund the Operating Deficits associated with the respective Regional Subsidiaries.

As a result of the above, the Draft Operating Surplus (based on a rate revenue increase of 2.5%) is \$1.429 million, an \$85,000 decrease on the Operating Surplus of \$1.514 million that was presented as part of the community consultation.

## **OPTIONS**

The Council can incorporate all, none or some of the proposals into the Draft 2018-2019 Annual Business Plan and Budget.

The recommended actions are contained within each of the staff comments within the Discussion Section of this report.

## CONCLUSION

The Draft 2018-2019 Annual Business Plan and Budget is a future focused and financially responsible proposal that has been developed to ensure the Council can maintain the service standards for its existing services while at the same time ensuring new initiatives identified to support the delivery of the Strategic Objectives outlined in the Councils' *City Plan 2030*, receive appropriate funding.

The Draft 2018-2019 Budget and funding requirements have been balanced with ensuring that the community does not face significant increases in their annual rates contribution and balances the demand for services and infrastructure with the community's capacity to pay.

The Draft 2018-2019 Annual Business Plan and Budget contributes to the Council's broader strategic objectives but also ensures that the Council's long term financial objective of managing its financial resources in a sustainable and equitable manner is achieved.

## COMMENTS

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

## RECOMMENDATION

1. That the submissions which have been received in respect to the Draft 2018-2019 Annual Business Plan, be considered and where appropriate, the Draft 2018-2019 Annual Business Plan be amended for consideration and final adoption by the Council at the Council meeting scheduled to be held on 2 July 2018.
  2. That the citizens and organisations who have made written submissions in respect to the Draft 2018-2019 Annual Business Plan, be thanked and advised of the Council's decision in respect to their submissions.
  3. A further report in respect to the adoption of the 2018-2019 Budget is prepared for the Council's consideration.
- 

*Cr Wormald moved:*

1. *That the submissions which have been received in respect to the Draft 2018-2019 Annual Business Plan, be considered and where appropriate, the Draft 2018-2019 Annual Business Plan be amended for consideration and final adoption by the Council at the Council meeting scheduled to be held on 2 July 2018.*
2. *That the citizens and organisations who have made written submissions in respect to the Draft 2018-2019 Annual Business Plan, be thanked and advised of the Council's decision in respect to their submissions.*
3. *That the submission which has been received from the Kensington Residents Association, be referred to the Consultant who is engaged to undertake the Hydrological Study of Second Creek.*
4. *A further report in respect to the adoption of the 2018-2019 Budget is prepared for the Council's consideration.*

*Seconded by Cr Whittington and carried.*

**3. CLOSURE**

There being no further business, the Mayor declared the meeting closed at 7.11pm.

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

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