

# Council Meeting Minutes

**6 May 2024**

## **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 Kester Moorhouse  
Cr Claire Clutterham  
Cr Garry Knoblauch  
Cr Hugh Holfeld  
Cr Josh Robinson  
Cr Kevin Duke  
Cr Connie Granozio  
Cr Victoria McFarlane  
Cr Scott Sims  
Cr Grant Piggott  
Cr Sue Whittington  
Cr John Callisto  
Cr Christel Mex

**Staff** Mario Barone (Chief Executive Officer)  
Carlos Buzzetti (General Manager, Urban Planning & Environment)  
Derek Langman (General Manager, Infrastructure & Major Projects)  
Lisa Mara (General Manager, Governance & Civic Affairs)  
Andrew Hamilton (General Manager, Community Development)  
Natalia Axenova (Chief Financial Officer)  
Simonne Whitlock (Manager, Strategic Communications & Advocacy)  
Keke Michalos (Manager, Strategy)  
Rosanna Busolin (Manager, Community Services)  
Tina Zullo (Administration Assistant, Governance & Civic Affairs)

**APOLOGIES** Nil

**ABSENT** Nil

**1. KAURNA ACKNOWLEDGEMENT**

**2. OPENING PRAYER**

The Opening Prayer was read by Cr Josh Robinson.

**3. CONFIRMATION OF THE MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 8 APRIL 2024**

*Cr McFarlane moved that the Minutes of the Special Council Meeting held on 8 April 2024 be taken as read and confirmed. Seconded by Cr Sims and carried unanimously.*

#### 4. MAYOR'S COMMUNICATION

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Tuesday, 2 April	• Presided over a Council meeting, Council Chamber, Norwood Town Hall.
Thursday, 4 April	• Pre-recorded radio interview SAFM.
Thursday, 4 April	• Attended the 'Champions' Lunch as part of 2024 AFL Gather Round, Norwood Concert Hall.
Thursday, 4 April	• Attended the pre-match function followed by the Adelaide versus Melbourne football match, Adelaide Oval.
Friday, 5 April	• Television interview on Channel Seven 'Sunrise' program, Memorial Gardens - Norwood Oval.
Friday, 5 April	• Radio Interview with Stacey Lee, Fiveaa.
Friday, 5 April	• Weather cross with Tiff Warne, Channel 10, Norwood Oval.
Friday, 5 April	• Attended the Brisbane versus North Melbourne football match, Norwood Oval.
Saturday, 6 April	• Attended the AFL Gather Round 'Rivals Long Lunch,' Osmond Terrace, Norwood.
Sunday, 7 April	• Officially opened the Norwood Food and Wine Festival, The Parade, Norwood.
Sunday, 7 April	• Attended the Richmond versus St Kilda football match, Norwood Oval.
Monday, 8 April	• Radio interview with David Penberthy and Will Goodings, Fiveaa.
Monday, 8 April	• Presided over a Special Council meeting, Council Chamber, Norwood Town Hall.
Saturday, 13 April	• Radio interview with Ken Cunningham and Leith Forrest, Fiveaa.
Monday, 15 April	• Presided over two Citizenship Ceremonies, Norwood Concert Hall.
Tuesday, 16 April	• Participated in an online meeting of Mainstreet SA Committee.
Thursday, 18 April	• Attended the official opening of the Art of Glass Exhibition, St Peters Town Hall Complex, St Peters.
Monday, 22 April	• Tour of the Payneham Memorial Swimming Centre site with Hon Vincent Tarzia MP, Member for Hartley, Felixstow.
Monday, 22 April	• Presided over an Audit & Risk Committee meeting, Mayor's Parlour, Norwood Town Hall.
Tuesday, 23 April	• Presided over the 2024 Eastside Business Awards, Norwood Concert Hall.
Thursday, 25 April	• Attended the ANZAC Day Dawn Service, Soldier's Memorial, Norwood.
Thursday, 25 April	• Attended the Festa della Liberazione (Italian Liberation Day) commemoration service, Unity Monument - Payneham Cemetery, Payneham.
Sunday, 28 April	• Attended the Palm Sunday service and luncheon, Greek Orthodox Parish of Prophet Elias for Norwood and the Eastern Suburbs, Norwood.
Monday, 29 April	• Attended a meeting with the Chief Executive Officer, Council staff and representatives of the Chapley Group, Norwood Town Hall.
Monday, 29 April	• Attended an Information session: Representation Review, Mayor's Parlour, Norwood Town Hall.
Tuesday, 30 April	• Presided over a meeting of the Norwood Parade Precinct Committee, Mayor's Parlour, Norwood Town Hall.

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Thursday, 2 May	<ul style="list-style-type: none"><li>• Attended the Eastern Business Advisory launch, Little Bang Brewing Company, Stepney.</li></ul>
Friday, 3 May	<ul style="list-style-type: none"><li>• Attended the Eastern Region Alliance (ERA) Mayor's monthly breakfast, Adelaide.</li></ul>
Saturday, 4 May	<ul style="list-style-type: none"><li>• Attended the North Adelaide versus Norwood football match, Prospect Oval.</li></ul>
Monday, 6 May	<ul style="list-style-type: none"><li>• Attended the Australia Day Honours Association bi-annual Reception, Payneham Library &amp; Community Facilities Complex, Felixstow.</li></ul>

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- **Welcome – Jenny McFeat, Manager, Governance**

Mayor Bria welcomed newly appointed Ms Jenny McFeat, Manager, Governance, to her first Council meeting.

- **Eastside Business Awards – 23 April 2024**

Mayor Bria briefed the Council on the 2024 Eastside Business Awards that were held on 23 April 2024. He congratulated all of the ten Category winners, as well as the Hall of Fame inductee, Chile Mojo and the inaugural inductees of the new Legend category: Little Bang Brewing Company, Shouz Boutique, Cheeky Grin Coffee and Mary MacKillop Museum. He also thanked Solstice Media for their support and sponsorship of the awards. Mayor Bria also thanked Mr David Simmons and Mr Jim Plouffe (Solstice Media) for their role in judging the award winners.

- **ANZAC Day Dawn Services – 25 April 2024**

Mayor Bria thanked all Elected Members who attended the various Dawn Services, in particular Cr Duke, Cr Whittington, Cr Clutterham and Cr Moorhouse, who laid wreaths on behalf of the Council at various locations across the City.

- **Eastern Business Advisory launch - 2 May 2024**

Mayor Bria briefed the Council on the 2024 Eastern Business Advisory service launch that was held on 2 May 2024 at Little Bang Brewing Company. He congratulated all of the Mentors who have joined the program. He advised the event was attended by representatives of State and Federal Government, most notably the Hon Andrea Michaels MP, Minister for Small and Family Business as well as Elected Members and staff from ERA Councils, including Mayor Hewitson (City of Unley) and Mayor Jones (Town of Walkerville). Mayor Bria thanked Amy Skewes, ERA Business Support Officer, for organising the event and Little Bang Brewing Company for hosting the event.

- **ICAC Forum on Lobbying in Local Government**

Mayor Bria advised that he will be attending the '*Lobbying and Influence Initiative*' Public Forum organised by the Independent Commission Against Corruption (ICAC) on Thursday, 9 May 2024.

- **Local Government Association of SA – Forum for Mayors and CEOs**

Mayor Bria advised that he will be participating in a Local Government Association of South Australia 'Metropolitan Mayors Form' on Thursday, 16 May 2024 to discuss the future of GAROC.

## 5. DELEGATES COMMUNICATION

- Cr Moorhouse advised that on Wednesday 1 May 2024, he and Cr Whittington attended the Eastern Health Authority Board meeting and Workshop.

**6. QUESTIONS WITHOUT NOTICE**  
Nil

**7. QUESTIONS WITH NOTICE**

**7.1 QUESTIONS WITH NOTICE - 2024-2025 ANNUAL BUDGET – OPERATING PROJECTS - SUBMITTED BY CR GRANT PIGGOTT**

**QUESTION WITH NOTICE:** 2024-2025 Annual Budget – Operating Projects  
**SUBMITTED BY:** Cr Grant Piggott  
**FILE REFERENCE:** qA1040  
**ATTACHMENTS:** Nil

**BACKGROUND**

Cr Piggott has submitted the following Question with Notice:

Should Council choose to follow the recommendation of the Audit & Risk Committee (meeting 22 April 2024) and consider that the funding of Gather Round is essential in 2024-2025, projects recommended by the Executive Leadership Team for funding (Council Meeting 8 April 2024) to the value of at least \$200,000 will need to be withdrawn from the 2024-2025 budget.

Noting that the final decision rests with Council, which projects (to a value of no less than \$200,000), in the opinion of the Executive Leadership Team, are the projects that they would withdraw?

**TABLE 2: OPERATING PROJECTS 2024-2025**

Operating Projects	\$
St Peters Billabong Engineering Review	100,000
Development of an IT Strategy	80,000
Implementation of Year 1 of the Art & Culture Plan	68,874
Participation in 2025 Tour Down Under	60,000
Additional Administrative staff for Regulatory Services	47,336
Purchase and installation of CIVICA Authority ACTUS Mobile App	43,862
Information Systems Project Support Staff (fixed-term contract)	40,000
Eastside Business Awards	40,000
Raising the Bar Adelaide	40,000
Payneham Memorial Swimming Centre Communications	10,000
Glynde Heavy Vehicle Traffic Study	25,000
Implementation of Electronic Permits	20,000
Development of Tree Strategy Contractor	20,000
Urban Greening Program (Tree vouchers)	10,000
Firstval Festival (Library Services)	4,000
Music Month in the Libraries (Library Services)	3,800
Culturally Diverse Early Literacy Project (Library Services)	3,300
<b>Total Operating Projects Expenditure</b>	<b>616,172</b>

## REASONS IN SUPPORT OF QUESTION

Nil

## RESPONSE TO QUESTION PREPARED BY GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS

In response to the Question with Notice from Cr Piggott, the following information is provided:

1. The recommended Draft 2024-2025 Budget that was provided to and considered by the Council at its meeting held on 8 April 2024, contained all of the recommended Projects and associated expenditures which the Executive Leadership Team considered appropriate to achieve the outcome contained in the Draft Long-Term Financial Plan.

On the basis of the recommended projects and the expenditures, the Project Operating Surplus contained in the Draft 2024-2025 Budget was \$170,953.

2. The advice that has been provided to the Council by its Audit & Risk Committee, ostensibly recommends to the Council that Rate Revenue should be set at 8% or less and that an Operating Surplus of at least \$171,000 be achieved by re-considering all of the Operating Projects, with particular focus on those Projects that will incur recurrent funding.
3. The report on the Draft 2024-2025 Budget (Item 11.4 of this Agenda) sets out a number of matters that the Council, should now take into consideration in determining Rate Revenue and its consequent impact on the Average Residential Rate and the Average Commercial Rate – noting the impact of the current property valuations.
4. In line with the Audit & Risk Committee's recommendation, consideration should be given to re-considering all of the Operating Projects that are included in the Draft 2024-2025 Budget, in addition to those set out in Cr Piggott's Question with Notice.
5. In respect to the list of Projects that have been recommended by the Executive Leadership Team, Raising the Bar was reduced by the Council at its meeting held on 8 April 2024 from the recommended \$40,000 to \$25,000.
6. The Executive Leadership Team has re-considered the list of recommended Projects as requested in the Question with Notice and has concluded that the process of assessing the various Projects that have been submitted through the Budget preparation process has identified these Projects as being worthy of inclusion in the Draft 2024-2025 Budget, noting that the St Peters Billabong Engineering Review is required to determine the best solution for management of the Billabong and the preparation of a robust IT strategy, is an important piece of work that is required before the Council can consider the implementation of contemporary IT infrastructure.



**8. DEPUTATIONS**

## 8.1 DEPUTATION – PAYNEHAM MEMORIAL SWIMMING CENTRE RE-DEVELOPMENT

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**REPORT AUTHOR:** General Manager, Governance & Civic Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4545  
**FILE REFERENCE:** qA1041  
**ATTACHMENTS:** Nil

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### **SPEAKER/S**

Ms Sue Litchfield

### **ORGANISATION/GROUP REPRESENTED BY SPEAKER/S**

Norwood Residents Association.

### **COMMENTS**

Ms Sue Litchfield has written to the Council requesting that she be permitted to address the Council in relation to the Payneham Memorial Swimming Centre Re-development.

In accordance with the Local Government (Procedures at Meetings) Regulations 2013, Ms Sue Litchfield has been given approval to address the Council.

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Ms Sue Litchfield addressed the Council in relation to this matter.

**9. PETITIONS**  
Nil

**10. WRITTEN NOTICES OF MOTION**

**10.1 WRITTEN NOTICE OF MOTION – ATTENDANCE OF ELECTED MEMBERS AT INFORMATION AND BRIEFING SESSIONS – SUBMITTED BY CR CHRISTEL MEX**

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**NOTICE OF MOTION:** Attendance of Elected Members at Information and Briefing Sessions  
**SUBMITTED BY:** Cr Christel Mex  
**FILE REFERENCE:** qA1039  
**ATTACHMENTS:** Nil

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Pursuant to Regulation 12(1) of the *Local Government (Procedures at Meetings) Regulations 2013*, the following Notice of Motion has been submitted by Cr Christel Mex.

**NOTICE OF MOTION**

That attendance of Elected Members at Information and Briefing Sessions be recorded and published in the Council's Annual Reports, commencing from 1 July 2024.

**REASONS IN SUPPORT OF MOTION**

As our Annual Report explains, Information and Briefing Sessions provide a valuable opportunity to enhance Council decision-making process by providing opportunities for Elected Members to become better informed and seek clarification on important issues.

The sessions are held to discuss issues involving strategy and policy and to brief Elected Members on issues relating to future decision making.

The Annual Report publishes Elected Member attendance at events, Council meetings and Special Council meetings. Attendance at Committee meetings is recorded through official Minutes.

Staff currently record Elected Member attendance at Information and Briefing Sessions informally, but these records are not published in the Annual Report.

Staff go to great lengths to prepare quality reports and presentations at Information and Briefing Sessions. The sessions are held out of hours to accommodate most Elected Members.

The Motion seeks to rectify this anomaly by publishing attendance information in the Annual Report which will further increase transparency and accountability.

**STAFF COMMENT**

**PREPARED BY GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS**

Information and Briefing Sessions provide a valuable opportunity to enhance Council decision-making processes by providing opportunities for Elected Members to become better informed and seek clarification on issues. Information and Briefing Sessions are held in accordance with Section 90A of the *Local Government Act 1999* (the Act).

Section 90A (2) of the Act sets out that a matter must not be dealt with at a Council Information or Briefing Session in such a way as to obtain, or effectively obtain, a decision on the matter outside a formal meeting of the Council or a Council Committee.

As such, by their very nature, Information and Briefing Sessions are not subject to the procedural meeting requirements of the Act or the *Local Government (Proceedings at Meetings) Regulations 2013*.

Formal minutes are therefore not recorded and there is no requirement for a record to be kept in terms of who attended or did not attend the Information and/or Briefing Session.

In terms of the legislative requirements for Elected Members to attend Council and/or Committee Meetings and/or Information and Briefing Sessions, the only provision set out within the Act to this effect, is the requirement for Elected Members to attend Council Meetings. This is implied within Section 54 (d) of the Act which sets out that an Elected Member “*is removed from office by the council on the ground that he or she has been absent, without leave of the council, from three or more consecutive ordinary meetings of the council*”.

Information and Briefing Sessions are held on a regular basis to ensure that Members are briefed on a range of matters. As such, it is expected that from time-to-time Elected Members may not be in a position to attend an Information and/or Briefing Session due to other commitments (ie work, family, illness, leave, etc).

It has therefore been the practise of this Council that a copy of any presentations and information provided at Information and/or Briefing Sessions, is provided electronically to all Members via their iPads following the session.

In addition, staff are available to meet and/or discuss with any Elected Member who could not attend an Information and/or Briefing Session, the content of the session.

As set out above, there is no legislative requirement for the attendance at Information and Briefing Sessions to be recorded.

Having said that, this does not mean that a register of attendances at Information and Briefing Sessions cannot be maintained and published in the Council’s Annual Reports.

In other words, it is at the Council’s discretion to determine if the Council wants to prepare and publish a Register of Attendances at Information and Briefing Sessions.

If the Council resolves in accordance with the Notice of Motion that has been submitted, staff can implement the process.

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*Cr Mex moved:*

*That attendance of Elected Members at Information and Briefing Sessions be recorded and published in the Council’s Annual Reports, commencing from 1 July 2024.*

*Seconded by Cr Granozio and carried.*

**10.2 WRITTEN NOTICE OF MOTION – GEORGE STREET UPGRADE PROJECT – SUBMITTED BY CR GRANT PIGGOTT**

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**NOTICE OF MOTION:** George Street Upgrade Project  
**SUBMITTED BY:** Cr Grant Piggott  
**FILE REFERENCE:** qA1039  
**ATTACHMENTS:** Nil

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Pursuant to Regulation 12(1) of the *Local Government (Procedures at Meetings) Regulations 2013*, the following Notice of Motion has been submitted by Cr Grant Piggott.

**NOTICE OF MOTION**

That:

1. the funding of \$800,000 included in the 2023-2024 Budget for the George Street Upgrade not be carried over to the 2024-2025 financial year;
2. the proposed additional funding of \$1,500,000 included for George Street Upgrade as part of the draft 2024-2025 Budget be withdrawn;
3. the implementation of the George Street Upgrade be considered as part of the overall Parade Masterplan and that a report be presented to the Council for consideration and approval; and
4. staff consider the best timing for progressing the George & Harris Street Stormwater Project and advise the Council.

**REASONS IN SUPPORT OF MOTION**

This Motion proposes delaying the George Street Upgrade to allow greater certainty around the required funding for The Parade Masterplan. It does not seek to abandon the Upgrade but ensure its progress is of the appropriate level, given the need to progress the overall Parade Masterplan and the future need to borrow funds for any capital project.

The reasons for the change of approach are as follows:

- The allocated funds for the George Street Upgrade in the 2023/2024 Budget is \$800,000. The project cost is now estimated at \$2,300,000, requiring a further \$1,500,000 to be included as part of the Draft 2024-2025 Annual Business Plan. This is additional funding against the background of the Council's current Long-Term Financial Plan showing debt exceeding \$100 million in 2028 and remaining over \$100 million beyond 2033 (last year of the 10-year Plan). All future capital commitments need to be closely scrutinised.
- The current inclusion in the Long-Term Financial Plan for the entire Parade Masterplan (1.6 kilometres) is only \$30 million – an estimate made prior to the recent cost hikes identified in all Council projects and likely to be subject to escalation. It is inappropriate to spend \$2.3 million on the upgrade of one side street with such uncertainty regarding the total project.

Assessment of the George Street Upgrade as part of the total Parade Masterplan allows it to progress at that time, confident that the upgrade will be consistent with other work across the length of The Parade and that this work is fully funded.

The George & Harris Street Stormwater Project was brought forward to coincide with the planned George Street Upgrade work. Should the George Street Upgrade be deferred, staff should consider the appropriate timing of progressing the Stormwater project and advise Council.

**STAFF COMMENT  
PREPARED BY GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS**

In 2021, the Council resolved to commence the George Street Upgrade Project as Stage 1 of the implementation of The Parade Masterplan. As such, the Council allocated \$800,000 for the George Street Upgrade. This estimate was based on construction costs at that time (ie. 2021).

Since the initial budget allocation for the George Street Upgrade, the costs to undertake the works have increased to a total of \$1,560,000. This is partly due to the scheduling of construction to ensure that The Parade Central (Hoyts) and Parade Place (Foodland), are not unnecessarily inconvenienced by the construction works.

The additional funding for the George Street Upgrade has been included as part of the Draft 2024-2025 Budget, however as part of the Third Budget Review, the Council, at its meeting held on 2 April 2024, resolved only to "receive and note" the additional funding required for the George Street Upgrade.

At the Council Meeting held on 8 April 2024, the Council considered the Draft 2024-2025 Budget. The Council did not resolve to carry over the George Street Upgrade and allocate the additional funding required for the project.

At that time, the Council was advised that a review of the 2023-2024 Capital Projects is currently being undertaken based on year-to-date expenditure and project timelines to evaluate if any project (including the George Street Upgrade Project) will need to be carried forward and included as part of the Draft 2024-2025 Budget.

Members may also recall that at the Council Meeting held on 8 April 2024, the funding of the George Street Upgrade was raised.

At that time, it was determined that, due to the complexities regarding the various Council decisions in respect to The Parade Masterplan and the George Street Upgrade Project component of the Masterplan, legal advice would be obtained to provide clarity in terms of the correct process in the event the Council did wish to re-consider the timing and/or funding of the George Street Upgrade Project.

For Elected Members' information, it should be noted to assist with the funding of both the streetscape and stormwater components, staff have lodged grant applications with the Stormwater Management Authority (\$600,000) and the Open Space Grant Program (\$500,000).

The outcome of these applications is expected to be known by the end of May 2024.

In summary, the legal advice has confirmed that the proposed Motion, as submitted, is not ultra vires and does not require a rescission motion.

The effect of the proposed Motion with Notice, if supported by the Council, is that the George Street Upgrade Project will be held in abeyance until the Council resolves to reconsider the timing of the George Street Upgrade Project and include the required funding to undertake the work as part of a Council Budget.

In other words, any project agreed or endorsed by the Council is subject to the necessary funding being allocated as part of the Council's budgeted.

The proposed Motion of Notice does not have the effect of defeating or abandoning implementation of The Parade Masterplan in its entirety.

A copy of the legal advice which has been obtained in respect to this matter has been provided to Elected Members via email from the Council's General Manager, Governance & Civic Affairs.

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*Cr Piggott moved:*

*That:*

- 1. the funding of \$800,000 included in the 2023-2024 Budget for the George Street Upgrade not be carried over to the 2024-2025 financial year;*
- 2. the proposed additional funding of \$1,500,000 included for George Street Upgrade as part of the draft 2024-2025 Budget be withdrawn;*
- 3. the implementation of the George Street Upgrade be considered as part of the overall Parade Masterplan and that a report be presented to the Council for consideration and approval; and*
- 4. staff consider the best timing for progressing the George & Harris Street Stormwater Project and advise the Council.*

*Seconded by Cr Duke.*

*Cr Sims left the meeting at 7.51pm.*

*Cr Sims returned to the meeting at 7.53pm.*

*Cr Sims moved:*

*That the motion be put.*

*The motion lapsed for want of a seconder.*

*Cr Robinson moved:*

*That this matter be adjourned until such time as the Council is aware of the outcome of its two (2) grant applications.*

*Seconded by Cr Holfeld and lost.*

#### Division

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

*Those in favour:*

*Cr Holfeld, Cr Knoblauch, Cr Duke, Cr Robinson, Cr Sims and Cr McFarlane.*

*Those against:*

*Cr Piggott, Cr Whittington, Cr Granozio, Cr Callisto, Cr Mex, Cr Clutterham and Cr Moorhouse.*

*The Mayor declared the motion lost.*

*The original motion was put and lost.*



**11. STAFF REPORTS**

## **Section 1 – Strategy & Policy**

### **Reports**

## 11.1 2024-2028 ACCESS & INCLUSION STRATEGY

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**REPORT AUTHOR:** Manager, Community Services  
**GENERAL MANAGER:** General Manager, Community Development  
**CONTACT NUMBER:** 8366 4600  
**FILE REFERENCE:** qA88288  
**ATTACHMENTS:** A - C

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### PURPOSE OF REPORT

The purpose of this report is to present the results of the community consultation on the *Draft 2024-2028 Access & Inclusion Strategy* and final *2024-2028 Access & Inclusion Strategy* for consideration and endorsement.

### BACKGROUND

The City of Norwood Payneham & St Peters *2018-2022 Access & Inclusion Strategy* was first adopted by the Council in 2018. The Strategy focused on improving the accessibility and inclusiveness of Council's facilities, infrastructure, information, services and programs for citizens and visitors of all ages, abilities, cultures and backgrounds.

The South Australian *Disability Inclusion Act (2019)* provides the legislative framework for the development of access and inclusion strategies. This includes a requirement to undertake two (2) stages of community engagement to support development of a strategy. The first phase of consultation was undertaken in 2023 during the development stage followed by the most recent consultation which sought comment on the draft Strategy.

The Council's *2018-2022 Access & Inclusion Strategy* (the Strategy), was subsequently reviewed and a draft *2024-2028 Access & Inclusion Strategy* developed. The Strategy was endorsed by the Council to be released for community consultation at its 5 December 2023 Council meeting. The consultation process commenced on 7 March and concluded 8 April 2024. Modifications to the Strategy have been made in response to the feedback and the final version of the *2024-2028 Access & Inclusion Strategy* (included as **Attachment A**) is provided for Council's endorsement .

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

*CityPlan 2030 Shaping our Future*

The *2024-2028 Access & Inclusion Strategy* supports a number of outcomes and objectives within Council's Strategic Plan *CityPlan 2023 Shaping our Future*. This includes:

#### Outcome 1 Social Equity

- Objective 1.1 Convenient and Accessible service, information and facilities;
- Objective 1.3 An engaged and participating community; and
- Objective 1.4 A strong, healthy and inclusive community.

### FINANCIAL AND BUDGET IMPLICATIONS

Any initiatives or actions that arise in respect to the implementation of the Strategy will be considered as part of the Council's Annual Business Plan and Budget process.

There will be a small cost with respect to publishing the Strategy. A small print run of fifty (50) copies of the Strategy will be required with a cost in the order of approximately \$2,500 which will be funded from existing budgets.

## EXTERNAL ECONOMIC IMPLICATIONS

There are no external economic implications associated with the development or endorsement of this Strategy.

## SOCIAL ISSUES

In order to ensure that the Strategy was accessible to all citizens, the consultation process was promoted across a range of mediums social media, website, posters, postcards and email. A copy of the Strategy was available through the Council's website and citizens services, libraries and community centres across the City. Assistance was offered by Council staff to assist community members to access or read the Strategy.

## CULTURAL ISSUES

The City has a culturally diverse population. Assistance was offered by Council staff to assist community members to access or read the Strategy.

## ENVIRONMENTAL ISSUES

There are no environmental issues associated with the draft Strategy.

## RESOURCE ISSUES

The second phase of Consultation was co-ordinated internally by Council's communications and marketing team.

## RISK MANAGEMENT

A risk assessment associated with this stage of the *2024 – 2028 Access & Inclusion Strategy* is summarised in Table 1 below:

**TABLE 1: RISK ASSESSMENT**

Risk No	Risk Event	Impact Category	Risk Rating	Primary Mitigation	Impact Category	Residual Rating
1.	Council not endorsing the Strategy	Service/ programs	Substantial 13	Provision of detailed Council report and draft Strategy	Service/ programs	Medium 17
		Reputation	Medium 19		Reputation	Low 21
2	The Strategy is not supported by the community	Service/ programs	Medium	Develop a community engagement plan to engage citizens and stakeholders. Review and analyse responses and where applicable, modify the Strategy to ensure it reflects the aspirations of the community	Service / programs	Low 21

## CONSULTATION

- **Elected Members**

Not Applicable

- **Community**

The community engagement promotions and actions to promote the consultation opportunity are summarised in Table 2 below:

**TABLE 2: COMMUNITY ENGAGEMENT ACTIVITIES AND PROMOTIONS**

Engagement Technique	Details	Target Audience	Dates
Council's E-newsletter	This newsletter has 1,800 subscribers	Community	March 2024
Access and Inclusion Survey available online and in hardcopy.	12 responses were received	Community	7 March 2024 – 8 April 2024
Email to Council's Access & Inclusion Engagement Register members.	Email sent to 14 people	People living with disability and carers	March 2024
Email to Stakeholders and people who participated in phase one (1) consultation.	Email was sent to 87 stakeholders and community members.	Disability and aged care providers, retirement villages, mental health providers, schools, resident and community associations, Cultural and Linguistically Diverse specialty service providers, NDIS local area co-ordinator and low-income housing providers.	7 March 2024
The Council's promotion of the Access & Inclusion Strategy Consultation was also promoted through by Access2Arts.	Access2Arts promoted the consultation through their social media (Instagram, and Facebook)	Community	14 March 2024
Posters and Postcards.	Were posted and placed on The Parade, Town Hall and Libraries and Community Centre	Community	7 March 2024
Promotion of the Access & Inclusion Strategy consultation opportunity to the South Australian Disability Talk database.	This was organised by the South Australian Department of Human Services	Community members including citizens living with disability, their carers and advocates.	15 March 2024
Reel produced and promoted via Council's social media and website platforms.	The reel promoted the Council's accessible exhibition <i>If Fabrics Could Talk</i> and the draft <i>2024-2028 Access &amp; Inclusion Strategy</i> community Consultation (32 Views)	Community	13 March 2024
Promotion of Access & Inclusion Strategy consultation via Council's social media (Instagram and Facebook)	2 Facebook posts (total reach of 623 and 9 engagements) and 1 Instagram Post (241 reach and 5 Likes)	Community	7 March – 5 April 2024

The Disability Talk database is a stakeholder mailing list which includes representatives from the community across the State. The database is maintained and operated by the South Australian Department of Human Services.

- **Staff**

Not Applicable.

- **Other Agencies**

As part of the consultation, a range of stakeholders were advised of the opportunity to provide feedback on the 2024-2028 Strategy including:

- South Australian Department of Human Services;
- Bapcare;
- Housing Choices
- Matchworks;
- DLI choices for Living;
- Women's community Centre;
- No Strings Attached;
- Norwood Residents Association;
- Kent Town Residents Association ;
- St Peters Rotary;
- Rotary Club of Norwood;
- Beyond Blindness ( Blind Welfare);
- See Differently (Royal Society For the Blind);
- Orana;
- Autism SA;
- Novita;
- Life without Barriers;
- Older Persons Mental Health Services; and
- Eastern Community Mental Health Team.

## **DISCUSSION**

The South Australian Department of Human Services recognises ongoing challenges for organisations engaging the community when developing access and inclusion strategies which, in part, a result of 'consultation fatigue' as 68 Councils developed their respective Access and Inclusion Plans. The Department is considering reviewing the legislative requirement for Local Government to have individual Access & Inclusion Plans/Strategies in the future.

In developing the consultation process, advice was sought from the Manager, Strategy Reform, Strategic Policy and Disability, South Australian Department of Human Services, regarding how to increase community engagement. The Department offered assistance through the promotion of the consultation to the Department's *Disability Talks* database. In addition, they reviewed the draft Strategy and confirmed its compliance with the South Australian *Disability Access & Inclusion Act (2018)*. Following this review, a statement has been included in the Strategy's *Introduction* to clarify that for legislative purposes the Strategy also acts as the Council's Disability Access and Inclusion Plan.

Other measures used to increase community engagement/improve access were reflected in the design of the Strategy which included;

- colour contrast analysis applied to ensure the presentation is suitable for a range of vision abilities;
- ensuring the PDF file of the document was compatible with readers;
- font size increased for older citizens and citizens who are vision impaired; and
- infographics and photos to improve appeal of the document.

Comment on the Strategy was sought through participants completing a survey (online or hard copy), email or verbally. A copy of the survey is provided in **Attachment B**.

A total of ten (10) responses was received. Eight (8) of these responses were survey responses and two (2) were emails. A summary of the responses and copies of the emails are provided in **Attachment C**.

## Proposed Amendments to the Strategy

The outcome of the consultation revealed that 90% of respondents agreed with the Vision Statement. One respondent suggested that the Vision statement was “dry” and could be improved to reflect the feeling of belonging, engagement and opportunity to participate.

In this regard, it is recommended that the Vision statement be amended from “*An accessible and connected City where people feel safe and included*”, to: “*An accessible and connected City where people feel welcome*”

All respondents were in agreement with the priorities of the Strategy.

In respect to other suggested actions or priorities the following comments were received;

1. **Comment** - that the Council should set employment targets of citizens with disability.

**Response** - as an equal opportunity employer, recruitment is based on assessments of merit, and ensuring that necessary supports are available to enable candidates/employees with disability to have access/undertake the responsibilities of their position. More broadly, all staff are offered education on disability awareness and inclusion.

2. **Comment** - that the Council offer incentives to local businesses to employ people with disabilities (rate reductions).

**Response** - it is not recommended that Council adopt this action as this is already offered by the Australian Government through their Wage Subsidy Scheme.

3. **Comment** - to include sensory space/rooms for citizens who are neurodiverse.

**Response** - whilst Council takes into consideration the needs of neurodiverse citizens at its events, it is recommended that an action is included in the Strategy to consider the needs of citizens who are neurodiverse in all upgrades of facilities, spaces and new projects. The Strategy has been updated to include this action under *Priority 2- Inclusive Living and Lifestyle*;

4. **Comment** -the Council should have an Advisory Committee.

**Response** - the Council has a register of citizens who provide advice on access and inclusion issues on Council projects, services and procedures. In this regard there is no need for an Advisory Committee.

5. **Comment** -that there should be a specific priority related to being LGBT+ inclusive.

**Response** - the Strategy is designed to improve access and inclusion for citizens of all ages, abilities and backgrounds which includes lesbian, gay, bisexual, intersex, queer, asexual (LGBTQIA+). Council programs and services are developed taking into consideration a range of needs and preferences so that they are suitable for all citizens which includes the LGBTQIA+ community. Notwithstanding this given there was a small proportion of this group who were engaged during the development of this strategy it may be worth to include them as part of the focus on active participation in community engagement to better understand their needs and aspirations. In this regard it is recommended that the following action be modified as follows in *Priority 5- Collaboration and Leadership Section* :

*Continue to provide opportunities for active participation in contributing to decision making for all citizens with a particular focus on ;*

- *Citizens Living with disability;*
- *Culturally and Linguistically diverse communities;*
- *Women; and*
- *Children and young people*

be changed to

*Continue to provide opportunities for active participation in contributing to decision making for all citizens with a particular focus on;*

- *Citizens Living with disability;*
- *Culturally and Linguistically diverse communities;*
- *Women;*
- *LGBT+ Community; and*
- *Children and young people*

6. **Comment**-that the Council ensure that it continues to focus on maintaining its footpaths (from pavers and tree roots that are lifting and cause trip hazards) to make it accessible for citizens in wheelchairs.

**Response** - this action is already addressed by the Strategy under Priority 1- *Accessible Environments*.

7. **Comment** -There are not enough accessible car parks in the City.

**Response** -actions have been included in the Strategy to develop a map of accessible carparks in the City. As part of this action the Council will review the number of accessible carparks for Council facilities.

8. **Comment** - clarification on information provided in *Priority 4 - Informed and Supportive Workforce* was requested, in particular, who the citizens of all abilities were (i.e. are they employees or residents).

**Response** - the Strategy is applicable to all citizens which includes citizens who live work or visit the City. In this regard, it includes both residents and Council employees and volunteers. To make this clearer in the Strategy, it is recommended that the goal of this priority be modified from;

*The Council will seek to create a culture of awareness, respect and support for all citizens living and visiting the City of Norwood Payneham & St Peters ;*

to

*The Council will seek to create a culture of awareness, respect and support for all citizens who live, work, study and visit the City of Norwood Payneham & St Peters.*

In summary the following changes have been made to the draft Strategy:

- inclusion of a statement in the Introduction identifying that the Strategy also acts as the Council's Disability Access and Inclusion Plan;
- change the Vision Statement to "*An accessible and connected City where people feel welcome*";
- to include an action in *Priority 2 - Inclusive Living and Lifestyle* to consider the needs of citizens who are neurodiverse in all upgrades of facilities, spaces and new projects;
- that the following action be modified as follows in the *Priority 5 - Collaboration and Leadership Section*;

*Continue to provide opportunities for active participation in contributing to decision making for all citizens with a particular focus on;*

- *Citizens Living with disability;*
- *Culturally and Linguistically diverse communities;*
- *Women;*
- *LGBT+ Community; and*
- *Children and young people.*



- to clarify who the Strategy is applicable for in *Priority 4 - Informed and Support Workforce* that the goal is amended to:

*The Council will seek to create a culture of awareness, respect and support for all citizens who live, work, study and visit the City of Norwood Payneham & St Peters.*

## OPTIONS

### Option 1

The Council can determine to endorse the Strategy, incorporating the suggested amendments, as set out above, that have been made in response to the comments that have been received. This option is recommended as the Strategy reflects community feedback provided to date.

### Option 2

The Council can determine to endorse the Strategy with other amendments to the Strategy prior to publication. This option is not recommended, as the development of the Plan has been informed through community engagement, consideration of resource priorities and achievable actions within the timeframe of the Strategy.

## CONCLUSION

A review of the Council's *2018-2022 Access & Inclusion Strategy - A City for All*, has been undertaken. A draft *2024-2028 Access & Inclusion Strategy* was developed based on feedback received from staff, volunteers and the community. The Strategy was released for the second phase of Community Consultation in March 2024. Based on the comments that have been received, minor amendments to the Strategy are recommended.

## COMMENTS

*Inclusive SA*, the South Australian Government's Disability Access & Inclusion Plan is currently being prepared and is likely to be released in 2024. The South Australian Government's Plan is likely to include some actions applicable to local government and Councils will be required to incorporate the relevant actions into their respective Access & Inclusion Strategies or Plans. In this regard, the Council's *2024-2028 Access & Inclusion Strategy* may be required to be reviewed in 2024, to incorporate the relevant South Australian Government's Plan actions in the Council's Strategy.

## RECOMMENDATION

1. That the *2024-2028 Access & Inclusion Strategy - City for All* as amended through the proposed changes as contained in **Attachment A**, be adopted.
2. That the Chief Executive Officer be authorised to make any minor amendments to the draft *2024-2028 Access & Inclusion Strategy*, to finalise the document in a form suitable for release to the community.

Cr Sims left the meeting at 8.21pm and did not return.  
Cr Moorhouse left the meeting at 8.22pm.  
Cr McFarlane left the meeting at 8.22pm.  
Cr McFarlane returned to the meeting at 8.23pm.  
Cr Moorhouse returned to the meeting at 8.24pm.  
Cr Robinson left the meeting at 8.24pm.  
Cr Granozio left the meeting at 8.27pm.  
Cr Granozio returned to the meeting at 8.28pm.  
Cr Robinson returned to the meeting at 8.28pm.

*Cr Mex moved:*

- 1. That the 2024-2028 Access & Inclusion Strategy - City for All as amended through the proposed changes as contained in Attachment A, be adopted.*
- 2. That the Chief Executive Officer be authorised to make any minor amendments to the draft 2024-2028 Access & Inclusion Strategy, to finalise the document in a form suitable for release to the community.*

*Seconded by Cr Knoblauch and carried unanimously.*

**Section 2 – Corporate & Finance**  
**Reports**

## 11.2 AUDIT & RISK COMMITTEE – CONSIDERATION OF THE DRAFT 2024-2025 BUDGET

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**REPORT AUTHOR:** General Manager, Governance & Civic Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4549  
**FILE REFERENCE:** qA115335  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

The purpose of this report is to advise the Council of the recommendation from the Council's Audit & Risk Committee regarding the Council's Draft 2024-2025 Budget.

### BACKGROUND

At its meeting held on 8 April 2024, the Council considered the Draft 2024-2025 Budget and resolved the following:

1. *That the proposed Operating and Capital Projects as set out in Attachments A and B, and as amended, be endorsed "in principle".*
2. *That the Draft 2024-2025 Budget, set out in the Financial Statements contained in Attachment E, which incorporates the proposed Operating and Capital Projects, as approved by the Council and including those Projects as set out above and contained in Attachments A and B, be endorsed "in principle".*
3. *The Council notes that a report on the adoption of the Draft 2024-2025 Annual Business Plan and Budget, which includes the 2024-2025 Rating Strategy, will be prepared for the Council's consideration.*

As occurred with the Draft 2023-2024 Budget, the Draft 2024-2025 Budget was provided to the Council's Audit & Risk Committee for advice.

A meeting of the Council's Audit & Risk Committee was held on Monday, 22 April 2024, to enable the Committee to consider and provide any advice and comments to the Council prior to the Council Meeting to be held on 6 May 2024.

### RELEVANT POLICIES & STRATEGIC DIRECTIONS

Not Applicable.

### FINANCIAL IMPLICATIONS

Not Applicable.

### SOCIAL ISSUES/IMPACT

Nil

### ENVIRONMENTAL ISSUES

Nil

### RESOURCE ISSUES

Nil

### RISK MANAGEMENT

Not Applicable.

## CONSULTATION

- **Elected Members**  
At its meeting held on 8 April 2024, the Council endorsed “in principle” the Draft 2024-2025 Budget.
- **Community**  
Not Applicable.
- **Staff**  
Chief Executive Officer.
- **Other Agencies**  
Not Applicable.

## DISCUSSION

The Council’s Draft 2024-2025 Budget is based on the continuation of existing services and priorities, as determined by the Council, being appropriately resourced as well as maintaining existing service standards to support the delivery of the Strategic Objectives outlined in *CityPlan 2030: Shaping our Future* and that those services receive appropriate funding.

The Draft Budget comprises the Recurrent Budget, which incorporates the revenue and expenditure which is required to provide the “Business as Usual” services and programs. The second component incorporates the Capital and Operating Project Budget. The Operating Projects Budget encompasses services, programs and activities that are additional to the “Business as Usual” services and are considered discretionary in nature, (ie. the Council is under no obligation to provide the services, activities or programs or if required to undertake the activity, for example the Representation Reviews are irregular in nature). Operating Projects generally include one off activities or programs, an expansion of an existing service or program or proposals to introduce a new service or program. Operating Projects are funded from Rate Revenue or a fee for service charge.

The Capital Works Budget encompasses Capital Projects which renew, upgrade or create new infrastructure assets.

Following the Council Meeting held on 8 April 2024, the Draft 2024-2025 Budget was updated to reflect the Council’s decisions in respect to the various inclusions and exclusions that were made by resolution of the Council.

The amended Draft 2024-2025 Budget was presented to the Audit & Risk Committee at its meeting held on Monday 22 April 2024.

Following consideration of the Draft 2024-2025 Budget, the Audit & Risk Committee resolved the following:

1. *That the report be received and noted.*
2. *That the Audit & Risk Committee recommends to the Council, that the Council should seek to achieve:*
  - *a Rate Revenue increase of no more than 8.0% as part of the Draft 2024-2025 Budget; and*
  - *an Operating Surplus of at least \$171,000, by re-considering the funding of all Operating Projects, with a particular focus on those projects that will incur recurrent funding.*

A copy of the Minutes of the Audit & Risk Committee Meeting held on 22 April 2024, is contained within **Attachment A**.

In terms of considering the impact of endorsing the Audit & Risk Committee’s recommendations, the Council will consider the Draft 2024-2025 Annual Business Plan and Budget as part of this meeting. More detailed information regarding the 2024-2025 Annual Business Plan and Budget has been provided within the associated report (Item 11.4 of this Agenda).

On the basis of the Audit & Risk Committee's recommendation and the timing associated with the Council's consideration of the Draft 2024-2025 Annual Business Plan & Budget, the Minutes of the Audit & Risk Committee Meeting held on 22 April 2024, are presented in this report and if the Council so determines, adopt the recommendation of the Audit & Risk Committee at this point in the meeting (ie prior to the Council's consideration of the Draft 2024-2025 Annual Business Plan & Budget).

## OPTIONS

Essentially the Council has two (2) options in respect to this matter:

- **Option One**

The Council can determine to adopt the recommendation as set out in the Minutes of the Audit & Risk Committee Meeting as a decision of the Council.

The adoption of the recommendation from the Audit & Risk Committee does not "bind" the Council as the Audit & Risk Committee have recommended that the Council should seek to achieve the outcome contained in the Committee's advice.

However, in the event the Council does adopt the recommendation of the Audit & Risk Committee, the Council is essentially agreeing to give consideration to the advice of the Audit & Risk Committee when endorsing the Draft 2024-2025 Annual Business Plan & Budget for the purpose of undertaking public consultation and as part of its review of the Long-Term Financial Plan.

- **Option Two**

The Council can determine not to adopt the recommendation as set out in the Minutes of the Audit & Risk Committee Meeting as a decision of the Council.

Whilst the Audit & Risk Committee can provide "advice" and make recommendations to the Council, ultimately, the Council is responsible for the Budget and therefore the Council can determine not to adopt the recommendations of the Audit & Risk Committee.

However, this Option is not recommended. The Audit & Risk Committee has been established to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters, and it would be prudent for the Council to consider the advice as part of its Budget deliberations before making a final decision to adopt the 2024-2025 Annual Business Plan & Budget.

It is therefore recommended that the Council adopt the recommendations as set out in the Minutes of the Audit & Risk Committee Meeting held on 22 April 2024, as contained within **Attachment A**.

## RECOMMENDATION

That the Minutes of the Audit & Risk Committee Meeting held on 22 April 2024, be received and that the resolution set out therein as a recommendation to the Council regarding the Draft 2024-2025 Annual Business Plan & Budget is adopted as a decision of the Council.

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Cr Holfeld left the meeting at 8.30pm.

*Cr Piggott moved:*

*That the Minutes of the Audit & Risk Committee meeting held on 22 April 2024, be received and the Council notes the Committee's recommendation ahead of consideration of the Draft 2024-2025 Budget.*

Cr Holfeld returned to the meeting at 8.31pm.

*Seconded by Cr Clutterham and carried unanimously.*

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### 11.3 MONTHLY FINANCIAL REPORT – MARCH 2024

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**REPORT AUTHOR:** Chief Financial Officer  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4548  
**FILE REFERENCE:** A823880  
**ATTACHMENTS:** A

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#### **PURPOSE OF REPORT**

The purpose of this report is to provide the Council with information on the status of its financial performance for the period ended March 2024.

#### **BACKGROUND**

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

#### **RELEVANT STRATEGIC DIRECTIONS AND POLICIES**

Not Applicable.

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

Financial sustainability is as an ongoing high priority for the Council. The Adopted Budget forecast an Operating Surplus of \$1,387,382 for the 2023-2024 Financial Year. Over the course of three Budget Reviews that have been undertaken over the course of the 2023-2024 financial year and subsequent adoption of the 2023-2024 Budget, the Council's financial trajectory has undergone some changes, such as Carry Forwards from previous year, additional projects that have been approved by the Council and in some cases reductions in budgets where the projects and activities were not foreseen to be completed in 2023-2024. Following the Third Budget Review an Operating Surplus forecast has been projected at \$1,095,985.

#### **DISCUSSION**

For the period ended March 2024, the Council's financial performance remained stable, with a year-to-date Operating Deficit of \$429,928 against budgeted Deficit of \$395,833 resulting in an unfavourable variance of \$34,095. There are number of variances in certain income and expense categories, impacting the overall performance and they are set out below. Details outlined in table 1.

Table 1 below sets out details relating to the Council’s financial performance to 31 March 2024.

**TABLE 1: OVERVIEW OF FINANCIAL PERFORMANCE**

<b>Financial Performance for the Period Ended 31 March 2024</b>					
<b>LYTD Actual</b>		<b>YTD Actual</b>	<b>YTD Revised Budget</b>	<b>Var</b>	<b>Var %</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	
<b>Revenue</b>					
29,981	Rates Revenue	32,749	32,639	109	0%
1,557	Statutory Charges	1,568	1,616	(48)	(3%)
2,720	User Charges	2,940	2,928	12	0%
1,315	Grants, Subsidies and Contributions	1,463	1,370	93	7%
136	Investment Income	59	90	(31)	(35%)
402	Other	399	370	29	8%
212	Reimbursements	83	4	79	1,893%
<b>36,324</b>	<b>Total Revenue</b>	<b>39,260</b>	<b>39,018</b>	<b>242</b>	<b>1%</b>
<b>Expenses</b>					
12,324	Employee Expenses	13,505	13,673	169	1%
8,946	Contracted Services	10,359	10,432	73	1%
1,090	Government Levies	1,203	1,101	(102)	(9%)
676	Parts, Accessories and Consumables	880	806	(75)	(9%)
782	Utilities	956	1,006	49	5%
669	Insurance	711	678	(33)	(5%)
578	Subscriptions, Memberships & Licences	542	491	(51)	(10%)
289	Legal Expenses	491	268	(223)	(83%)
1,507	Other Expenses	1,316	1,275	(41)	(3%)
8,369	Depreciation, amortisation & impairment	9,346	9,346	0	0%
352	Finance Costs	381	342	(39)	(11%)
-	Net Loss - Joint Ventures & Associates	-	(4)	(4)	100%
<b>35,582</b>	<b>Total Expenses</b>	<b>39,690</b>	<b>39,414</b>	<b>(276)</b>	<b>(1%)</b>
<b>742</b>	<b>Operating Surplus/(Deficit)</b>	<b>(430)</b>	<b>(396)</b>	<b>(34)</b>	<b>9%</b>

**Variations to Income**

The major variances in respect to Income and reasons for the variances is set out below:

- **Rates**  
Positive variance is due to higher than budgeted amount for late payment of rates of \$109,072.
- **Statutory Fees & Charges**  
The reduced statutory Fees & Charges are primarily due to the lower income from Parking Infringements. It is challenging to accurately budget for parking infringement income due to its unpredictable nature.
- **Grants**  
Increase in Grant income in comparison to Budget is due to the receipt of the *Local Roads and Community Infrastructure (LRCI) Program Grant* of \$127,035 from the Department of Infrastructure & Transport which was not anticipated or accounted for in the Adopted Budget.



## Variances to Expenditure

The major variances in respect to Expenditure and reasons for the variances is set out below:

- **Employee Costs**

In the first half of the year, there is an under expenditure of \$369,154 due to vacant positions that have not yet been filled. While some of these roles are temporarily covered by contract staff, several positions are currently in the recruitment process. Following the Second and Third Budget Reviews, the decision was made to review and reduce the Employee Expenses Budget to align expenditure to the expectation of the roles being filled before 30 June 2024. As a result, there is a budget saving of \$168,867 attributed to the positions that were vacant during the year that have now been filled.

- **Contracted Services**

The positive variance of \$73,383 is due to under-spend on Consultants compared to Budget which is mainly due to the Operating Project Additional Resources approved in the 2023-2024 Budget being incorrectly allocated to Contracted Services. The costs of additional staff resources should have been entered as part of Employee Expenses.

- **Parts, Accessories & Consumables and Utilities**

The variance of (\$74,804) is associated with higher than forecast bin replacement costs, equipment hire for Concert Hall and Events as well as cost of Council Leased Vehicles not being budgeted as an expense throughout the year.

- **Government Levies:** Higher cost than forecast Green Adelaide Landscape Levy. (Noting that this has no impact on the Budget).

- **Subscriptions, Memberships & Licences**

The overspend of \$51,189 is due to the timing of Information Technology and Events subscriptions and licences, compared to budget. In addition, this variance is impacted by the accruals via Purchase Orders of upcoming subscription that are currently recognised in full. In line with accounting principles of prepayments these transactions will be recognised on straight line basis over the term of subscriptions at the time of goods receipt. The gap between Actuals and Budget expected to close.

- **Legal Fees**

An unfavourable variance of \$222,785 is due to the increased level of Planning Appeals and regulatory compliance matters. The unpredictable and complex nature of such activities results in the Council having to respond to Environment Resources and Development Court appeals and other matters with legal representation.

## OVERVIEW OF PROJECTS

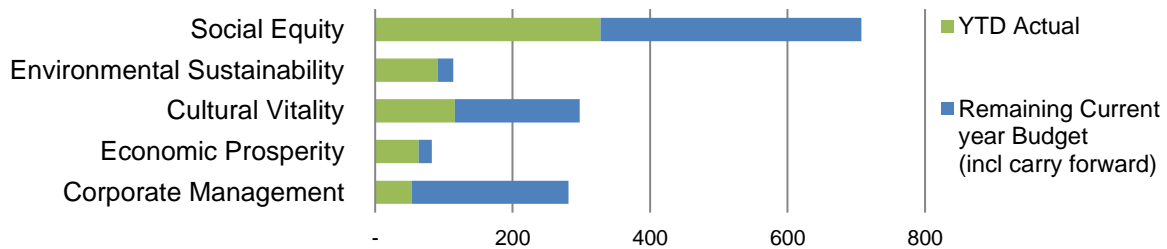
The Council's financial performance is based on recurring expenses and on the progress of Operating and Capital Projects. Table 2 below provides an overview of both Operating and Capital projects - those Carried Forward from the new projects initiated as part of the 2023-2024 Adopted Budget. At the start of the 2023-2024 financial year, significant focus has been placed on completing Carried Forward projects from the previous budget year as well as reducing the Carried Forwards from the 2023-2024 Financial Year.

**TABLE 2: OVERVIEW OF PROJECT EXPENDITURE**

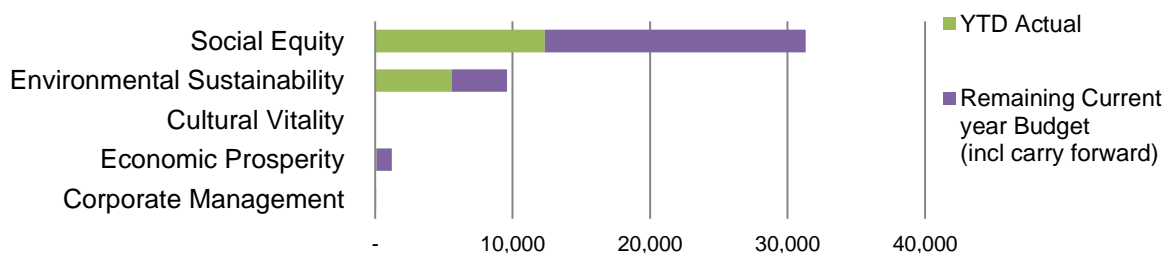
**Project Expenditure Summary for Period Ended 31 March 2024**

	YTD Actual \$'000	YTD Budget \$'000	Remaining Current year Budget (incl carry forward) \$'000
<b>Operating Projects</b>			
Corporate Management	53	270	228
Economic Prosperity	64	89	19
Cultural Vitality	116	357	182
Environmental Sustainability	91	55	23
Social Equity	328	794	380
<b>Net Cost of Operating Projects</b>	<b>651</b>	<b>1,566</b>	<b>831</b>
<b>Capital Projects</b>			
Corporate Management	31	137	40
Economic Prosperity	97	83	1,112
Cultural Vitality	21	55	-
Environmental Sustainability	5,599	8,956	3,997
Social Equity	12,350	18,217	18,967
<b>Net Cost of Capital Projects</b>	<b>18,098</b>	<b>27,448</b>	<b>24,116</b>

**OPERATING PROJECTS EXPENDITURE (incl Carry forwards\*)**



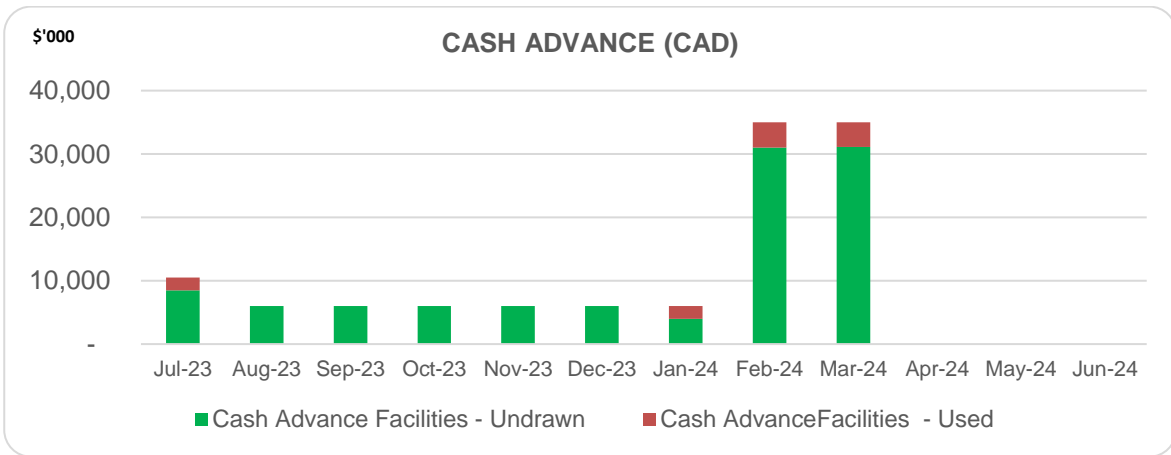
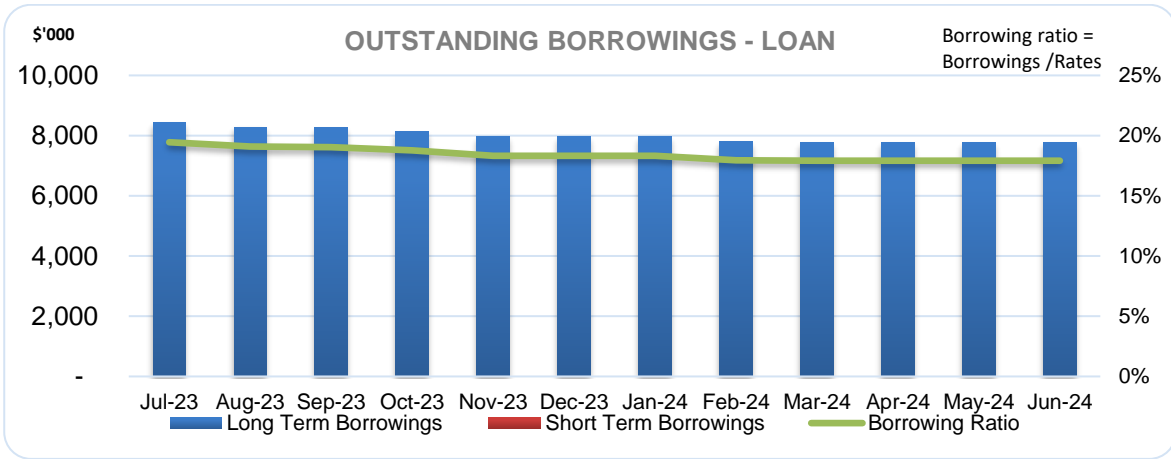
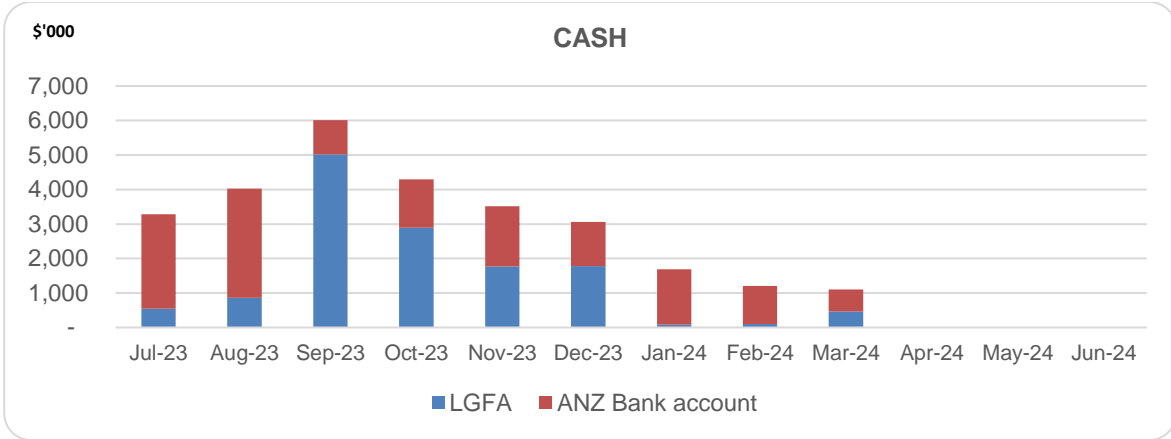
**NEW ASSETS AND RENEWALS EXPENDITURE (incl Carry forwards\*)**



**STATEMENT OF FINANCIAL POSITION**

	June 2023	31 March	Movement	
	Draft	Actual		
	\$'000	\$'000	\$'000	%
<b>ASSETS</b>				
<b>Current Assets</b>				
Bank and Cash	4,317	1,111	3,207	74%
Accounts receivables	2,746	2,193	553	20%
Less : Provision for Bad Debts	(580)	(580)	-	0%
<b>Total Current Assets</b>	<b>6,483</b>	<b>2,724</b>	<b>3,759</b>	<b>58%</b>
<b>Non-current Assets</b>				
Financial Assets	(2)	-	(2)	100%
Investments in Joint Ventures	1,949	2,749	(800)	-41%
Infrastructure, Property, Plant and Equipment	595,636	601,845	(6,209)	-1%
Other Non-current Assets	5,707	5,707	-	0%
<b>Total Non-current Assets</b>	<b>603,290</b>	<b>610,301</b>	<b>(7,011)</b>	<b>-1%</b>
<b>Total Assets</b>	<b>609,773</b>	<b>613,025</b>	<b>(3,252)</b>	<b>-1%</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and Other Payables	8,689	9,877	(1,188)	-14%
Borrowings	174	4,074	(3,900)	-2246%
Provisions	2,910	4,006	(1,096)	-38%
<b>Total Current Liabilities</b>	<b>11,773</b>	<b>17,957</b>	<b>(6,184)</b>	<b>-53%</b>
<b>Non-current Liabilities</b>				
Borrowings	8,446	7,779	667	8%
Provisions	1,250	288	961	77%
Investments in Joint Ventures	952	941	11	1%
<b>Total Non-current Liabilities</b>	<b>10,648</b>	<b>9,008</b>	<b>1,640</b>	<b>15%</b>
<b>Total Liabilities</b>	<b>22,420</b>	<b>26,965</b>	<b>(4,544)</b>	<b>-20%</b>
<b>NET ASSETS</b>	<b>587,352</b>	<b>586,060</b>	<b>1,292</b>	<b>0%</b>
<b>EQUITY</b>				
Accumulated Surplus	64,652	60,976	3,676	
Profit/(Loss) for the year-to-date	-	(430)	430	
Asset Revaluation Reserves	522,700	525,514	(2,814)	
<b>TOTAL EQUITY</b>	<b>587,352</b>	<b>586,060</b>	<b>1,292</b>	<b>0%</b>

**TREASURY**



**CONCLUSION**

Not Applicable.

**COMMENTS**

Nil.

**RECOMMENDATION**

That the March 2024 Monthly Financial Report be received and noted.

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Cr McFarlane left the meeting at 8.36pm.

*Cr Duke moved:*

*That the March 2024 Monthly Financial Report be received and noted.*

*Seconded by Cr Piggott and carried unanimously.*

## 11.4 2024-2025 DRAFT ANNUAL BUSINESS PLAN AND BUDGET

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**REPORT AUTHOR:** Finance Business Partner  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4548  
**FILE REFERENCE:**  
**ATTACHMENTS:** A - B

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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 Draft 2024-2025 Annual Business Plan, the Draft 2024-2025 Budget and the Draft Rating Policy, to be released for public consultation.

### 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 (Draft Budget) after 31 May and except in a case involving extraordinary administrative difficulties, 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 the Budget following adoption of the Annual Business Plan.

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

At the Special Council Meeting held on 8 April 2023, the Council considered the Draft 2024-2025 Recurrent Budget, the Draft 2024-2025 Operating and Capital Projects Budget (the Draft 2024-2025 Budget), which projected an Operating Surplus \$170,953 on a full accrual basis, based on an increase in Rate Revenue of 8%.

Following consideration of the Draft 2024-2025 Budget, the Council endorsed the Draft 2024-2025 Budget '*in principle*' and made a number of amendments to the Draft Budget including the addition of Operating Projects to the value of \$340,000. Details of the additional Operating Projects that have been included in the Draft 2024-2025 Budget are set out below:

- 2025 AFL Gather Round (\$200,00);
- additional funds for the Information Services (IT) Strategy (\$100,000);
- Verge Greening Incentive Fund (\$20,000);
- Building Assets Review/Strategy (\$20,000); and
- Raising the Bar (reduction in funding from \$40,000 to \$25,000).

The total net cost as a result of the Council's decision is \$315,000.

The inclusion of the additional \$315,000 in Operating Projects, based on a Rate Revenue Increase of 8%, as set out in the draft Long-Term Financial Plan, now results in an **Operating Deficit of \$144,047**.

### RELEVANT POLICIES & STRATEGIC DIRECTIONS

The Council's Long Term Strategic directions are outlined in the Council's Strategic Management Plan, *City Plan 2030 – Shaping our Future*. The Draft 2024-2025 Annual Business Plan and supporting Draft Budget, sets out the proposed services and programs and initiatives for the 2024-2025 Financial Year and explains how the Council intends to finance its continuing services, programs and initiatives which are to be undertaken during the financial year.

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

Financial sustainability underpins the Council's Financial Goals and Outcomes, as set out in the Long-Term Financial Plan. In general terms, financial sustainability is ensuring that the Council has the financial resources to meet the long-term service and infrastructure needs of the community, without any sharp increases in rate revenue or cuts in service provision and standards.

The Draft 2024-2025 Annual Business Plan and Budget has been developed on the basis of ensuring that it will assist in delivering on the Council's Long Term Strategic direction set out in the Council's Strategic Plan, *City Plan 2030 – Shaping our Future*, delivery of the Council's Asset Management principles set out in the respective *Infrastructure and Assets Management Plans* and financial objectives set out in the *Long-Term Financial Plan*.

## **FINANCIAL AND BUDGET IMPLICATIONS**

The '*in-principle*' adoption of the Draft 2024-2025 Budget, as presented (based on Rate Revenue increase of 8%), will result in an Operating Deficit of \$144,047 and a Net Surplus (after Capital Income) of \$5.8 million.

It should be noted that the Draft 2024-2025 Budget does not include any Carry Forwards from the 2023-2024 financial year, which are anticipated not to be completed by 30 June 2024. The Carry Forward amounts will be presented to the Council as part of the First Budget review in 2024-2025 following the finalisation of the June 2024 results.

## **SOCIAL ISSUES**

Nil.

## **CULTURAL ISSUES**

Nil.

## **ENVIRONMENTAL ISSUES**

Nil.

## **RESOURCE ISSUES**

Nil.

## **RISK MANAGEMENT**

The Draft 2024-2025 Budget will also be impacted upon by the decisions which are made by the Federal Government and State Government in their respective budgets. No information regarding these budgets is available.

As a result, the Draft 2024-2025 Budget presented in this report, has been developed on the following assumptions:

- that the Financial Assistance Grants, comprising of the General Assistance Grant and the Road Funding Grant, will be provided based on the current funding arrangements. The value of these payments has not been indexed;
- State Government Charges, which are set by Legislation, are yet to be indexed; and
- no new fees and charges will be introduced with the exception of the fees associated with the Visitor Parking Permit Booklets and copies of the Assessment Record.

Any adjustments to the Draft Budget arising from the State Budget will be incorporated into the Council Budget when this information becomes available.

Notwithstanding this, the preparation of the Draft 2024-2025 Annual Business Plan and Budget has been prepared to ensure the Council meets its legislative responsibility in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

## CONSULTATION

- **Elected Members**

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

- **Audit & Risk Committee**

The Council's Audit & Risk Committee considered the Draft 2024-2025 Recurrent Budget and the Draft 2024-2025 Operating and Capital Projects Budget at its Special Meeting held on 22 April 2024.

- **Community**

Citizens will be provided the opportunity to have input into the Draft 2024-2025 Budget through public consultation on the Draft Annual Business Plan, which is scheduled to commence on 10 May 2024.

- **Staff**

The preparation of the Draft 2024-2025 Budget has been completed with the involvement of the Chief Executive Officer, General Managers and staff responsible for management of the Budget.

- **Other Agencies**

Not Applicable.

## DISCUSSION

The Draft 2024-2025 Budget is based on the continuation of existing services and priorities, as determined by the Council, being appropriately resourced to do so and ensures that the Council can maintain the service standards for its existing services to support the delivery of the Strategic Objectives contained in Council's Strategic Management Plan *CityPlan 2030: Shaping our Future*.

The key objective therefore, is to develop a Budget that not only contributes to the Council's broader strategic objectives of achieving *Community Well-being*, but also ensures that the Council is managing its financial resources in a sustainable, prudent and equitable manner and to ensure that future financial impacts can either be avoided or managed in a measured way, so that the funding requirements are balanced with ensuring that the community does not face unreasonable increases in their annual rates contribution.

At the Special Meeting held on 8 April 2024, the Council considered the Draft 2024-2025 Budget and requested that the Council's Audit & Risk Committee provide comments on the Draft 2024-2025 Budget for the Council's consideration prior to the Council's endorsement of the Draft 2024-2025 Budget, for the purpose of community consultation.

A Special Meeting of the Council's Audit & Risk Committee was held on Monday, 22 April 2024 and at this meeting, the Audit & Risk Committee agreed that it was important for the Council to achieve an Operating Surplus and not an Operating Deficit, to ensure the Council can meet its financial obligations and deliver on its financial objectives.

To this end, following consideration of the Draft 2024-2025 Budget, the Audit & Risk Committee resolved to recommend the following to the Council:

1. *That the report be received and noted.*

2. *That the Audit & Risk Committee recommends to the Council that the Council should seek to achieve:*

- *a rate revenue increase of no more than 8.0% as part of the 2024-2025 Budget; and*
- *an operating surplus of at least \$171,000 by re-considering the funding of all operating projects with a particular focus on those that will incur recurrent funding.*



Elected Members may recall that for the 2024-2025 Financial Year, the Long-Term Financial Plan estimates an Operating Surplus of \$170,953, based on a Rate Revenue increase of 8%.

However, applying a Rate Revenue increase of 8% as set out in the Long-Term Financial Plan based on the Draft 2024-2025 Budget that was adopted by the Council at its meeting held on 8 April 2024, will now result in an Operating Deficit of \$144,047.

To achieve an Operating Surplus of \$171,000 (as recommended by the Council's Audit & Risk Committee), based on the current Draft 2024-2024 Budget, a Rate Revenue increase of 8.74% would be required.

## Budget Overview

Table 1 below sets out the proposed Operating Deficit of \$144,047, based on a Recurrent Operating Surplus of \$3,002,742, an Operating Deficit relating to Operating Projects (excluding 2023-2024 Carry Forwards) of \$931,172 and an additional \$2,215,617, for additional finance costs associated with borrowings which are required to deliver the projects that have been included in the Draft Capital Projects Budget.

**TABLE 1: 2024-2025 PROPOSED STATEMENT OF COMPREHENSIVE INCOME**

	Recurrent Budget	Recurrent Budget - impact of Capital projects	Carry Forwards	Operating Projects	Proposed Budget
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025
	\$	\$	\$	\$	\$
<b>INCOME</b>					
Rates	46,978,253				46,978,253
Statutory Charges	2,180,953				2,180,953
User Charges	4,006,054			500	4,006,554
Grant Subsidies, Contributions	2,676,675				2,676,675
Grants, Subsidies and Contributions - capital	444,393				444,393
Investment Income	77,965				77,965
Other Income	496,163				496,163
Net gain - equity accounted Council businesses	-				-
<b>Total Income</b>	<b>56,860,456</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>56,860,956</b>
<b>EXPENSES</b>					
Employee Expenses	19,549,303			49,336	19,598,639
Materials, Contracts & Other Expenses	20,796,083			882,336	21,678,419
Depreciation, Amortisation & Impairment	13,078,887			-	13,078,887
Finance Costs	170,775	2,215,617		-	2,386,392
Net Loss - Joint Ventures & Associates	262,666			-	262,666
<b>Total Expenses</b>	<b>53,857,714</b>	<b>2,215,617</b>	<b>-</b>	<b>931,672</b>	<b>57,005,003</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>3,002,742</b>	<b>(2,215,617)</b>	<b>-</b>	<b>(931,172)</b>	<b>(144,047)</b>
Net gain (loss) on disposal or revaluation of assets	-	36,000			36,000
Amounts specifically for new or upgraded assets	-	5,924,000			5,924,000
<b>NET SURPLUS (DEFICIT)</b>	<b>3,002,742</b>	<b>3,744,383</b>	<b>-</b>	<b>(931,172)</b>	<b>5,815,953</b>

The Council is required to report the Council's share of the Regional Subsidiaries Operating results and while this will have an impact on the Council's reported Operating Result, this is a non-cash transaction that does not have an impact on the Council's cash position. The underlying Operating Deficit (adjusted for Regional Subsidiaries) is currently estimated at \$262,666.

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

From an operational perspective, financial sustainability is being able to manage the balance between keeping rate revenues increases to a minimum, maintaining existing service standards and expenditure on appropriate new services and necessary major capital investments and initiatives.

To be truly financially sustainable, the Council needs to generate sufficient cash flow from its recurrent operations to meet existing principal loan repayments, spending on renewal works, while having the future financial capacity (i.e. cash reserves to meet future loan servicing) to undertake new investments in the Councils Infrastructure, services and activities.

Pursuant to Section 123 (10)(b) of the *Local Government Act 1999*, Part 2 Financial Accountability Regulation 7 of the *Local Government (Financial Management) Regulations 2011*, sets out that the budget must:

- (a) *include budgeted financial statements, which must be presented, other than notes and other explanatory documentation, in a manner consistent with the Model Financial Statements; and*
- (b) *state whether projected operating income is sufficient to meet projected operating expenses for the relevant financial year; and*
- (c) *include a summary of operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and*
- (d) *include estimates with respect to the council's operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.*

The Financial Statements contained in **Attachment A**, are presented as prescribed in the Model Financial Statements and are based on 8% increase in Rate Revenue. The Financial Statements also provide comparisons with the 2023-2024 Forecast and the Audited Financial Statements for the past three (3) years. Together, these Statements provide a complete picture of the Council's budgeted financial position for the 2024-2025 Financial year.

The Financial Statements will be updated following the Council's decision on the various components of the Draft 2024-2025 Budget.

### **Budgeted Capital Projects**

At the Special Council Meeting held on 8 April 2024, the Council considered the Draft 2024-2025 Capital Budget ("Draft Capital Budget") and resolved to endorse "*in-principle*", a Draft Capital Budget, which incorporates Capital Projects to the value of \$58.8 million, excluding expenditure that is required to finalise those 2023-2024 Capital Projects which are not anticipated to be completed by 30 June 2024. The Total Capital Projects include staff costs of \$1.101 million which are capitalised (i.e. staff involved in the delivery of the projects involving physical assets). The Draft 2024-2025 Capital Budget expenditure is offset by Grant Funding to the value of \$5.924 million (\$2.24m for the Payneham Memorial Swimming Centre Re-development and \$3.5m for the Trinity Valley Stormwater Upgrade Project, which will result in a net cost to the Council of \$52.868 million which will be funded via cash borrowings and depreciation (via Rate Revenue).

The endorsed Capital Projects for 2024-2025 have been broken down into a number of categories as detailed in Table 2 below.

It should be noted that the Total Capital Projects Expenditure as set out in Table 2 is based on the proposed scheduling of major projects (i.e. the Payneham Memorial Swimming Centre Project and the Trinity Valley Stormwater Upgrade Project).

**TABLE 2: CAPITAL PROJECT CATEGORIES**

<b>Capital Expenditure Project</b>	<b>\$</b>
<b>Whole-of-Life Capital Works Program</b>	
* Road Resealing	4,176,766
* Footpath Reconstruction	951,400
* Kerb Reconstruction	1,551,917
* Stormwater Drainage Program (including Trinity Valley Stormwater Upgrade Project)	11,771,866
* Other Infrastructure Asset Renewal	1,972,313
Payneham Memorial Swimming Centre – Year 2	35,000,000
George Street Upgrade (including additional funding)	1,560,000
Quadrennial Art Project	9,000
Traffic Management (various)	620,000
Minor projects (IT Equipment upgrade and Bike Parking at Webbe Street facility)	77,500
Capitalisation of Salaries (existing staff)	1,101,342
<b>Total Capital Projects Expenditure</b>	<b>58,792,104</b>
<b>Grant Funding</b>	<b>5,924,000</b>
<b>Net Cost</b>	<b>52,868,104</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 which has been received and which is associated with Capital Projects, will however, be included as Capital Income within the Budgeted Income Statement, after the Operating Surplus/(Deficit), as required by the Model Financial Statements prescribed by the *Local Government Act 1999*.

Details of the Capital and Operating Projects which have been endorsed by the Council as part of the Draft 2024-2025 Annual Business Plan and Budget are contained in *Appendix One: Key Initiatives & Projects of Attachment B*.

### **Borrowings**

The Proposed Capital Expenditure, as detailed in **Attachment B**, of \$58.792 million is proposed to be funded as shown in Table 3 below:

**TABLE 3: CAPITAL PROJECTS FUNDING**

Use of depreciation recovered through Rate Revenue	\$11,342,926
Grant Funding	\$5,924,000
Borrowings	\$41,525,178
<b>TOTAL</b>	<b>\$58,792,104</b>

In determining the timing and the level of borrowings that are required to fund the Capital Program, consideration has been given to the cash flow requirements and to intergenerational equity between current and future users (that is, an asset is funded from loan borrowings which is paid off over the life of the asset rather than raising rate revenue from current rate payers to pay for the asset). Whilst these considerations have formed part of the budget model, they will be reviewed and reconsidered before the decision to commit to any borrowings.

## Rates Modelling

The Council's draft Long Term-Financial Plan is based on a series of financial outcomes, with one being Rate Stability, with the overall objective being that *“annual rate collections are fair and equitable for our residents and ratepayers with the aim to keep rate revenue increases stable over the medium term”*. The LTFP has set the target of Rate Revenue increases ranging between 4% and 8% each year.

Whist Rate Stability is a key objective which requires annual rate collections to be fair and equitable, it also requires that increases in Rate Revenue to be stable over the medium term. To ensure that this objective is met, the Council must make decisions in respect to Rate Revenue (or decreases in expenditure) with the future in mind, as any significant decrease in Rate Revenue in one year may result in sharp Rate Revenue increases in the future.

Increases in Rate Revenue need to be reflective of increases in service levels, to ensure that the Council remains financially sustainable. In considering increases in service levels, the Council needs to take into account not only the increase in operating programs and services, but also the increase in service levels that emanate from past and proposed capital investment.

At its meeting held on 22 April 2024, the Audit & Risk Committee was advised that the Rate Modelling undertaken to date was based on the valuation information provided by the Valuer-General on 1 April 2024, which indicated that the growth in the Residential Land Use classification shows a Capital Value increase of 6.42% on 2023-2024 values. For the Commercial Land Use Classification, the Capital Value increase is 5.01% on 2023-2024 values.

Based on the valuation information received on 22 April 2024, the growth in the Residential Land Use classification, shows a Capital Value increase of 6.84% on 2023-2024 values. For the Commercial Land Use Classification, the Capital Value increase is 5.10% on 2023-2024 values.

Preliminary rates modelling, based on valuations provided by the Valuer-General for the week ended 1 April 2024, has been undertaken. It should be noted that the valuation information for the week ended 17 June 2024, will be used to determine the final average rate at the Council meeting to be held on 1 July 2024. The impact of the respective strategies on the Councils Operating result are set out in Table 4 below.

**TABLE 4: RATING STRATEGY**

	Budget					
	7.75%	8.00%	8.25%	8.50%	8.75%	9.00%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Proposed Rate Revenue Increases	7.75%	8.00%	8.25%	8.50%	8.75%	9.00%
General Rate Revenue (Gross)	\$46,267	\$46,375	\$46,482	\$46,590	\$46,697	\$46,803
Increase on 2023-2024	\$3,328	\$3,436	\$3,543	\$3,651	\$3,758	\$3,864
<b>Operating Surplus/(Deficit) after rate revenue increases *</b>	<b>-\$251</b>	<b>-\$144</b>	<b>-\$36</b>	<b>\$72</b>	<b>\$179</b>	<b>\$285</b>

### The Average Rate

The Average Rate is calculated by dividing the total rates value by the number of properties in each land use code.

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

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

It should be noted that the average rate figure may change once more accurate valuation data becomes available and will be based on valuation data for the week ended 17 June 2024, as at the adoption of the Annual Business Plan and Budget.

Table 5 below details the impact of the proposed rating strategy options on the Residential and Commercial Rates.

**TABLE 5: IMPACT OF RATING STRATEGY ON RESIDENTIAL AND COMMERCIAL RATES**

<i>Proposed Rate Revenue Increases</i>	2023-24			2024-25			
	8.50%	7.75%	8.00%	8.25%	8.50%	8.75%	9.00%
<b>Residential Rate</b>							
Average Rate	\$1,891	\$2,030	\$2,034	\$2,038	\$2,043	\$2,047	\$2,051
Average Rate Difference \$	\$89	\$139	\$143	\$147	\$152	\$156	\$160
Increase from previous year blended %	4.04%	6.83%	6.91%	7.24%	7.44%	7.65%	7.85%
Rate-in-the-Dollar	0.0018285	0.0018717	0.0018771	0.0018825	0.0018878	0.0018932	0.0018985
<b>Rate-in-the-Dollar Change</b>	-5.21%	2.36%	2.66%	2.95%	3.24%	3.54%	3.83%
<b>Commercial Rate</b>							
Average Rate	\$3,164	\$3,382	\$3,391	\$3,400	\$3,409	\$3,418	\$3,426
Average Rate Difference \$	\$612	\$219	\$228	\$236	\$245	\$254	\$263
Increase from previous year blended %	18.19%	6.45%	6.57%	6.91%	7.14%	7.37%	7.60%
Rate-in-the-Dollar	0.0021942	0.002246	0.0022525	0.002259	0.0022654	0.0022718	0.0022782
<b>Rate-in-the-Dollar Change</b>	-5.22%	2.36%	2.66%	2.95%	3.24%	3.54%	3.83%

### The Minimum Rate

Table 6 below details the impact of the proposed rating strategy options on the Minimum Rate. It must be noted however that having aligned the increase of the Minimum Rate to the proposed Rate Revenue increase will result in 35.03% of assessments receiving the Minimum Rate. This exceeds the maximum threshold of 35% as set in Section 158 (2)(d) of the *Local Government Act 1999*, Part 1 Rates and Charges on Land.

To ensure this threshold is not exceeded, a 4% increase for the Minimum Rate is proposed.

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

	2023-24	2024-25	2024-25
<i>Proposed Minimum Rate Increases</i>	8.50%	4.00%	8.00%
Minimum Rate	\$1,228	\$1,277	\$1,326
\$ Difference from prior year	\$96	\$49	\$98
No. of assessments	6,761	6,857	7,285
% of assessments on Minimum Rate	32.66%	32.97%	35.03%

Table 7 sets out the Capital Value, by Land Use, for all property classes as advised by the Valuer-General.

**TABLE 7: CAPITAL VALUES BY LAND USE**

Land Use	Capital Value	Capital Value	Capital Value	No of	Average Value
	2024-25	Increase/ (Decrease)	Increase/ (Decrease)	Assessments	
	\$'000	\$'000	%	#	\$'000
Residential	\$ 18,188,645	\$ 1,164,625	6.84%	17,881	\$ 1,017
Commercial	\$ 3,261,130	\$ 158,319	5.10%	2,227	\$ 1,464
Industrial	\$ 168,245	\$ 4,890	2.99%	137	\$ 1,228
Vacant Land	\$ 172,000	-\$ 48,935	-22.15%	189	\$ 910
Other	\$ 478,062	\$ 28,911	6.44%	90	\$ 5,312
Primary Production	\$ 1,008	\$ 46	4.73%	1	\$ 1,008
<b>Total Rateable Value</b>	<b>\$ 22,269,091</b>	<b>\$ 1,307,855</b>	<b>6.24%</b>	<b>20,525</b>	<b>\$ 1,085</b>
Non Rateable	\$ 457,663	\$ 16,891	3.83%	273	\$ 1,676
<b>Total</b>	<b>\$ 22,726,753</b>	<b>\$ 1,324,746</b>	<b>6.19%</b>	<b>20,798</b>	<b>\$ 1,093</b>

### Rating Policy

A review of the Council's Rating Policy has been undertaken, with particular focus on the eligibility criteria for Rate Capping Rebates.

### Residential Properties

Pursuant to Section 166(1)(l)(ii) of the Act, the Council grants a rebate of General Rates, subject to meeting certain eligibility criteria, to the principal ratepayer of a residential assessment, where that property is the principal place of residence and that the increase in the rates that are levied is a result of a rapid change in the value of the property.

For eligible residential ratepayers, the increase in general rates (excluding the Regional Landscape Levy) will be capped at two (2) times the rate revenue increase, subject to certain conditions.

The current eligibility criteria for the automatic rebate is any such increase in property value, in whole or part is not result of:

- (a) development greater than \$30,000 undertaken on the property, or
- (b) a change in land use for rating purposes on the date the Council declared its general rates; or
- (c) a change in the zoning of the land; or
- (d) a change in the ownership of the property since 1 January 2023.

### Commercial Properties

Section 166(1)(l)(ii) of the Act also applies to Commercial properties and therefore, the Council can grant a rebate of General Rates for all properties on a specified land use basis.

As set out in Table 7 above and as advised by the Valuer-General, valuations for Commercial properties have increased by 5.10%.

Whilst a General Rate Rebate can be applied to Commercial properties, the Council has not previously applied a General Rate Rebate for Commercial properties.

For 2024-2025, the Capital Values increased (as advised by the Valuer-General), across the City by 6.2%, which was predominately driven by the increase in the Capital Value of residential of 6.84% and other properties of 6.4%. Other properties include mainly Educational, Religious and Community based type of properties.

The impact of this means that the Average Rate Difference for Commercial properties for 2024-2025 has increased by \$228.00, compared to the Average Rate for the 2023-2024 financial year.

### **Draft Annual Business Plan**

To fulfil the requirements of the Act and therefore provide citizens with the opportunity to review and comment on the Council's proposed activities for the 2024-2025 Financial Year and the proposed funding of those activities, the Draft Annual Business Plan has been prepared and is included in **Attachment B**.

The Draft 2024-2025 Annual Business Plan incorporates all of the assumptions detailed within this report and for illustrative purposes only, has factored in an increase in Rate Revenue of 8%. Upon finalisation of the Draft 2024-2025 Budget through its '*endorsement in principle*', the Draft 2024-2025 Annual Business Plan will be made available for citizens in May 2024. Submissions will be sought with interested citizens providing comments prior to or at the Public Meeting to be held on 27 May 2024.

Following consideration of the submissions by the Council on 11 June 2024, the final 2024-2025 Annual Business Plan and Budget will be presented to the Council for adoption at the Council Meeting to be held on 1 July 2024.

### **OPTIONS**

The Council can endorse the 2024-2025 Draft Annual Business Plan and Budget as presented in this report or can choose to amend the 2024-2025 Draft Annual Business Plan and Budget by either:

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

### **CONCLUSION**

The Council's Draft Long-Term Financial Plan sets out the Council's commitment to achieving and maintaining Financial Sustainability. The development of the Annual Budget with reference to the financial targets and outcomes outlined in the LTFP, will ensure that the Council continues to move in the right direction to achieve its ultimate goal of Financial Sustainability.

The '*in-principle*' adoption of the Draft 2024-2025 Annual Business Plan and Budget as presented in **Attachment B**, will deliver an Operating Deficit of \$144,047 based on an 8% increase in Rate Revenue.

Decisions regarding Rate Revenue will have future impacts on the Council's ability to deliver on the financial objectives and targets set out in its Long-Term Financial Plan and while the Draft Budget as presented in this report, is forecasting an Operating Deficit, the draft Budget, as presented is forecast to deliver a cash surplus of \$500,000 after taking into account borrowings of \$41million.

Notwithstanding this, the '*in-principle*' adoption of the Draft 2024-2025 Annual Business Plan and Budget will contribute to the Council achieving its goals and objectives as set out in the suite of Strategic Planning documents.

### **COMMENTS**

As Elected Members are aware, following consideration of the Draft 2024-2025 Budget, at its Special Council Meeting held on 8 April 2024, the Draft 2024-2025 Budget was presented to Council's Audit & Risk Committee for advice.

The advice that has been provided to the Council by its Audit & Risk Committee, is that the increase in Rate Revenue should be no more than 8% and that an Operating Surplus of at least \$171,000 should be achieved.

Ostensibly, this advice, if followed, achieves the same outcome as the Draft 2024-2025 Budget that was presented and recommended to the Council at its Special Meeting held on 8 April 2024.

At the same time, another factor that has to now come into consideration, is the impact that an 8% increase in Rate Revenue will have on the Average Rate (both Residential and Commercial).

Whilst this impact is subject to change (as more valuation data is received from the Valuer-General) at the time of preparing this report, an 8% increase in Rate Revenue will result in an increase of 6.91% on the Average Residential Rate and a 6.57% on the Average Commercial Rate.

Whether this increase is acceptable is a matter for the Council to consider and determine.

To assist the Council, the following information is provided:

- the current CPI is running at 4.3%;
- the current Local Government Price Index is 4.8%;
- the Long-Term Financial Plan sets a parameter for increases in Rate Revenue of between 4% to 8%;
- if the Council decreases the Rate Revenue to less than 8% and retain all of the current Projects and Expenditure that are contained in the Draft 2024-2025 Budget, then this will simply increase the Operation Deficit.

However, under this scenario, the Average Rate will not decrease.

To achieve a decrease in the Average Rate, both the Rate Revenue and Expenditure will need to be decreased.

- to retain a modest Operating Surplus (or Deficit) and reduce the increase in the Average Rate to CPI (or similar), then Rate Revenue will need to be decreased (to below 8%) and expenditure will need to be decreased.

If Elected Members have any questions or require clarification in relation to specific budget items, and/or any issues raised in this report, please contact the Chief Financial Officer, Natalia Axenova, prior to the meeting.

## RECOMMENDATION

That subject to further consideration of the Draft 2024-2025 Budget by the Council following the receipt and consideration of any public submissions in respect to the 2024-2025 Annual Business Plan:

- (a) That a Rate Revenue increase, of \_\_\_\_\_%, be endorsed '*in principle*', subject to further consideration of the Budget by the Council following receipt and consideration of any submissions in respect of to the Annual Business Plan.
- (b) That an average residential rate increase of \_\_\_\_\_% be endorsed '*in principle*'.
- (c) That an average commercial rate increase of \_\_\_\_\_% be endorsed '*in principle*'.
- (d) That a rate cap on residential properties of two (2) times the rate revenue increase of 8% be adopted '*in principle*' for the 2024-2025 Financial Year and be applied to all eligible assessments without the requirement for an application to be made and approved by the Council for the rebate as per the Council resolution made at its meeting held on 10 October 2005.
- (e) That the Council endorses '*in principle*' Loan Borrowings for the 2024-2025 Financial Year up to a maximum of \$42 million in addition to the existing borrowings and Cash Advance Facilities for the purposes of funding Capital Expenditure.



- (f) That the Draft 2024-2025 Annual Business Plan, as contained within Attachment B, be approved for release for public consultation subject to incorporation of any amendments which may be determined by the Council.
- (g) That the Chief Executive Officer be authorised to make editorial changes to the Draft 2024-2025 Annual Business Plan, as contained within Attachment B, prior to it being released for public consultation.
- 

Cr McFarlane returned to the meeting at 8.39pm.

Cr Granozio left the meeting at 8.42pm.

Cr Granozio returned to the meeting at 8.44pm.

*Cr Mex moved:*

1. *That the Draft 2024-2025 Budget be adopted 'in principle' subject to the following amendments:*
  - *deletion of \$100,000 for the implementation of the IT Strategy;*
  - *deletion of \$20,000 for the Building Assets Review/Strategy; and*
  - *a savings target of \$125,000 from the Re-current Budget.*
2. *That the Chief Executive Officer be requested to identify and implement a savings target of \$125,000 from re-current expenditure over the course of the 2024-2025 financial year and that those savings be presented to the Council as part of the Second and Third Budget Reviews.*
3. *That a Rate Revenue increase of 8% be endorsed 'in principle', subject to further consideration of the Budget by the Council following receipt and consideration of any submissions in respect of to the Annual Business Plan.*
4. *That an average residential rate increase of 6.91% be endorsed 'in principle'.*
5. *That an average commercial rate increase of 6.57% be endorsed 'in principle'.*
6. *That the minimum rate increase by 4% (\$1,277), be endorsed 'in principle'.*
7. *That a rate cap on residential properties of two (2) times the rate revenue increase of 8% be adopted 'in principle' for the 2024-2025 Financial Year and be applied to all eligible assessments without the requirement for an application to be made and approved by the Council for the rebate as per the Council resolution made at its meeting held on 10 October 2005.*
8. *That the Council endorses 'in principle' Loan Borrowings for the 2024-2025 Financial Year up to a maximum of \$42 million in addition to the existing borrowings and Cash Advance Facilities for the purposes of funding Capital Expenditure.*

*Seconded by Cr Callisto.*

Amendment

Cr Piggott moved:

1. That the Draft 2024-2025 Budget be adopted 'in principle' subject to the following amendments:
  - deletion of \$100,000 for the implementation of the IT Strategy;
  - deletion of \$20,000 for the Building Assets Review/Strategy; and
  - a savings target of \$125,000 from the Re-current Budget.
2. That the Chief Executive Officer be requested to identify and implement a savings target of \$125,000 from re-current expenditure over the course of the 2024-2025 financial year and that those savings be presented to the Council as part of the Second and Third Budget Reviews.
3. That a Rate Revenue increase of 8.5% be endorsed 'in principle', subject to further consideration of the Budget by the Council following receipt and consideration of any submissions in respect of to the Annual Business Plan.
4. That an average residential rate increase of 7.44% be endorsed 'in principle'.
5. That an average commercial rate increase of 7.14% be endorsed 'in principle'.
6. That the minimum rate increase by 4% (\$1,277), be endorsed 'in principle'.
7. That a rate cap on residential properties of two (2) times the rate revenue increase of 8.5% be adopted 'in principle' for the 2024-2025 Financial Year and be applied to all eligible assessments without the requirement for an application to be made and approved by the Council for the rebate as per the Council resolution made at its meeting held on 10 October 2005.
8. That the Council endorses 'in principle' Loan Borrowings for the 2024-2025 Financial Year up to a maximum of \$42 million in addition to the existing borrowings and Cash Advance Facilities for the purposes of funding Capital Expenditure.

Seconded by Cr Whittington.

The amendment was put and carried.

Further Amendment

Cr Moorhouse moved:

1. That the Draft 2024-2025 Budget be adopted 'in principle' subject to the following amendments:
  - deletion of \$20,000 for the Building Assets Review/Strategy; and
  - a savings target of \$125,000 from the Re-current Budget.
2. That the Chief Executive Officer be requested to identify and implement a savings target of \$125,000 from re-current expenditure over the course of the 2024-2025 financial year and that those savings be presented to the Council as part of the Second and Third Budget Reviews.
3. That a Rate Revenue increase of 8.5% be endorsed 'in principle', subject to further consideration of the Budget by the Council following receipt and consideration of any submissions in respect of to the Annual Business Plan.
4. That an average residential rate increase of 7.44% be endorsed 'in principle'.

5. *That an average commercial rate increase of 7.14% be endorsed 'in principle'.*
6. *That the minimum rate increase by 4% (\$1,277), be endorsed 'in principle'.*
7. *That a rate cap on residential properties of two (2) times the rate revenue increase of 8.5% be adopted 'in principle' for the 2024-2025 Financial Year and be applied to all eligible assessments without the requirement for an application to be made and approved by the Council for the rebate as per the Council resolution made at its meeting held on 10 October 2005.*
8. *That the Council endorses 'in principle' Loan Borrowings for the 2024-2025 Financial Year up to a maximum of \$42 million in addition to the existing borrowings and Cash Advance Facilities for the purposes of funding Capital Expenditure.*

*Seconded by Cr Robinson.*

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

*Cr Duke moved:*

1. *That the Draft 2024-2025 Annual Business Plan, as contained within Attachment B, as amended, be approved for release for public consultation subject to incorporation of any amendments which may be determined by the Council.*
2. *That the Chief Executive Officer be authorised to make editorial changes to the Draft 2024-2025 Annual Business Plan, as contained within Attachment B, prior to it being released for public consultation.*

*Seconded by Cr Robinson.*

*Cr Callisto left the meeting at 9.38pm.  
Cr Duke left the meeting at 9.40pm.  
Cr Callisto returned to the meeting at 9.41pm.  
Cr Duke returned to the meeting at 9.44pm.  
Cr Clutterham left the meeting at 9.44pm.  
Cr Clutterham returned to the meeting at 9.46pm.  
Cr Robinson left the meeting at 9.46pm.*

*The motion was put and carried unanimously.*

## 11.5 CONTINUATION OF THE SEPARATE RATE FOR THE NORWOOD PARADE PRECINCT

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**REPORT AUTHOR:** Manger, Strategy  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4509  
**FILE REFERENCE:** qA119911  
**ATTACHMENTS:** A - B

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### PURPOSE OF REPORT

The purpose of this report is to present to the Council, the results of the consultation with business and property owners regarding the proposed one-year (2024-2025) extension of the Separate Rate for The Norwood Parade Precinct.

### BACKGROUND

At its meeting held on Monday 4 March 2024, the Council considered a report on the continuation of the Separate Rate for The Parade Precinct for the 2024-2025 financial year and resolved the following for the purpose of consultation:

1. *That the Council supports the continuation of the Separate Rate for The Parade Precinct for one (1) financial year as recommended by the Norwood Parade Precinct Committee.*
2. *That the revenue raised by the Separate Rate for The Parade Precinct to be set at \$225,000 for the 2024-2025 financial year.*
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 for The Parade Precinct into the 2024-2025 financial year, for a period of twenty-one (21) days minimum.*

The proposed continuation of the Separate Rate for one year, will achieve a total revenue of \$225,000 for the 2024-2025 financial year from the business and property owners within The Parade Precinct. A map showing the extent of the Precinct is contained in **Attachment A**.

Subsequent to the Council's decision, the proposal to extend the Separate Rate was released for consultation for a period of twenty-eight (28) days from Thursday, 14 March 2024 until Wednesday, 10 April 2024. Letters, a fact sheet and Sample Effect Table were distributed to all businesses and property owners within The Parade Precinct. Posters and postcards were placed at the Norwood Town Hall. In addition to this, information was published on the Council and The Parade websites and an Electronic Direct Marketing (EDM) advising The Parade traders of the consultation was also distributed.

It should be noted that at its meeting held on 4 March 2024, the Council also considered the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* for the Norwood Parade Precinct Committee, which is based on the proposed revenue that will be raised through the Separate Rate and was also endorsed for the purposes of consultation with The Parade business community. The *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* was released for consultation simultaneously with the proposed continuation of the Separate Rate material. The Council is considering a report on the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* as a separate agenda item at the 6 May 2024 meeting. A decision to endorse the Draft Plan will be based on whether or not the Separate Rate is continued.

The results of the consultation with business and property owners were presented to the Norwood Parade Precinct Committee at its meeting held on Tuesday 30 April 2024. At that meeting, the committee resolved the following:

1. *That the Committee recommends to the Council that it endorses The Norwood Parade Precinct Separate Rate for The Parade Precinct for twelve (12) months commencing on 1 July 2024.*
2. *That the Committee supports the amount of revenue raised by the Separate Rate on The Parade to be set at \$225,000 for the 2024-2025 financial year, having considered all submissions received during the consultation period.*

## RELEVANT STRATEGIC DIRECTIONS & POLICIES

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

### Outcome 3: Economic Prosperity

**A dynamic and thriving centre for business and services.**

- **Objective 3.1 A diverse range of businesses and services.**
  - Strategy 3.1.1 - Support and encourage local small, specialty, independent and family owned businesses.
- **Objective 3.2 Cosmopolitan business precincts contributing to the prosperity of the City.**
  - Strategy 3.2.1 - Retain, enhance and promote the unique character of all our City's business precincts.
  - Strategy 3.2.3 - Promote the City as a tourist destination.
- **Objective 3.5 A local economy supporting and supported by its community.**
  - Strategy 3.5.1 - Support opportunities for people to collaborate and interact in business precincts.
  - Strategy 3.5.2 - Retail accessible local shopping and services.

The relevant Strategies contained in the *2021-2026 Economic Development Strategy* are outlined below:

### Dynamic & Diverse City

**Outcome: A City with thriving and resilient business sectors that drive employment and deliver growth.**

**Objective: Support the growth and viability of the City's business sectors based on their competitive strength and strategic priority.**

- Strategy CV Recover and Rebuild the local economy following the impacts of the COVID-10 Pandemic
- Strategy 1.1 - Focus on the support and growth of the City's priority sectors
- Strategy 1.3 - Identify emerging trends and support opportunities for economic growth
- Strategy 1.4 - Promote opportunity and collaboration across the sectors
- Strategy 1.5 - Identify and promote local competitive advantage

### Destination City

**Outcome: A destination with dynamic, cultural, vibrant and attractive precincts.**

**Objective: Increase the number of people who live, work and visit the City and enhance the community well-being of existing residents, workers and visitors.**

- Strategy CV Recover and Rebuild the local economy following the impacts of the COVID-10 Pandemic
- Strategy 2.1 - Showcase and promote the City's attractions and events to facilitate growth in visitation and spending.
- Strategy 2.2 - Support the City's vibrant mainstreet precincts.
- Strategy 2.3 - Facilitate the activation of key spaces and precincts in the City.
- Strategy 2.4 - Work with local business operators to strengthen the viability of precincts and enhance the customer experience.

### **Innovative City**

**Outcome: An innovative City that supports business and attracts investment.**

**Objective: Attract and maintain competitive businesses with the capacity for resilience and ongoing sustainability, innovation and growth.**

- *Strategy CV Recover and Rebuild the local economy following the impacts of the COVID-10 Pandemic*
- *Strategy 3.2 - Recognise businesses and business sectors that make a significant contribution to the City.*
- *Strategy 3.3 - Facilitate communication, education and networking programs to support businesses.*
- *Strategy 3.5 - Encourage sustainable working methods in all aspects of business.*

### **Business Friendly City**

**Outcome: A City that understands the needs of business.**

**Objective: Remove barriers and make it easy for business owners to start, run and grow a business.**

- *Strategy CV Recover and Rebuild the local economy following the impacts of the COVID-10 Pandemic*
- *Strategy 4.1 - Ensure that Council processes are business friendly and contribute to a well-functioning City.*

### **FINANCIAL AND BUDGET IMPLICATIONS**

Previously, the revenue raised through the Separate Rate, was based on raising \$205,000 in the base year (2017-2018), which was then increased in the subsequent two (2) years in line with the Consumer Price Index (CPI) annually, resulting in total amount of revenue of \$209,715 collected in 2018-2019 and \$215,000 in 2019-2020. The Separate Rate was waived by the Council for the 2020-2021 financial year, as a result of the COVID-19 Pandemic. As a result, for the 2020-2021 financial year the Council allocated \$215,000 from General Revenue, which was equivalent to the Separate Rate amount raised in the 2019-2020 financial year and the amount that the Council anticipated that it would collect in the 2020-2021 financial year.

Over the last three (3) years, the Council has set the Separate Rate at a fixed annual amount of \$215,000.

To assist the Council, Table 1 below sets out a comparison of the Separate Rate for similar mainstreet precincts within metropolitan Adelaide.

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

<b>Year</b>	<b>Mainstreet/Precinct</b>	<b>Separate Rate Revenue</b>
2023-2024	Village Heart, Prospect Road	\$19,500
2023-2024	Goodwood Road, Goodwood	\$57,225
2023-2024	Unley Road, Unley	\$122,294
2023-2024	King William Road, Hyde Park	\$150,350
2023-2024	Fullarton Road	\$16,500
2023-2024	The Parade, Norwood	\$215,000
2023-2024	Jetty Road, Glenelg	\$660,245

The comparison demonstrates that the quantum of rates raised from The Parade Precinct is commensurate within the size of the Precinct and the number of properties and businesses located within the Precinct.

Should the Council resolve to continue the Separate Rate for one year, it is recommended that the Separate Rate be set at \$225,000, which represents an increase of \$10,000.

The proposed 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, given the cost-of-living pressures and interest rates that are being experienced across the board.

Larger centrally operated shopping centres (i.e. Burnside Village and Westfields) undertake marketing which is paid for by the individual shop tenants through their respective lease arrangements with the main landlord. This is possible because they all have one landlord. The Parade has multiple landlords and therefore, the Council acts as the “central landlord” and undertakes the marketing and promotion for all of the businesses (i.e. tenants) on The Parade.

Reducing the Separate Rate would result in less revenue to implement initiatives and less capacity to market and promote The Parade. In contrast, increasing the Separate Rate would place additional financial onus on property owners and subsequently business owners, in the instances where the additional Separate Rate is passed on. Given that the Norwood Parade Precinct Committee has been able to deliver a significant number of marketing and promotional initiatives with an annual budget of \$215,000 over the last three (3) years, it is considered that the proposed revenue of \$225,000 is sufficient.

The *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* is based on a total budget of \$225,000 which is the amount that the Council will receive from the Separate Rate.

## **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 Norwood Parade Precinct Committee, aims to attract high quality businesses and services to locate on The Parade thus contributing to the diversity of businesses and services available.

The collection of the Separate Rate and subsequently the success of the *2024-2025 Norwood Parade Precinct Annual Business Plan*, may be impacted by investment in other centres, the broader economic environment and worldly events. Whilst the *2024-2025 Norwood Parade Precinct Annual Business Plan* does not make specific reference to the flow on effects of external economic factors, it will be considered during the development stage of programs and initiatives, should they present to influence the success of The Parade or more specifically any of the businesses within the Precinct.

It is important to note that the *2024-2025 Norwood Parade Precinct Annual Business Plan* contains 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.

## **SOCIAL ISSUES**

Economic and social issues are invariably intertwined. Business and economic development impacts effect 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 will substantially contribute to the ongoing development of a vibrant local community.

The Norwood Parade Precinct Committee is working to maintain and enhance The Parade as the leading mainstreet in South Australia, providing a single precinct where residents and visitors can access a variety of retail, commercial, hospitality and services including all of the major banks and credit unions as well as a Centrelink Office. The continued success and viability of The Parade moving forward will be critical from a social perspective. Despite the investment in Burnside Village and the customers that it is likely to attract, the community will still want places like The Parade that they are familiar with and emotionally attached to continue to socialise, shop and play within.

## 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 and reinforces its critical significance.

## ENVIRONMENTAL ISSUES

Not Applicable.

## RESOURCE ISSUES

The collection of the Separate Rate will occur as part of the distribution of Council Rates Notices, which is undertaken by the Council's administration. The Separate Rate is then allocated in alignment with the *2024-2025 Norwood Parade Precinct Annual Business Plan*, which is implemented by the Council's Economic Development Unit with the involvement from other Council staff and external contractors as required.

## 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 was important that the Council undertook comprehensive consultation with the businesses and property owners within The Parade Precinct, regarding the extension of the Separate Rate, before resolving to extend the application of a Separate Rate.

Consumer confidence and the behaviour of consumers choosing to shop in a "brick and mortar" store as opposed to online, is reassuring. The collection of the Separate Rate will assist in promoting The Parade and will act as a mechanism in assisting to maintain consumer behaviour and ultimately support businesses in the long term.

## CONSULTATION

- **Elected Members**

The Council was presented with a report regarding the proposed extension of the Separate Rate at its Meeting held on 4 March 2024. In addition, Mayor Robert Bria and Councillors Sue Whittington, John Callisto, Victoria McFarlane and Josh Robinson form part of the Norwood Parade Precinct Committee and have been consulted as part of this Committee.

- **Business Community**

The proposal to extend the Separate Rate was released for consultation on Thursday, 14 March 2024, with comments sought in writing by no later than 5.00pm, Wednesday 10 April 2024.

A consultation package including letters, a fact sheet and Sample Effect Table were distributed to all businesses and property owners within The Parade Precinct. Posters and postcards were placed at the Norwood Town Hall. In addition to this, information was published on the Council and The Parade websites and an Electronic Direct Marketing (EDM) advising The Parade traders of the consultation was also distributed.

Copies of the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* were also made available at the Norwood Town Hall.

In addition to the specific consultation that was undertaken regarding the proposed continuation of the Separate Rate, The Parade businesses and commercial property owners are consulted annually on the development of the Norwood Parade Precinct Annual Business Plan. The *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* was released for consultation at the same time as the Separate Rate proposal, to demonstrate what the Council was proposing to do with the revenue, which it aims to collect through the Separate Rate.

In total, seven (7) submissions were received during the consultation period regarding the Separate Rate. No submissions were received directly relating to the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan*. A copy of all submissions received are contained in **Attachment B**.



- **Staff**

A range of staff were consulted in preparing the consultation material for the continuation of the Separate Rate and the Annual Business Plan.

- **Other Agencies**

Not Applicable.

## DISCUSSION

The seven (7) submissions which have been received during the consultation period, related directly to the Separate Rate. Six (6) of the submissions were opposed to the Separate Rate and one (1) was in support of the Separate Rate. The predominant focus of the submissions is on the concept of charging the Separate Rate and the value that is received from paying the Separate Rate. Some of the issues raised in the submissions are set out below:

- businesses receive no benefit from the promotion and marketing of The Parade;
- rates are already high enough and with cost-of-living this additional cost cannot be sustained;
- the Separate Rate should not be based on the value of the property;
- individual business owners are best placed to decide how their money is spent; and
- should not have to pay a Separate Rate and the promotion and marketing of The Parade and the businesses should be done via a budget generated from standard Council rates.

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

Pursuant to 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 specifically for the benefit of the area from which it is raised (in this case The Parade) and for the property owners who pay the Separate Rate. As the Council is aware, the allocation of the revenue from the Separate Rate is specifically for the marketing and promotion of The Parade. The revenue generated from the Separate Rate is not collected for the purposes of providing or maintaining any form of infrastructure, including car parking.

The predominant focus of the submissions is based on the notion of not charging the Separate Rate at all and the value received from contributing to it. It is disappointing that some businesses and property owners feel that they receive little direct benefit from the collection of the Separate Rate and cannot see the overall benefit that all businesses obtain from the holistic marketing approach that is implemented for The Parade as a precinct.

In considering whether to extend the Separate Rate, the Council must consider why both it and the Norwood Parade Precinct Committee, supported the proposal of a Separate Rate for The Parade when it was first proposed. A summary of these reasons is set out below:

- The Parade is constantly facing competition from master planned, off-street shopping centres such as the Westfields (Marion and Tea Tree Plaza), Burnside Village, Unley Shopping Centre and Mitcham Shopping Centre, as well as Rundle Mall. These centres and Rundle Mall enjoy co-ordinated 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 significant drawcard, they simply cannot continue to compete in this increasingly competitive retail environment without a more coordinated marketing approach.
- 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, Prospect 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.

- Historically, the Council has supported The Parade through 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 also support other significant business precincts in the City such as Magill Road, Payneham Road and the suburbs of Kent Town, Glynde and Stepney, which have high concentrations of key priority sectors identified in the *2021-2026 Economic Development Strategy*.

The Parade cannot continue to compete as one of Adelaide's premier mainstreets based simply on a Council contribution and without a coordinated and integrated approach to marketing and promotion. Investment in marketing and promotion will be even more critical in the lead-up to the opening of the redevelopment of Burnside Village, when The Parade will be faced with its greatest competition.

## OPTIONS

There are a number of options available to the Council, including recommending that the Separate Rate be no longer collected.

The Council can choose to **endorse and proceed with charging the Separate Rate as it was presented for community consultation**. This would result in the collection of \$225,000 for the 2024-2025 financial year, and would be used in accordance with the Terms of Reference of the Committee and as outlined in the *2024-2025 Norwood Parade Precinct Annual Business Plan*. This would also result in the Norwood Parade Precinct Committee proceeding as normal. This is the recommended option.

The Council can choose to **reduce the total of the Separate Rate as it was presented for community consultation**, which was stated as being \$225,000 for the 2024-2025 financial year. This would then result in the need to amend the budget allocations outlined in the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan*. It would also reduce the ability to effectively market The Parade over this period. This is not the preferred option.

The Council can choose to **discontinue the Separate Rate entirely**. However, proceeding with this option would result in the termination of the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* and the Norwood Parade Precinct Committee. Eliminating 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. This is not the preferred option as the long-term viability and survival of The Parade would be compromised.

Based on the benefit that the Separate Rate delivers a coordinated marketing strategy and on the advice received from the Norwood Parade Precinct Committee, it is recommended that the Council endorse and proceed with charging the Separate Rate for one further year.

## CONCLUSION

The Separate Rate model for The Parade has been designed to ensure that it remains viable in Metropolitan Adelaide's increasingly competitive market, particularly given the investment being made in other centres and mainstreets.

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 one (1) year timeframe, at which time the Separate Rate will once again be evaluated for its effectiveness.

## COMMENTS

By extending the Separate Rate for one (1) further year it enables the Council to once again review and evaluate the Separate Rate and the benefits that it delivers. It also provides the Council the opportunity to consult once again with the businesses and property owners and identify areas for improvement. Individual responses will be provided to each property owner who has made a submission.

## RECOMMENDATION

1. That the application of the Separate Rate for The Parade Precinct, (as shown on the Norwood Parade Precinct Committee map contained in **Attachment A**), be endorsed for the 2024-2025 financial year..
  2. That the Separate Rate for The Parade Precinct, be based upon achieving an annual revenue of \$225,000 for the 2024-2025 financial year.
  3. That the Council apply a Discretionary Rebate of 50% of the amount payable by offices and consulting rooms within The Parade Precinct.
  4. That at the end of the 2024-2025 financial year period, a full review evaluating the effectiveness of the Separate Rate on The Parade be undertaken and presented to the Council for its consideration.
- 

*Cr Callisto moved:*

1. *That the application of the Separate Rate for The Parade Precinct, (as shown on the Norwood Parade Precinct Committee map contained in **Attachment A**), be endorsed for the 2024-2025 financial year..*
2. *That the Separate Rate for The Parade Precinct, be based upon achieving an annual revenue of \$225,000 for the 2024-2025 financial year.*
3. *That the Council apply a Discretionary Rebate of 50% of the amount payable by offices and consulting rooms within The Parade Precinct.*
4. *That at the end of the 2024-2025 financial year period, a full review evaluating the effectiveness of the Separate Rate on The Parade be undertaken and presented to the Council for its consideration.*

*Seconded by Cr McFarlane and carried unanimously.*

## 11.6 DRAFT 2024-2025 NORWOOD PARADE PRECINCT ANNUAL BUSINESS PLAN

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**REPORT AUTHOR:** Manager, Strategy  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4509  
**FILE REFERENCE:** qA119911  
**ATTACHMENTS:** A – B

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### PURPOSE OF REPORT

The purpose of this report is to present to the Council, the final *Draft of the 2024-2025 Annual Business Plan*, for approval.

### BACKGROUND

At its meeting held on 13 February 2024, the Council's *Norwood Parade Precinct Committee* (NPPC) resolved the following:

1. *That the Draft 2024-2025 Norwood Parade Precinct Annual Business Plan be endorsed as being suitable to present to the Council for its endorsement and approval prior to its release for consultation with The Parade Precinct business community for a period of twenty-one (21) days.*
2. *That the Chief Executive Officer be authorised to make any editorial changes to the document prior to the document being released for consultation.*

The *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* and the Committee's resolution were subsequently presented to the Council at its meeting held on Monday 4 March 2024. At that meeting the Council resolved the following:

1. *That the Draft 2024-2025 Norwood Parade Precinct Annual Business Plan be endorsed as being suitable to release for consultation with The Parade Precinct business and property owner community for a period of twenty-one (21) days.*
2. *That the Chief Executive Officer be authorised to make any editorial changes to the document prior to the document being released for consultation.*

The *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* was subsequently released for consultation for a period of twenty-eight (28) days, from Thursday 14 March 2024 until Wednesday 10 April 2024. Letters were distributed to all businesses and property owners within The Parade Precinct. Posters and postcards were placed at the Norwood Town Hall. In addition, information was published on the Council and The Parade websites and an Electronic Direct Marketing (EDM) advising The Parade traders of the consultation was also distributed.

Consultation on the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* was conducted in conjunction with the consultation on the continuation of *The Parade Separate Rate* and comments on both were invited via email and in writing. A total of seven (7) submissions were received in response to the consultation on both items. The primary focus of all of the submissions is the Separate Rate. A copy of all submissions received are contained in **Attachment A**.

The results of the consultation together with the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* were considered and endorsed by the Norwood Parade Precinct Committee at its meeting held on Tuesday 30 April 2024. At that meeting the Committee resolved the following:

1. *That the Draft 2024-2025 Norwood Parade Precinct Committee Annual Business Plan, as contained in Attachment A, be endorsed and recommended to the Council for approval.*

The recommendation to the Council is based on continuing the Separate Rate and collecting \$225,000 in revenue from The Parade Separate Rate in 2024-2025.

A copy of the final *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* is contained in **Attachment B**.

## **RELEVANT STRATEGIC DIRECTIONS & POLICIES**

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

### **Outcome 3: Economic Prosperity**

**A dynamic and thriving centre for business and services.**

- **Objective 3.1 A diverse range of businesses and services.**
  - *Strategy 3.1.1 - Support and encourage local small, specialty, independent and family-owned businesses.*
- **Objective 3.2 Cosmopolitan business precincts contributing to the prosperity of the City.**
  - *Strategy 3.2.1 - Retain, enhance and promote the unique character of all our City's business precincts.*
  - *Strategy 3.2.3 - Promote the City as a tourist destination.*
- **Objective 3.5 A local economy supporting and supported by its community.**
  - *Strategy 3.5.1 - Support opportunities for people to collaborate and interact in business precincts.*
  - *Strategy 3.5.2 - Retail accessible local shopping and services.*

The relevant Strategies contained in the *2021-2026 Economic Development Strategy* are outlined below:

### **Dynamic & Diverse City**

**Outcome: A City with thriving and resilient business sectors that drive employment and deliver growth.**

**Objective: Support the growth and viability of the City's business sectors based on their competitive strength and strategic priority.**

- *Strategy CV Recover and Rebuild the local economy following the impacts of the COVID-10 Pandemic*
- *Strategy 1.1 - Focus on the support and growth of the City's priority sectors*
- *Strategy 1.3 - Identify emerging trends and support opportunities for economic growth*
- *Strategy 1.4 - Promote opportunity and collaboration across the sectors*
- *Strategy 1.5 - Identify and promote local competitive advantage*

### **Destination City**

**Outcome: A destination with dynamic, cultural, vibrant and attractive precincts.**

**Objective: Increase the number of people who live, work and visit the City and enhance the community well-being of existing residents, workers and visitors.**

- *Strategy CV Recover and Rebuild the local economy following the impacts of the COVID-10 Pandemic*
- *Strategy 2.1 - Showcase and promote the City's attractions and events to facilitate growth in visitation and spending.*
- *Strategy 2.2 - Support the City's vibrant mainstreet precincts.*
- *Strategy 2.3 - Facilitate the activation of key spaces and precincts in the City.*
- *Strategy 2.4 - Work with local business operators to strengthen the viability of precincts and enhance the customer experience.*

### **Innovative City**

**Outcome: An innovative City that supports business and attracts investment.**

**Objective: Attract and maintain competitive businesses with the capacity for resilience and ongoing sustainability, innovation and growth.**

- *Strategy CV Recover and Rebuild the local economy following the impacts of the COVID-10 Pandemic*
- *Strategy 3.2 - Recognise businesses and business sectors that make a significant contribution to the City.*
- *Strategy 3.3 - Facilitate communication, education and networking programs to support businesses.*
- *Strategy 3.5 - Encourage sustainable working methods in all aspects of business.*

### **Business Friendly City**

**Outcome: A City that understands the needs of business.**

**Objective: Remove barriers and make it easy for business owners to start, run and grow a business.**

- *Strategy CV Recover and Rebuild the local economy following the impacts of the COVID-10 Pandemic*
- *Strategy 4.1 - Ensure that Council processes are business friendly and contribute to a well-functioning City.*

### **FINANCIAL AND BUDGET IMPLICATIONS**

The *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* is based on a total budget of \$225,000, which is the total amount that the Council will receive raise through The Separate Rate.

### **EXTERNAL ECONOMIC IMPLICATIONS**

The *Draft 2024-2025 Parade Precinct 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 visitors to The Parade; and
- creating a cohesive brand for The Parade.

Implementation and success of the *2024-2025 Norwood Parade Precinct Annual Business Plan* may be impacted upon by the broader economic environment and international events. Whilst the Annual Business Plan does not make specific reference to any specific events, if they occur, they will be considered during the development stage of programs and initiatives. The Annual Business Plan is a designed specifically as a high-level document, intended to remain flexible and be able to respond to external economic issues as they arise, the budget allocations set out in the document are fluid and funds can be re-allocated at the Committee's discretion.

## **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**

Many of the initiatives highlighted as part of the *2024-2025 Norwood Parade Precinct Annual Business Plan* aim to enhance the unique character of The Parade and its sense of place and reinforces its critical significance.

## **ENVIRONMENTAL ISSUES**

Not Applicable.

## **RESOURCE ISSUES**

The *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* is reliant upon the collection of the Separate Rate, and its implementation will be undertaken by the Council's Economic Development Unit, with input and involvement from other Council staff and external contractors as required.

## **CONSULTATION**

- **Elected Members**

Mayor Robert Bria and Councillors Sue Whittington, John Callisto, Victoria McFarlane and Josh Robinson, are Members of the Norwood Parade Precinct Committee and were in support of the Committee endorsing and recommending the *2024-2025 Norwood Parade Precinct Annual Business Plan* to the Council.

- **Business Community**

The *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* was released for consultation on Thursday 14 March, with comments sought in writing by no later than 5.00pm, Wednesday 10 April 2024.

A letter was sent to all businesses and property owners on The Parade advising of the Draft Plan and the consultation process. Posters and postcards were placed at the Norwood Town Hall. In addition to this, information was published on the Council and The Parade websites and an Electronic Direct Marketing (EDM) advising The Parade traders of the consultation was also distributed.

Copies of the Draft Plan were also made available at the Norwood Town Hall.

In total, seven (7) submissions have been received by the Council during the consultation period in relation to both the continuation of the Separate Rate and the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan*. Whilst both documents were consulted on simultaneously, the focus of the comments in the submissions has been on the proposed continuation of the Separate Rate, notwithstanding this all of the submissions have been attached to this report because the two (2) items are related and the implementation of the Annual Business Plan relies on the continuation of the Separate Rate.

- **Staff**

A number of staff from across the organisation were consulted in relation to both the preparation of the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* and in preparing the consultation material for the Separate Rate and the Annual Business Plan.

- **Other Agencies**

Not Applicable

## DISCUSSION

The seven (7) submissions which have been received during the consultation period, relate directly to the Separate Rate and to a lesser extent in relation to the draft Annual Business Plan. Six (6) of the submissions were opposed to the Separate Rate and one (1) was in support of the Separate Rate. The predominant focus of the submissions is on the concept of charging the Separate Rate and the value that is received from paying the Separate Rate. Some of the issues raised are set out below:

- businesses receive no benefit from the promotion and marketing of The Parade;
- rates are already high enough and with cost-of-living this additional cost cannot be sustained;
- the Separate Rate should not be based on the value of the property;
- individual business owners are best placed to decide how their money is spent; and
- should not have to pay a Separate Rate and the promotion and marketing of The Parade and the businesses should be done via a budget generated from standard Council rates.

Pursuant to the Terms of Reference set by the Council, the Norwood Parade Precinct Committee is required to prepare an Annual Business Plan prior to each financial year, to guide its programmes and initiatives for the ensuing financial year and to assist in determining the funding requirements for consideration and approval by the Council. A copy of the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* is contained in **Attachment B**. The Annual Business Plan is based on the assumption that the Council will resolve to continue to collect the Separate Rate and it will set the total revenue of the Separate Rate at \$225,000.

A summary of how the Committee proposes to allocate the revenue which is raised through the Separate Rate is set out in Table 1 below.

**TABLE 1: NORWOOD PARADE PRECINCT COMMITTEE 2024-2025 ANNUAL BUSINESS PLAN**

<b>Strategies</b>	<b>Budget</b>
<b>Events &amp; Placemaking</b>	
<i>Events &amp; Activations</i>	\$35,000
	<b>\$35,000</b>
<b>Marketing &amp; Communication</b>	
<i>Website</i>	\$2,500
<i>Social Media</i>	\$20,000
<i>Advertising</i>	\$47,500
	<b>\$70,000</b>
<b>Identity &amp; Brand</b>	
<i>Signage &amp; Street Decorations</i>	\$45,000
<i>Merchandise</i>	\$5,000
<i>Competitions</i>	\$60,000
	<b>\$110,000</b>
<b>Business Support &amp; Development</b>	
<i>Training &amp; Workshops</i>	\$3,000
<i>Other</i>	\$2,000
	<b>\$5,000</b>
<b>Administration</b>	
<i>Administration</i>	\$5,000
	<b>\$5,000</b>
<b>TOTAL</b>	<b>\$225,000</b>



## **OPTIONS**

The Council can approve the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* contained in **Attachment B**.

Alternatively, the Council can amend or delete strategies and budget allocations.

Depending on the Council's resolution in respect to the Separate Rate, which is being considered as a separate Agenda Item at this meeting, some changes to the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan* may be required. Should the Council determine not to charge the Separate Rate, the Council will need to determine whether or not it will continue to proceed with *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan*.

## **CONCLUSION**

An individual response will be provided to each property and business owner who has made a submission.

## **COMMENTS**

Nil.

## **RECOMMENDATION**

That the *Draft 2024-2025 Norwood Parade Precinct Annual Business Plan*, as contained in **Attachment B**, be approved.

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*Cr Moorhouse moved:*

*That the Draft 2024-2025 Norwood Parade Precinct Annual Business Plan, as contained in Attachment B, be approved.*

*Seconded by Cr Granozio and carried unanimously.*

## 11.7 EASTERN HEALTH AUTHORITY DRAFT 2024-2025 ANNUAL BUSINESS PLAN AND BUDGET

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**REPORT AUTHOR:** Chief Financial Officer  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4585  
**FILE REFERENCE:** qA88432  
**ATTACHMENTS:** A

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### **PURPOSE OF REPORT**

The purpose of this report is to present to the Council, the Eastern Health Authority (EHA) Draft 2024-2025 Annual Business Plan and Budget for endorsement.

### **BACKGROUND**

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

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

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

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

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

Not Applicable.

### **FINANCIAL AND BUDGET IMPLICATIONS**

As a Constituent Council, there are financial implications for the Council's Budget, emanating from the EHA Draft 2024-2025 Annual Business Plan and Budget.

As a receiver of services from EHA, the Council's Budget includes an annual fee of \$641,814 for the provision of the environmental health services which are provided by EHA. In addition, the Council must also account for its share of EHA's operating result.

### **EXTERNAL ECONOMIC IMPLICATIONS**

Nil

### **SOCIAL ISSUES**

Nil

### **CULTURAL ISSUES**

Nil

### **ENVIRONMENTAL ISSUES**

Nil

## RESOURCE ISSUES

Nil

## RISK MANAGEMENT

Nil

## CONSULTATION

- **Elected Members**  
Councillors Whittington and Moorhouse are the Council appointed Members to the Eastern Health Authority Board.
- **Community**  
Not Applicable.
- **Staff**  
General Manager, Governance & Civic Affairs
- **Other Agencies**  
Not Applicable.

## DISCUSSION

EHA's draft 2024-2025 Annual Business Plan is based on the four (4) focus issues set out in the Regional Public Health and Wellbeing Plan, '*Better Living, Better Health*', which encompass:

- Public and environmental health services;
- Immunisation;
- Food safety; and.
- Governance and organisational development.

The key priorities outlined in the Annual Business Plan for each focus area include:

### *Public and Environmental Health Services*

- Continue to actively collaborate and participate in the newly formed State Interagency Hoarding and Squalor group.
- Develop educational material with key community public health messages to be promoted on EHA's website and Constituent Council social media platforms.
- Continue to provide feedback to SA Health on the review of Public Health Regulations review as required.

### *Immunisation*

- Actively promote EHA's public immunisation clinic program through channels identified in the EHA Marketing Plan.
- Continue to ensure the effective governance and delivery of EHA's public clinic immunisation program in accordance with the National Immunisation Program (NIP) Schedule.
- Deliver School Immunisation Program (SIP) in accordance with the SA Health Service Agreement contract.
- Develop a business case for the provision of immunisation services on behalf of non-Constituent Councils (dependent on available opportunities).
- Collaborate with SA Health for integration and implementation of the new on-line consent for immunisation in preparation of the SIP in 2025.

### *Food Safety*

- Continue to regulate the new legislative food management tools Standard 3.2.2a: Food Safety Supervisor, Food Handler Training and Records management.
- Develop educational material with key community food safety messages to be promoted on EHA's website and Constituent Council social media platforms.
- Develop new educational food safety non-verbal video guides to be access on EHA's website.
- Develop a food safety Q&A for food businesses within EHA's Constituent Council areas.

### *Governance and Organisational Development*

- Implement the elements of the Regional Public Health Plan, *Better Living, Better Health*.
- In consultation with Constituent Councils., continue to review and revise the EHA business planning and reporting framework.
- Work with the Audit Committee and the Board to review and revise the financial indicators in the Long-Term Financial Plan.
- Distribution of targeted quarterly performance reports for Constituent Councils to supplement Board reports.
- Deliver upon a request for a presentation highlighting strengths and benefits of centralised service delivery model for Constituent Council Elected Members.

EHA's main source of income to fund its operations is from contributions from its Constituent Councils. To deliver the 2024-2025 Annual Business Plan, EHA requires contributions of \$2,094,100 (which is a 6.3% increase on the total 2023-2024 contribution) to fund its proposed operational expenditure.

The key assumptions that have been used to prepare EHA's draft 2024-2025 Annual Business Plan include the following:

- 6.9% Adelaide CPI June 2023 Quarter;
- Enterprise Agreement increase of 4%;
- delivery of Immunisation Service Contracts to the City of Unley;
- loss of income associated with the Immunisation Service Contracts to Adelaide Hills Council; and
- no changes to the 2025 School Immunisation Program.

The Council's Draft 2024-2025 Budget includes a funding allocation for the provision of environmental health services of \$641,814, a 2.92% or \$18,214 increase on 2023-2024.

EHA are forecasting a "break even" Operating Result for 2024-2025.

A copy of the Eastern Health Authority's draft Annual Business Plan and Budget is contained in **Attachment A**.

### **OPTIONS**

The Council can choose not to endorse the Environmental Health Authority's Draft 2024-2025 Annual Business Plan and Budget, however, there are no specific issues or activities which present a financial or risk management issue for this Council to take this course of action.

### **CONCLUSION**

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

### **COMMENTS**

Nil.

**RECOMMENDATION**

That the Eastern Health Authority be advised that pursuant to Clause 8 of the Charter, the Council has considered and hereby approves the Eastern Health Authority Draft 2024-2025 Annual Business Plan & Budget.

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Cr Robinson returned to the meeting at 9.48pm.  
Cr Callisto left the meeting at 9.49pm.

*Cr Whittington moved:*

*That the Eastern Health Authority be advised that pursuant to Clause 8 of the Charter, the Council has considered and hereby approves the Eastern Health Authority Draft 2024-2025 Annual Business Plan & Budget.*

*Seconded by Cr Moorhouse and carried unanimously.*

Cr Callisto returned to the meeting at 9.50pm.

## 11.8 EAST WASTE DRAFT 2024-2025 ANNUAL BUSINESS PLAN

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**REPORT AUTHOR:** General Manager, Governance & Civic Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4549  
**FILE REFERENCE:** qA87860  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

The purpose of this report is to present to the Council the East Waste Draft 2024-2025 Annual Business Plan for endorsement.

### BACKGROUND

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

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

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

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

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable

### FINANCIAL AND BUDGET IMPLICATIONS

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

The Authority's draft Budget is based on a Common Fleet Costing methodology, with Common Fleet Costs, which predominately relate to collection costs, being charged to Constituent Councils based on the cost to undertake the collection of each Constituent Council's waste streams. The allocation of the Common Fleet Costs is based on the East Waste's GPS System. It should be noted that as per the Authority's Budget Policy, the Common Fleet Cost includes an additional charge to incorporate a return on revenue, which is currently set at 1% of the Common Fleet Costing Charge. The reasons for this are unclear.

In addition, where Constituent Councils utilise East Waste for other services such as Contract Management Services (Disposal and Resource processing) and Waste Bin Maintenance, these services are on-charged to the respective Councils at cost. That is, each Council bears the cost of these additional services that are required.

However East Waste have advised that as a result of a number of financial challenges and pressures, East Waste has been required to make several fiscally difficult decisions in order to deliver an acceptable overall year-on-year increase for Member Councils.

On this basis, East Waste have determined not to apply the 1% Common Fleet Costing charge as part of the 2024-2025 Budget. This will reduce the total Budget by approximately \$170,000, meaning that East Waste will not achieve a budgeted Operating surplus. While this provides a saving to Member Councils in the 2024-2025 financial year in respect to the collection fees, it will result in East Waste commencing the 2025-2026 Budget with a potential deficit. However, East Waste has advised that it is confident that cash reserves can be utilised rather than seeking (recovering) the shortfall from Member Councils.

It is important to note however, that assuming the 1% Common Fleet Charge is applied for the 2025-2026 financial year and all expenses and income remain consistent, Member Councils can expect an overall fee increase greater than CPI as part of the 2025-2026 Budget.

The Council's Draft Waste Management Budget, reflects that \$2,456.804 million (\$2.336 million in 2023-2024) to be charged for the collection of this Council's waste streams, which include Domestic waste, Green Organics, Recyclables, Public Litter Bins, Illegal Dumping and pre-booked Hard Rubbish Collection.

The Council's Draft 2024-2025 Budget has been amended to include the increased charges which have been proposed by East Waste.

There are a number of factors which have influenced East Waste's Draft Plan and Budget, which are highlighted in the Discussion Section of this report.

#### **EXTERNAL ECONOMIC IMPLICATIONS**

Nil

#### **SOCIAL ISSUES**

Nil

#### **CULTURAL ISSUES**

Nil

#### **ENVIRONMENTAL ISSUES**

Nil

#### **RESOURCE ISSUES**

Nil

#### **RISK MANAGEMENT**

Nil

#### **CONSULTATION**

- **Elected Members**  
Cr Claire Clutterham is a Member of the East Waste Board and Cr Victoria McFarlane is the Deputy Board Member.
- **Community**  
Not Applicable.
- **Staff**  
Representatives from East Waste have held discussions with the Council's Manager, City Services regarding the collection costs.
- **Other Agencies**  
Not Applicable.

## DISCUSSION

The *East Waste 2030 Strategic Plan* is based on the following objectives:

- deliver cost-effective and efficient services facilities;
- maximise source separation and recycling;
- provide leading and innovative behaviour change and education;
- help develop a local circular economy; and
- provide leadership.

The 2024-2025 Draft Plan and Budget has been prepared to progress the objectives of the *East Waste 2030 Strategic Plan*.

As stated previously, a number of factors have influenced the draft Plan and Budget, including the following:

- Employee Enterprise Agreement - Waste Collection Operators are currently in the final year of a three-year Enterprise Agreement (EA). The current EA includes annual wage increases (1.75% -2.2%), which over the last 3 years, has resulted in salary increases that are 10.7% lower than CPI over the same period. This has resulted in East Waste not remaining competitive in the broader labour market and has made attraction and retention of Operators difficult. To ensure that East Waste remains competitive a market review has been undertaken and as such an interim wage adjustment has been made which was funded through existing cash reserves;
- maintenance of the East Waste Fleet - East Waste has in excess of 50 waste collection vehicles. Over the past 18 months access to and the cost of spare parts has significantly increased; and
- lease costs for the East Waste Depot - East Waste is in the process of negotiating a new lease for the premises at Ottoway which could result in an increase to the lease fees.

A copy of the Draft 2024-2025 Annual Business Plan & Budget is contained in **Attachment A**.

## OPTIONS

The Council can choose not to endorse the draft 2024-2025 Annual Business Plan, however, there are no specific issues or activities which present a financial or risk management issue for this Council to take this course of action.

## CONCLUSION

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

## COMMENTS

Nil

## RECOMMENDATION

That the Eastern Waste Management Authority Incorporated be advised that pursuant to Clause 52 of the Charter, the Council has considered and hereby approves the Authority's Draft 2024-2025 Annual Business Plan.

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*Cr Mex moved:*

*That the Eastern Waste Management Authority Incorporated be advised that pursuant to Clause 52 of the Charter, the Council has considered and hereby approves the Authority's Draft 2024-2025 Annual Business Plan.*

*Seconded by Cr Clutterham and carried unanimously.*



## 11.9 Highbury Landfill Authority Draft 2024-2025 Budget

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**REPORT AUTHOR:** General Manager, Governance & Civic Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4549  
**FILE REFERENCE:** fA22034  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

The purpose of this report is to present to the Council, the Highbury Landfill Authority Draft 2024-2025 Budget for endorsement.

### BACKGROUND

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

The Highbury Landfill was previously used by East Waste. At the time when the Highbury Landfill Authority was being operated by East Waste, the Constituent Councils were the City of Norwood Payneham & St Peters, City of Burnside and the Town of Walkerville.

As such, these Councils have continued ownership of the landfill and established the Highbury Landfill Authority to manage the closure on behalf of the Constituent Councils.

Pursuant to Clause 4.5 of the Authority's Charter (the Charter), the Authority must prepare an Annual Budget.

Pursuant to Schedule 2 Clause 25 (3) of the *Local Government Act 1999*, a Subsidiary, may with the approval of the Constituent Councils, amend its adopted budget at any time prior to the completion of the financial year.

The Draft Budget must be adopted by the Authority's Board by 30 June of each year.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

### FINANCIAL AND BUDGET IMPLICATIONS

The financial implications for this Council associated with the Draft 2024-2025 Budget relate to the cash which is required to fund the required post-closure works and management of the former landfill and the recognition of the Authority's Operating Result within the Council's Statement of Comprehensive Income.

Based on the Authority's projected expenditure for 2024-2025, this Council's contribution will be \$108,964, which includes monitoring and site maintenance costs.

Upon approval by the Council and adoption by the Authority's Board, the Council's Draft 2024-2025 Budget will be updated accordingly.

### EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

### SOCIAL ISSUES

Not Applicable.

## **CULTURAL ISSUES**

Not Applicable.

## **ENVIRONMENTAL ISSUES**

Not Applicable.

## **RESOURCE ISSUES**

Not Applicable.

## **RISK MANAGEMENT**

As an owner, the Council is responsible to meet the liabilities of the Authority, should the Authority not be in a position to meet those liabilities. The extent of the Council's exposure is however limited to its ownership share, which is currently 40.4%.

The Authority is fourteen (14) years into the post-closure period which is managed in accordance with the approved Risk Management Plan which has been formulated as part of a Closure Plan that has been approved by the Environment Protection Agency (EPA).

## **CONSULTATION**

- **Elected Members**  
Cr Piggott is this Council's appointee on the Highbury Landfill Authority Board.
- **Community**  
Not Applicable.
- **Staff**  
Not Applicable.
- **Other Agencies**  
Not Applicable.

## **DISCUSSION**

The Authority is required to oversee the management of the landfill until a 'steady state of conditions' in respect to the gas emissions is achieved and maintained.

The Authority's 2024-2025 Draft Budget includes expenditure items associated with the post-closure requirements which include:

- monthly monitoring of landfill gas and annual monitoring of ground water across the landfill site;
- site maintenance, which includes ongoing maintenance for fire control, fencing and access track maintenance; and
- administration costs such as insurance, utilities, Council rates (the Landfill is located in the City of Tea Tree Gully) and costs associated with the general administration of the Authority.

The Authority is required to oversee the management of the landfill until a steady state of conditions in respect to the gas emissions is maintained, which could be more than 25 years. In accordance with the Risk Management Plan, the methane flare on the landfill has been modified to operate at much lower concentrations of methane gas and lower flow rates.

As set out above, this Council's contribution is \$108,964, an increase of \$28,250 on the 2023-2024 contribution.

In terms of the increased contribution, a number of unplanned upgrades were required to be undertaken in 2023-2024 including the following:

- upgrades to the existing gas system at a cost of \$15,000; and
- an upgrade of the existing landfill gas monitoring network due to the closure of the 3G network across Australia, at a cost of \$30,000.

In addition, the Constituent Council contributions have not increased for the last three (3) years.

The Constituent Councils' contributions therefore, have been adjusted in the Draft 2024-2025 Budget to accommodate this unplanned expenditure.

A copy of the Draft 2024-2025 Budget is contained in **Attachment A**.

### **OPTIONS**

The Council can choose to endorse or not to endorse the Authority's Draft 2024-2025 Budget. There are no specific issues or activities which present a financial or risk management issue for this Council, and as such it is recommended that the Council endorse the Authority's Draft 2024-2025 Budget.

### **CONCLUSION**

Nil

### **COMMENTS**

Nil

### **RECOMMENDATION**

That the Highbury Landfill Authority be advised that pursuant to Clause 4.5 of the Charter, the Council has considered and hereby approves the Authority's Draft 2024-2025 Budget.

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*Cr Duke moved:*

*That the Highbury Landfill Authority be advised that pursuant to Clause 4.5 of the Charter, the Council has considered and hereby approves the Authority's Draft 2024-2025 Budget.*

*Seconded by Cr Robinson and carried unanimously.*

## 11.10 ERA WATER 2023-2024 MID-YEAR BUDGET REVIEW

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**REPORT AUTHOR:** General Manager, Governance & Civic Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4549  
**FILE REFERENCE:** qA87866  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

The purpose of this report is to present to the Council, the ERA Water 2023-2024 Mid-Year Budget Review for endorsement.

### BACKGROUND

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

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

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

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

To this end, the ERA Water Board adopted the ERA Water 2023-2024 Budget on 23 June 2023.

In accordance with Clause 5.1.6 of the Charter, ERA Water must reconsider its annual Budget in accordance with the Act at least (3) times at intervals of not less than three (3) months between 30 September and 31 May (inclusive) in the relevant Financial Year and may with the unanimous approval of the Constituent Councils amend its annual Budget for a Financial Year at any time before the year ends.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

### FINANCIAL AND BUDGET IMPLICATIONS

As part of the ERA Water 2023-2024 Budget, an Operating Deficit of \$822,791.00 was projected and adopted for the 2023-2024 financial year.

As a result of the Mid-Year Budget Review (Budget Review 2), ERA Water is now forecasting an Operating Deficit of \$828,791.00, compared to the adopted Operating Deficit (an unfavourable variance of \$6,000).

## **EXTERNAL ECONOMIC IMPLICATIONS**

Not Applicable.

## **SOCIAL ISSUES**

Not Applicable.

## **CULTURAL ISSUES**

Not Applicable.

## **ENVIRONMENTAL ISSUES**

Not Applicable.

## **RESOURCE ISSUES**

Not Applicable.

## **RISK MANAGEMENT**

Not Applicable.

## **CONSULTATION**

- **Elected Members**  
Cr Grant Piggott is a Member of the ERA Water Board.
- **Community**  
Not Applicable.
- **Staff**  
Nil
- **Other Agencies**  
Not Applicable.

## **DISCUSSION**

The ERA Water 2023-2024 Mid-Year Budget Review Financial Statements, set out the revised Budget forecast compared to the adopted 2023-2024 Budget.

The proposed amendments to the ERA Water 2023-2024 Budget are set out in Table 1.

**TABLE 1: PROPOSED AMENDMENTS TO THE ERA WATER 2023-2024 BUDGET**

	<b>Increase/ (Decrease)</b>
External Water Sales Income: A reduction in budgeted income from Marryatville and Norwood International High Schools (originally expected to commence February 2024) due to the delay in connecting those systems to the ERA network.	(\$40,000)
External Water Sales Income: Anticipated additional income of approximately \$10,000 across the three (3) external irrigation sites (Gaza Oval located in the City of Port Adelaide Enfield, Pembroke and Daly Oval located in the City of Campbelltown).	\$10,000
Internal Water Sales Income: Anticipated additional income above the 'take or pay' amounts across the three (3) Constituent Councils and above the income budgeted from the City of Burnside, based on projected water use for the remainder of the irrigation season.	\$47,000
Other Income: Additional unbudgeted income in the form of an LGFA Special Distribution of \$23,849 received in the second quarter of 2023-2024 and interest income of \$183.05.	\$24,000
Audit and Accounting Expenditure: Additional funds required for external bookkeeping and related services as approved by the Board.	\$12,000
Electricity Expenditure: An increase to the budget due to an increase in electricity usage given the extended harvesting and injection season and potentially drier and longer than anticipated irrigation season.	\$10,000
Telecommunications & Scada Expenditure: An increase to the budget to accommodate a number of sites that will need to be converted from 3G to at least 4G by 30 June 2024, in addition to an estimated telecommunications costs over the existing budget.	\$35,000
Maintenance & Operations Expenditure: The planned biofilter, UV system and other additional maintenance, is expected to be able to be accommodated with a slightly reduced budget.	(\$10,000)

A copy of the ERA Water 2023-2024 Mid-Year Budget Review Financial Statements are contained in **Attachment A**.

**OPTIONS**

The Council can choose to endorse or not endorse the ERA Water 2023-2024 Mid-Year Budget Review. There are no specific issues or activities which present a financial or risk management issue for this Council which warrant the Council choosing not to endorse the ERA Water 2023-2024 Mid-Year Budget Review.

**CONCLUSION**

Not Applicable.

**COMMENTS**

Nil.

**RECOMMENDATION**

The Council advises ERA Water that pursuant to Clause 5.1.1 of the ERA Water Charter, the Council has considered and hereby approves the ERA Water 2023-2024 Mid-Year Budget Review, as contained in **Attachment A**.

*Cr Robinson moved:*

*The Council advises ERA Water that pursuant to Clause 5.1.1 of the ERA Water Charter, the Council has considered and hereby approves the ERA Water 2023-2024 Mid-Year Budget Review, as contained in Attachment A.*

*Seconded by Cr Whittington and carried unanimously.*

## 11.11 LONG-TERM POWER PROCUREMENT

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**REPORT AUTHOR:** Chief Executive Officer  
**GENERAL MANAGER:** Not Applicable  
**CONTACT NUMBER:** 83664539  
**FILE REFERENCE:**  
**ATTACHMENTS:** Nil

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### PURPOSE OF REPORT

The purpose of this report is to advise the Council of the outcome of an assessment that has been undertaken of the options regarding the long-term procurement of power and to seek the Council's approval to participate in a joint procurement exercise with the Cities of Burnside, Campbelltown, Prospect, Tea Tree Gully, Unley and the Town of Walkerville.

### BACKGROUND

In 2023, Councils across South Australia re-negotiated new electricity contracts.

At the time of re-negotiating these contracts, electricity costs were extremely high and this resulted in councils paying higher prices. This result was unfortunately unavoidable.

During this process, a number of Councils were interested in purchasing renewable electricity, however due to the high cost of electricity, most councils decided to defer the purchase of renewables.

As a result of what occurred in 2023, the Eastern Region Alliance Councils (ie. Burnside, Campbelltown, Unley, Prospect, Walkerville and this Council) in partnership with the City of Tea Tree Gully, decided to explore alternative options for the procurement of electricity.

The primary objective of this process was to determine whether there are cost-effective options available for the procurement of electricity at a lower price as well as renewable power, while at the same time mitigating price volatility.

In pursuing this objective, the participating Councils were aware of the approach by the City of Adelaide in successfully procuring renewable energy and in doing so, securing 100% renewable energy. It is understood that the City of Adelaide has achieved significant savings as a result, as well as substantially decreasing its greenhouse gas emissions.

In July 2023 (through the ERA Councils Chief Executive Officers), the ERA Councils joined with the City of Tea Tree Gully and engaged Presync (Consultants) to explore options for the procurement of long-term electricity from renewable sources.

Presync is a sustainability consulting firm that specialises in strategic work and project facilitation, particularly in retail grid renewable supply agreements. Presync has facilitated approximately 50 Retail Power Purchase Agreements (PPAs), including for the Cairns Regional Council (Queensland) and over 30 Councils in New South Wales.

As part of the process, Presync has worked with the participating Councils to conduct a detailed analysis of electricity consumption and through this analysis, has forecast future usage. The forecasting process has included an analysis and discussion on electricity consumption and this data has been used to predict future consumption based on:

- new buildings or replacement sites;
- LED upgrades (particularly for street and other outdoor lighting (noting that Norwood Payneham & St Peters has already updated its street lights to LED));
- solar power installations;
- energy efficiency projects;
- electrification; and
- Electric Vehicle charging.



The combined 'load' profile of the participating Councils reveals that a significant proportion of consumption is occurring during night-time hours.

## **FINANCIAL AND BUDGET IMPLICATIONS**

Participation in this joint procurement process will include costs associated with the provision of legal and technical advice.

Presync have advised that based on previous PPA procurement processes, the cost of progressing this initiative is between \$7,000 to \$13,000 per Council. Should the Council endorse participation in the joint procurement process, these costs will be covered from within existing budgets.

Based on the pricing information that has been provided by Presync as part of its investigations, any costs associated with the procurement process will be accounted for through savings within the first year of the contract, with substantial savings anticipated when compared to existing contracts.

In this respect, based upon the pricing information provided by Presync, ongoing costs will be approximately 50% of the current electricity costs (excluding network, market and environment charges, as these will remain constant irrespective of what contract is entered into).

In terms of savings, it has been identified that for Councils such as Burnside, Unley and Norwood Payneham & St Peters, this would be in the order of \$150,000 to \$200,000 per annum, subject of course to market offerings that are received through the procurement process.

If a long-term PPA is established for the group of participating Councils, part of the procurement process will include potential purchase of Renewable Energy Certificates. However, participating Councils will however not be required to purchase these Certificates. This decision will be made by each Council as part of the procurement process.

## **EXTERNAL ECONOMIC IMPLICATIONS**

Not Applicable.

## **SOCIAL ISSUES**

Not Applicable.

## **CULTURAL ISSUES**

Not Applicable.

## **ENVIRONMENTAL ISSUES**

Purchasing renewable electricity through a Retail PPA, has the potential to substantially reduce the Council's greenhouse gas emissions.

## **RESOURCE ISSUES**

This procurement process will be managed through existing staff resources.

## RISK MANAGEMENT

As each Council within the group has its own procurement process, an agreed procurement framework will be set out in the Memorandum of Understanding, to ensure that the process is robust, transparent and importantly, legally compliant.

As it is difficult to predict the outcome of the procurement process, the outcomes may not be favourable to all the Councils. As such, the memorandum of Understanding will contain 'opt-out' options and thresholds.

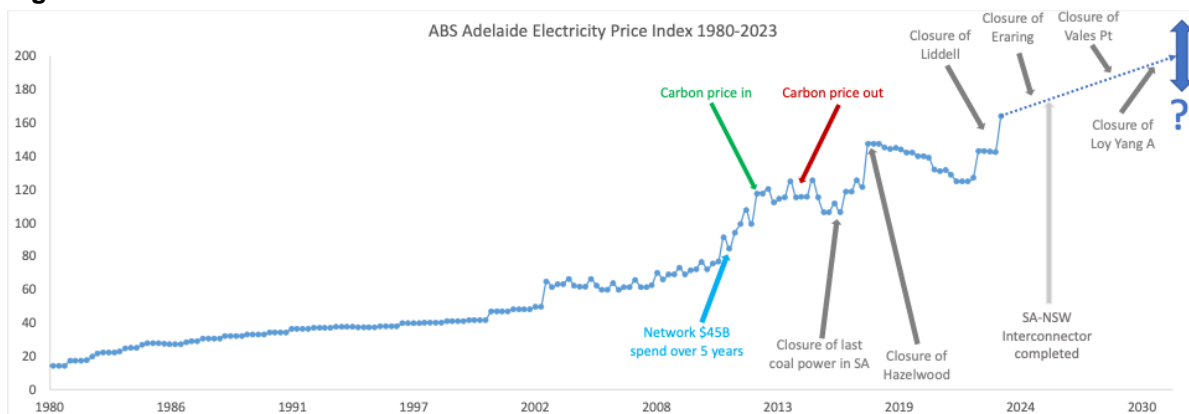
## CONSULTATION

- **Elected Members**  
The ERA Mayors have received a presentation on this issue.
- **Community**  
Not Applicable.
- **Staff**  
Chief Executive Officer
- **Other Agencies**  
Not Applicable.

## DISCUSSION

Electricity prices in South Australia have increased 160% since 2003 and 31% in the last two (2) years, as shown in Figure 1 below.

**Figure 1**



**Figure 1** – Adelaide's electricity price history (source: ABS 6401.0 Consumer Price Index, Australia TABLE 9. CPI: Group, Sub-group and Expenditure Class, Index Numbers by Capital City)

South Australia has a high penetration of renewable generation, which typically leads to lower electricity prices when these sources are generating 'strongly'.

Conversely, during periods of reduced renewable output, reliance on gas generation, coupled with the importation of power from Victoria (largely generated from brown coal), tends to increase/elevate prices. This trend was particularly noticeable in 2022, due to the impacts of the war in Ukraine which exacerbated the underlying gas, oil and coal prices and as a consequence, this increased the costs of gas and coal powered power stations.

Such fluctuations underscore the vulnerability of an electricity system that is reliant on fossil fuels which are in turn, subject to international events and market instability.

South Australia has and will continue to face additional exposure to the closure of coal fired power stations in other States. The sudden closure in 2017 of the Hazelwood brown coal power station in Victoria, resulted in significant price increases, which continued for some two to three years until new renewable power generation gradually replaced the lost capacity and in turn drove prices down.

However, ongoing risks for the South Australian electricity market include recent market announcements of earlier than planned closure of ageing coal fired power stations, most notably Origin's energy plant in New South Wales – the largest plant in Australia.

These closures are largely driven by the inability of these power stations to compete with renewables, together with the unreliability of ageing coal powered stations. The removal of such substantial portions of supply in a delicately balanced market, has to date, tended to exert upward pressure on prices.

The electricity system has previously maintained predictable stable prices up until 2010. However, the market is currently undergoing a 'once-in-a-lifetime' fundamental transformation from one that has been predominantly based/reliant on coal and gas, to one that is progressively being dominated by renewables.

It is predicted that once this transition to a highly renewable system is complete, the market will/should resume to a more predictable, stable and low-price environment and more akin to what South Australia is currently experiencing during periods of high renewable generation.

Based upon advice that has been received from Presync, this transition is expected to take at least a decade, with the potential for challenges and volatility in prices being anticipated over the transition period.

The impact of unprecedented power prices and the fact that in 2022, Councils were forced to re-consider how electricity is procured.

Based upon advice from that has been received from Presync, the conventional practice of purchasing electricity at 1 to 3 year intervals will/could leave Councils exposed to cost volatility. As a result, other options need to be considered.

In this context, as recently as 2010, renewable power generation in Australia was considered expensive when compared to relatively cheaper coal and gas options. However, this situation has since changed rapidly, with the cost of renewable generation becoming cheaper due to economies of scale.

Presync has advised that by 2018, wind and solar power became cheaper than any other source of generation and this trend has been highlighted by recent increases in coal and gas prices.

As such, based upon advice that has been received from Presync, engaging in long-term contracts for electricity supply sourced from renewables has cost advantages. To this end, renewables are not subject to input cost volatility, particularly from fuel prices.

Again, based on advice, renewables offer greater certainty over future electricity prices and enable more accurate long-term financial forecasting and planning. To this end, Councils may be able to avoid the risk of volatility in the procurement of electricity and aligning their energy consumption with the lowest cost generation source, namely, new renewables projects.

The transition of Councils procuring renewables from the 'grid', only became possible since around 2017.

The City of Adelaide forged the way in this respect, with a long-term renewable PPA which commenced in 2020.

In this respect, the City of Adelaide's electricity cost is set by the fixed price of generation from the Clements Gap wind farm in the mid-north of South Australia and through two new solar farms on the Eyre Peninsula (Streaky Bay) and the South-East in Coonalpyn.

These solar and wind farms provide inexpensive renewable electricity as well as providing Renewable Energy Certificates throughout the term of the contract.

In this respect, in addition to providing inexpensive renewable electricity, solar and wind farms also yield Renewable Energy Certificates (REC's). The REC's provide assurance that the electricity that is consumed by the Council, is monitored by the generator of renewable electricity.

To be able to make a claim of using renewable electricity and reducing electricity greenhouse gas emissions, Councils need to purchase REC's for their consumption.

To this end, Retail PPA's enable purchasers to decide how many Certificates they wish to purchase.

A Renewable Retail PPA is based on purchasing electricity from renewable electricity projects within the same State (and ideally from new projects) over a period of time, which assists in making those new projects financially viable. In turn, this arrangement provides support to new generators of electricity and contributes to transitioning the electricity market towards 100% renewables.

As part of the Retail PPA, a retailer facilitates the connection between electricity customers and renewable projects. This arrangement enables the procurement of a mix of wind and solar energy that best aligns with how the respective Council(s) consume electricity (ie. a mix of day-time and night-time consumption).

To achieve these outcomes, Retail PPA's typically require commitment to a term of 7 to 12 years and are available in various commercial models, ranging from fully firm pricing fixed for up to 10 years, to those incorporating an element of wholesale price exposure.

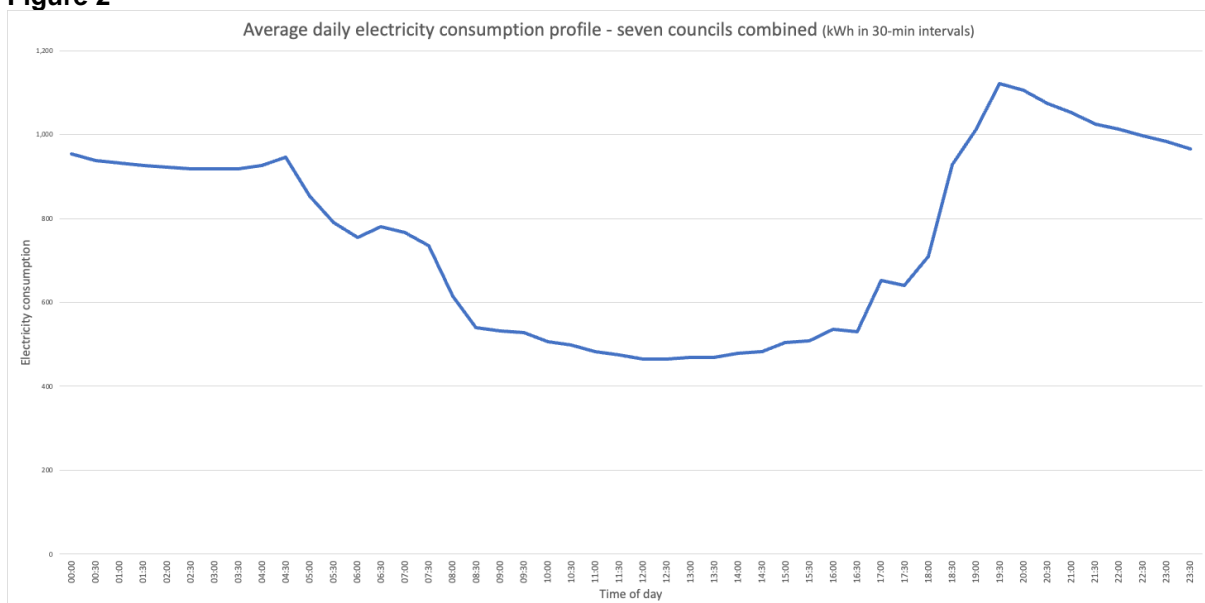
In order to progress, consideration of whether these arrangements would be beneficial for the ERA Councils to pursue, in 2023, Presync was commissioned to undertake an analysis of electricity consumption and forecast future usage for the ERA Councils and the City of Tea Tree Gully.

The forecasting including a detailed analysis of the history of electricity consumption and the predicted future consumption, such as:

- new and/or re-developed facilities;
- LED upgrades (particularly for street lighting);
- solar installations;
- energy efficient projects;
- electrification; and
- EV charging.

The load profile of the ERA Councils and the City of Tea Tree Gully is shown on Figure 2 below:

**Figure 2**



**Figure 2 – Average 24-hour load profile of the seven councils, aggregated.**

Based upon the analysis of the data, a significant proportion of the consumption by the ERA Councils and the City of Tea Tree Gully, occurs during night-time hours. This 'nocturnal' load can be attributed to street lighting, in addition to the lack of solar generation. This in turn, underscores the necessity for grid renewable generation sources beyond just solar to ensure a better real-time match with consumption patterns.

To progress the investigation further, in late October 2023, Presync approached PPA suppliers to gauge their interest in supplying electricity to the ERA Councils and the City of Tea Tree Gully. In doing so, Presync sought indicative pricing for long-term Retail PPA's commencing from July 2025, based upon an aggregate load of the ERA Councils and the City of Tea Tree Gully.

Several Suppliers expressed an interest, including one supplier who was prepared to offer indicative pricing.

In this respect, this supplier is experienced in delivering Retail PPA's for Councils and they have offered the following PPA commercial structure:

- a 9.5-year wind and solar PPA (July 2025-December 2034), with the wind/solar mix optimised to best match the real-time consumption of the group of Councils;
- the proposal identified the specific wind and solar farms in South Australia that would be linked to the PPA;
- a flat price for renewable electricity over the whole term of the PPA with wholesale market firming. Thus, while most of the electricity needed by the Council will be provided by the solar and wind farms, some electricity from other sources would still be used through the grid. This arrangement helps keep the price down. Presync analysed the generation profiles of the nominated projects and optimised the mix of wind and solar to achieve a real-time match of at least 70% between the generation sources and consumption; and
- a flat price for REC's over the whole term of the PPA, with Councils able to purchase certificates to match up to 100% of their electricity consumption (ie. Councils could be up to 100% renewable).

Presync has undertaken modelling of the proposed Retail PPA over 10 financial year (ie. From 2026 to 2035).

The Model compares the costs for retail electricity, together with renewable electricity. The Model excludes regulated network charges, as these will remain constant across the different retail approaches (ie. these fees are mandatory on all retail electricity contracts).

The results of the modelling undertaken by Presync illustrate the price volatility associated with conventional electricity procurement.

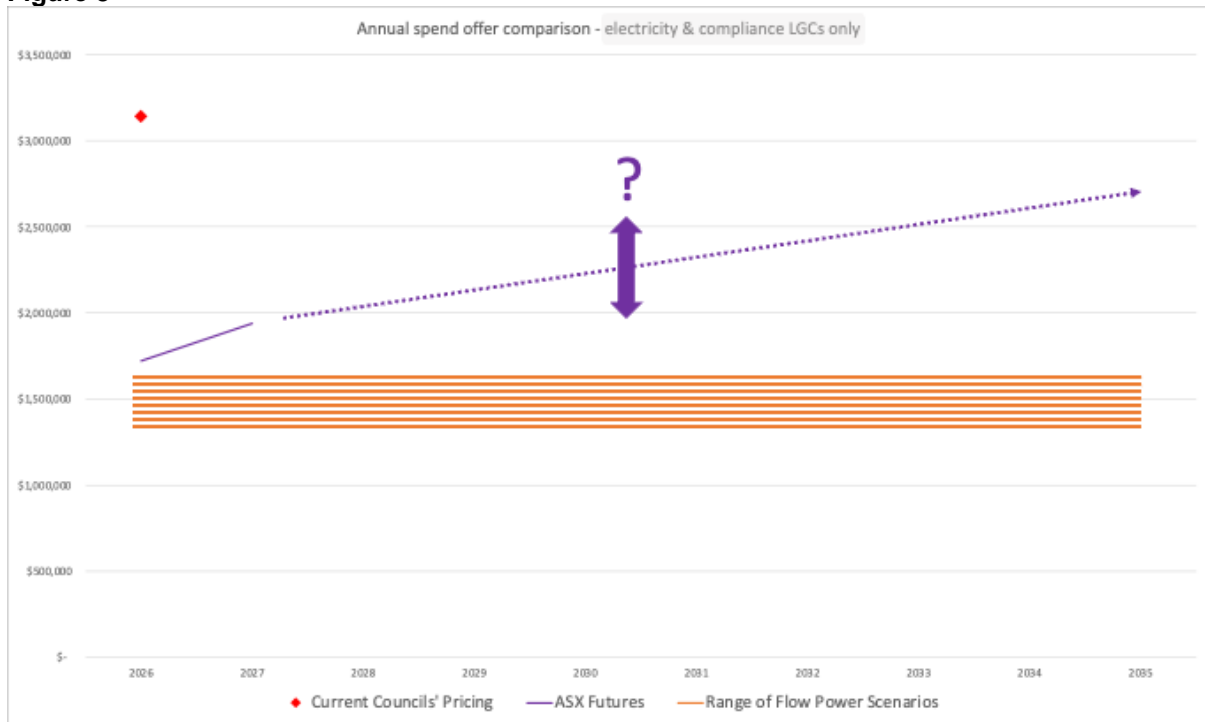
To this end, current prices are 3 to 4 times higher than historic pricing levels. However, Presync has advised that if Councils had entered the market in late 2023, the Councils could have secured prices that are much lower than existing contracts that have been entered into. Figure 3 below depicts the results of the price comparison that has been provided by Presync.

Presync has advised that the indicative Retail PPA pricing that it has obtained, demonstrates clear cost advantages over the current ASX Electricity Futures prices in 2026 and 2027, thereby offering stability beyond those years until the middle of the next decade.

In short, the modelling indicates that the ERA Councils and the City of Tea Tree Gully could achieve 100% renewable energy coverage with a long-term Retail PPA for much less than the current expenditure on conventional electricity.

The modelling and analysis that has been undertaken by Presync is based on the combined data that has been provided by the ERA Councils and the City of Tea Tree Gully. Based upon the analysis that has been undertaken, Presync has advised that the ERA Councils and the City of Tea Tree Gully is a suitable aggregate size for a Retail PPA. Refer to Figure 3 below.

**Figure 3**



**Figure 3** – Annual cost of the retail electricity options

However, if some of the ERA Councils and/or the City of Tea Tree Gully decide not to participate in the procurement process, a re-assessment of the situation may be required.

**Next Steps**

The work that has been undertaken by Presync demonstrates that procurement of a Retail PPA is feasible and should provide significant cost savings as well as environmental benefits.

To progress the matter further, the next step involves the Councils agreeing to establish a Memorandum of Understanding. In doing so, it should be noted that entering into a Memorandum of Understanding is not a commitment to joining a Retail PPA, rather the Memorandum of Understanding will guide how the Councils will work together to conduct a procurement process.

At the conclusion of the procurement process (which will include an assessment of how the Retail PPA affects each of the participating Councils), each Council will then determine whether it wishes to join the Retail PPA.

To enable a Retail PPA to be prepared, it will be necessary to initiate the procurement process by June 2024. This timeline will allow a Retail PPAS to commence in July 2025, aligning with the participating Councils' need for a new retail electricity agreement.

Should Council wish to pursue this initiative and participate in the group procurement process, it is important to delegate authority to the Chief Executive Officer to sign contractual agreements on the Council's behalf. The delegation is important as the retail electricity market is volatile and contract offers typically have fast turn-around requirements (eg. all parties may have only a few days to commit). This delegation will enable a quick turn-around on final approvals.

## OPTIONS

The Council has the option of agreeing to participate in the joint procurement process, as detailed in this report, or it can choose not to participate.

Given the potential financial benefits of purchasing a Retail PPA, as well as the environmental benefits through reducing the Council's greenhouse gas emissions, it is recommended that the Council participate in the joint procurement process as detailed in this report.

## CONCLUSION

The research that has been undertaken by Presync, illustrates that procuring a Retail PPA is feasible and could provide significant cost and potentially associated environmental benefits for the ERA Councils.

To progress this matter further, the first decision for each Council is to make a commitment to join the process. This commitment would then be progressed through a Memorandum of Understanding (MOU) between the ERA Councils and the City of Tea Tree Gully, to procure a Retail PPA with the option to purchase renewable energy certificates.

In developing the Memorandum of Understanding, the participating Councils will need to agree to conditions, including an understanding at which point they agree to be a signatory to the Retail PPA (in short, through the MOU, the Councils commit to be part of a 'buying group', but with a threshold value per KWh to ensure that each Council is achieving 'best value').

## COMMENTS

Nil.

## RECOMMENDATION

1. That participation in establishing a purchasing group of Councils to conduct a joint procurement process for long-term renewable electricity Retail Power Purchasing Agreement (PPA), be endorsed.
2. That the preparation of a Memorandum of Understanding between the participating Councils, which includes documentation of the process, the governance arrangement, cost-sharing arrangement and opt-out thresholds, be endorsed.
3. That the Chief Executive Officer be and is hereby delegated the authority to sign the Memorandum of Understanding referred to in Part 2 above.
4. That the Mayor and Chief Executive Officer be authorised to sign and seal a contractual agreement for a Retail Power Purchasing Agreement (PPA) with the preferred supplier, following the group procurement process.

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*Cr Duke moved:*

1. *That participation in establishing a purchasing group of Councils to conduct a joint procurement process for long-term renewable electricity Retail Power Purchasing Agreement (PPA), be endorsed.*
2. *That the preparation of a Memorandum of Understanding between the participating Councils, which includes documentation of the process, the governance arrangement, cost-sharing arrangement and opt-out thresholds, be endorsed.*
3. *That the Chief Executive Officer be and is hereby delegated the authority to sign the Memorandum of Understanding referred to in Part 2 above.*
4. *That the Mayor and Chief Executive Officer be authorised to sign and seal a contractual agreement for a Retail Power Purchasing Agreement (PPA) with the preferred supplier, following the group procurement process.*

*Seconded by Cr Knoblauch and carried unanimously.*

## **Section 3 – Governance & General Reports**



## 11.12 NOMINATION TO EXTERNAL BODIES – STORMWATER MANAGEMENT AUTHORITY AND LOCAL GOVERNMENT TRANSPORT ADVISORY PANEL

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**REPORT AUTHOR:** Governance Officer  
**GENERAL MANAGER:** General Manager, Governance & Civic Affairs  
**CONTACT NUMBER:** 8366 4533  
**FILE REFERENCE:** qA90077  
**ATTACHMENTS:** A - B

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### PURPOSE OF REPORT

The purpose of the report is to advise the Council of the call for nominations by the Local Government Association of South Australia (LGA), for appointments to the following bodies:

1. Stormwater Management Authority (SMA); and
2. Local Government Transport Advisory Panel (LGTAP).

Details relating to these appointments are set out below.

### Stormwater Management Authority

The SMA is a Committee established under Schedule 1A of the [Local Government Act 1999](#).

The SMA implements the *Agreement on Stormwater Management* between the State of South Australia and the LGA. Its role is to facilitate and co-ordinate stormwater management planning by Local Government and to ensure relevant public authorities co-operate in respect to facilitating this outcome.

The Minister for Environment and Water has written to the LGA requesting nominations for the appointment of two (2) positions to the Stormwater Management Authority (SMA) for a three (3) year term, until August 2027.

Previous members nominated by the LGA are eligible for reappointment.

The LGA is currently represented by:

- Mr Walter Iasiello - former Port Adelaide Enfield Council (Deputy Presiding Member)
- Ms Heather Barclay - Rural City of Murray Bridge
- Mayor Michael Lange OAM - Barossa Council
- Mr Simon Sherriff - Light Regional Council

The Members whose terms are expiring are Mr Michael Lange OAM and Mr Simon Sherriff. Both are eligible to re-nominate.

A person nominated for appointment to the SMA must have appropriate qualifications or experience in public administration, water resources, stormwater management, mitigation of flood hazards, environmental management or infrastructure development.

Appointments to the SMA are for a period not exceeding three (3) years.

Sitting fees, allowances and expenses approved by the Governor are applicable.

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

All nominees must provide an up-to-date Resume, together with the Nomination Form which are required to be forwarded to the LGA **by 28 May 2024**.

## Local Government Transport Advisory Panel

The LGTAP oversees the governance and operations of the Special Local Roads Program (SLRP). The program commenced in 1985 and provides funding to significant and strategic local roads throughout South Australia.

The objectives of the LGTAP are:

- to provide strategic oversight of grant rounds, assessing applications for SLRP funding and providing recommendations to the Board regarding strategic local road projects suitable for funding in accordance with SLRP policy. The LGTAP is also responsible for overseeing the management and reporting of active projects funded from the SLRP; and
- to provide advice and recommendation to the LGA Board who in turn provides advice and recommendations to the SA Local Government Grants Commission in accordance with the SLRP policies.

The LGA is requesting nominations for the appointment of two (2) Local Government representatives to join the LGTAP for a four (4) year term, through to 31 July 2028. Previous members nominated by the LGA are eligible for reappointment.

The LGA is currently represented by:

- Mayor Leon Stephens - Port Pirie Regional Council (LGTAP Chair and LGA Board representative)
- Mr Richard Dodson - Light Regional Council
- Ms Bridget Mather - Coorong District Council
- Mr Peter Tsokas - City of Unley
- Mr Chris Dunn - City of Port Adelaide Enfield
- Ms Sarah Wozniak - Local Government Association of SA (Delegate of the LGA)

The Members whose terms are expiring are Mr Peter Tsokas and Mr Richard Dodson. Both are eligible to re-nominate.

A person nominated for appointment to the LGTAP must have appropriate qualifications and/or knowledge in infrastructure, planning and delivery, grant management, project management, financial management and governance. The person nominated must be a current employee of a South Australian council.

There is no remuneration for LGTAP members.

A copy of the Selection Criteria and Nomination form is contained within **Attachment B**.

All nominees must provide an up-to-date Resume, together with the Nomination Form which are required to be forwarded to the LGA **by 13 May 2024**.

## RELEVANT POLICIES & STRATEGIC DIRECTIONS

Not Applicable.

## RECOMMENDATION 1 - STORMWATER MANAGEMENT AUTHORITY

1. The Council notes the report and declines the invitation to submit a nomination to the Local Government Association for the Stormwater Management Authority.

or

2. The Council nominates \_\_\_\_\_ to the Local Government Association for the Stormwater Management Authority.

**RECOMMENDATION 2 – LOCAL GOVERNMENT TRANSPORT ADVISORY PANEL**

1. The Council notes the report and declines the invitation to submit a nomination to the Local Government Association for the Local Government Transport Advisory Panel.

or

2. The Council nominates \_\_\_\_\_ to the Local Government Association for the Local Government Transport Advisory Panel.
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*Cr Robinson moved:*

*The Council notes the report and declines the invitation to submit a nomination to the Local Government Association for the Stormwater Management Authority.*

*Seconded by Cr Holfeld and carried.*

*Cr Piggott moved:*

*The Council notes the report and declines the invitation to submit a nomination to the Local Government Association for the Local Government Transport Advisory Panel.*

*Seconded by Cr Robinson and carried unanimously.*

## 11.13 ERA WATER – REQUEST TO CONNECT THE GUMS RESERVE, CAMPBELLTOWN CITY COUNCIL

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**REPORT AUTHOR:** General Manager, Governance & Civic Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4549  
**FILE REFERENCE:** qA87866  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

The purpose of this report is to present to the Council, a request which has been received from ERA Water for ERA Water to connect the Gums Reserve to the ERA Water Network for approval.

### BACKGROUND

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

ERA Water has written to the Council seeking the Council's approval to connect the Gums Reserve, which is located in the Campbelltown City Council, to the ERA Water Network.

Clause 2.2.2 of the ERA Water Charter (the Charter), sets out that ERA Water must seek approval of the Constituent Councils if it intends to "*act outside the area of the Constituent Councils*".

A copy of the letter dated 2 April 2024 from Mr Andrew Aitken, General Manager ERA Water is contained within **Attachment A**.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

### FINANCIAL AND BUDGET IMPLICATIONS

The ERA Water draft 2024-2025 Budget includes the connection to the Gums Reserve at an estimated cost of \$45,000. Income from the connection is expected to be received from January 2025.

### EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

### SOCIAL ISSUES

Not Applicable.

### CULTURAL ISSUES

Not Applicable.

### ENVIRONMENTAL ISSUES

Not Applicable.

## RESOURCE ISSUES

Not Applicable.

## RISK MANAGEMENT

Not Applicable.

## CONSULTATION

- **Elected Members**  
Cr Grant Piggott is a member of the ERA Water Board.
- **Community**  
Not Applicable.
- **Staff**  
Nil
- **Other Agencies**  
Not Applicable.

## DISCUSSION

In March 2024, the ERA Water Board resolved to seek approval from the three (3) Constituent Councils to connect the Gums Reserve to the ERA Water Network. To facilitate this work, the ERA Water Draft 2024-2025 Budget contains an allocation of \$45,000 for the connection works.

However, as set out previously, in order to progress this work, ERA Water requires the approval of the Constituent Councils.

One of the key objectives of ERA Water is to “*develop, implement, oversee and manage practical solutions to provide water supply diversity within and outside the Region*”.<sup>1</sup>

Notwithstanding the above, the ERA Water Charter sets out that ERA Water must obtain approval from the Constituent Councils prior to entering into arrangements with other agencies and organisations outside the ERA Water region.

This provision within the Charter is understandable as the Constituent Councils should be made aware of the implications (if any and particularly financial), of such arrangements for each Council, prior to those arrangements being finalised.

As set out in the letter from ERA Water (Attachment A), the ERA Water Board is considering seeking an exemption from this Clause within the ERA Water Charter (Clause 2.2.2), for these type of situations in the future.

This request is quite reasonable on the basis that ERA Water are required to “*recapitalise ERA Water to provide scope to increase sales to build financial sustainability*”.<sup>2</sup>

At the same time, as the shareholders, the Constituent Councils need to have assurance that any such arrangements (ie new connections to Third Party entities), will not have a financial impact on the Constituent Councils.

Whilst obtaining approval from the Constituent Councils can be somewhat arduous and lengthy at times, it is a necessary step in the process. Notwithstanding this, it is understandable that a less arduous and lengthy process is being sought.

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<sup>1</sup> ERA Water Strategic Plan 2022-2025

<sup>2</sup> ERA Water Strategic Plan 2022-2025

As such to progress this request further, it is recommended that the Council advises ERA Water that it will give consideration to the request, subject to the preparation of a robust decision making framework.

In respect to the current request, the Campbelltown City Council is an existing customer of ERA Water and is now looking to extend the agreement with ERA Water to include the Gums Reserve.

There are no implications for the Constituent Councils in terms of water supply and on the basis of the costs and associated income it is anticipated that the payback period for the installation of the new Network infrastructure will be within two (2) years.

## **OPTIONS**

The Council can choose not to support the request from ERA Water to connect the Gums Reserve to the ERA Water Network, however, there are no specific issues or activities which present a financial or risk management issue for the Council to take this course of action and therefore it is recommended that the Council approves the request.

## **CONCLUSION**

A recent update in terms of the key outcomes of ERA Water over the last few months has highlighted an increase in increase in water sales from approximately 255.7ML in 2023-24 to 302ML in 2024-2025, largely due to external customer sales, which ERA Water is reliant upon to ensure ongoing financial sustainability.

## **COMMENTS**

Nil

## **RECOMMENDATION**

1. The Council advises ERA Water that pursuant to Clause 2.2.2 of the ERA Water Charter, the Council has considered and hereby approves the connection of the Gums Reserve located in the Campbelltown City Council to the ERA Water Network.
2. The Council advises the ERA Water Board that the Council will give consideration to supporting a formal request from the ERA Water Board to seek an exemption from Clause 2.2.2 of the ERA Water Charter, subject to the preparation of a suitable decision-making framework for these matters.

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*Cr Granozio moved:*

1. *The Council advises ERA Water that pursuant to Clause 2.2.2 of the ERA Water Charter, the Council has considered and hereby approves the connection of the Gums Reserve located in the Campbelltown City Council to the ERA Water Network.*
2. *The Council advises the ERA Water Board that the Council will give consideration to supporting a formal request from the ERA Water Board to seek an exemption from Clause 2.2.2 of the ERA Water Charter, subject to the preparation of a suitable decision-making framework for these matters.*

*Seconded by Cr Holfeld and carried unanimously.*

## 12. ADOPTION OF COMMITTEE MINUTES

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**REPORT AUTHOR:** General Manager, Governance & Civic Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4549  
**FILE REFERENCE:** Not Applicable  
**ATTACHMENTS:** A - B

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### PURPOSE OF REPORT

The purpose of the report is to present to the Council the Minutes of the following Committee Meetings for the Council's consideration and adoption of the recommendations contained within the Minutes:

- Audit & Risk Committee – (30 April 2024)  
(A copy of the Minutes of the Audit & Risk Committee meeting is contained within **Attachment A**)
- Norwood Parade Precinct Committee – (22 April 2024)  
(A copy of the Minutes of the Norwood Parade Precinct Committee meeting is contained within **Attachment B**)

### ADOPTION OF COMMITTEE MINUTES

- **Audit & Risk Committee**

*Cr Clutterham moved that the Minutes of the meeting of the Audit & Risk Committee held on 22 April 2024, be received and that the resolutions set out therein as recommendations to the Council are adopted as decisions of the Council with the exception of the resolution for Item 6.1, which was considered by the Council as part of Item 11.4 of this Agenda. Seconded by Cr Whittington and carried unanimously.*

- **Norwood Parade Precinct Committee**

*Cr McFarlane moved that the Minutes of the meeting of the Norwood Parade Precinct Committee held on 30 April 2024, be received and that the resolutions set out therein as recommendations to the Council are adopted as decisions of the Council. Seconded by Cr Callisto and carried unanimously.*

**13. OTHER BUSINESS**

**13.1 Independent Commission Against Corruption (ICAC) Presentation to the Council**

*Cr Duke moved:*

*That Mayor Bria write to the Hon Anne Vanstone KC, Commissioner, Independent Commissioner against Corruption (ICAC), inviting her to make a presentation to the Council about the work of ICAC and lobbying and influencing activities in Local Government.*

*Seconded by Cr Whittington and carried unanimously.*

**13.2 2024 AFL Gather Round – Expressions of Appreciation**

*Cr Clutterham moved:*

1. *That Council extends its sincere congratulations and thanks to all staff involved in the organisation, implementation and support of events and activities in Norwood associated with 2024 AFL Gather Round.*
2. *That Council also extends its sincere thanks to:*
  - *Hon Peter Malinauskas MP, Premier of South Australia for his support of Gather Round matches being played at Norwood Oval and the Norwood Food and Wine Festival*
  - *South Australian Government, in particular the South Australian Tourism Commission for organising and hosting the Norwood Food and Wine Festival on The Parade*
  - *Mr Andrew Dillion, Chief Executive Officer, Australian Football League for his support of Gather Round matches being played at Norwood Oval and attending the Rivals Long Lunch*
  - *Mr Michael Thorn, Head of Procurement, Australian Football League for his support of the Council in the negotiations to secure matches at Norwood Oval as part of 2024 AFL Gather Round and attending the Rivals Long Lunch*
  - *Norwood Football Club for its support of the Champions Lunch and involvement with various activities in support of the two 2024 AFL Gather Round matches played at Norwood Oval*
  - *Port Adelaide Football Club for its support of the Champions Lunch*
  - *Mr Tim Ginever for acting as MC of the Champions Lunch*
  - *Richmond Football Club and St Kilda Football Club for their support of and representation at the Gather Round Rivals Long Lunch*
  - *Norwood Payneham & St Peters business community for their involvement in Council initiated events and activities, and the Norwood Food and Wine Festival as part of 2024 Gather Round*

*Seconded by Cr Mex and carried unanimously.*

**14. CONFIDENTIAL REPORTS**



## 14.1 COUNCIL RELATED MATTER

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### RECOMMENDATION 1

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

- (b) information the disclosure of which -
  - (i) could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business or to prejudice the commercial position of the Council;
  - (ii) would, on balance, be contrary to the public interest;

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

### RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that the report, minutes and discussion to be kept confidential until such time that the Council has commenced the process under the *Roads (Opening and Closing) Act 1991*.

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*Cr Duke moved:*

*That pursuant to Section 90(2) and (3) of the Local Government Act 1999, the Council orders that the public, with the exception of the Council staff present [Chief Executive Officer, General Manager, Governance & Civic Affairs, General Manager, Infrastructure & Major Projects, General Manager, Urban Planning & Environment, General Manager, Community Development, Manager, Governance, Chief Financial Officer, Manager, Strategic Communications & Advocacy and Administration Assistant, Governance & Civic Affairs], be excluded from the meeting on the basis that the Council will receive, discuss and consider:*

- (b) information the disclosure of which -
  - (i) could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business or to prejudice the commercial position of the Council;*
  - (ii) would, on balance, be contrary to the public interest;**

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

*Seconded by Cr Holfeld and carried.*

*Cr Granozio moved:*

*Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, minutes and discussion to be kept confidential until such time that the Council has commenced the process under the Roads (Opening and Closing) Act 1991.*

*Seconded by Cr Knoblauch and carried unanimously.*

## 14.2 COUNCIL RELATED MATTER

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### RECOMMENDATION 1

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

- (b) information the disclosure of which -
  - (i) could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business or to prejudice the commercial position of the Council;
  - (ii) would, on balance, be contrary to the public interest;

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

### RECOMMENDATION 2

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

---

*Cr Holfeld moved:*

*That pursuant to Section 90(2) and (3) of the Local Government Act 1999, the Council orders that the public, with the exception of the Council staff present [Chief Executive Officer, General Manager, Governance & Civic Affairs, General Manager, Infrastructure & Major Projects, General Manager, Urban Planning & Environment, General Manager, Community Development, Manager, Governance, Chief Financial Officer, Manager, Strategic Communications & Advocacy and Administration Assistant, Governance & Civic Affairs], be excluded from the meeting on the basis that the Council will receive, discuss and consider:*

- (b) information the disclosure of which -
  - (i) could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business or to prejudice the commercial position of the Council;*
  - (ii) would, on balance, be contrary to the public interest;**

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

*Seconded by Cr Knoblauch carried unanimously.*

Cr Duke declared a perceived conflict of interest in this matter. Cr Duke advised that he would remain in the meeting and take part in the discussion regarding this matter.

Cr Knoblauch declared a perceived conflict of interest in this matter. Cr Knoblauch advised that he would remain in the meeting and take part in the discussion regarding this matter.

*Cr Duke moved:*

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

*Seconded by Cr Knoblauch and carried unanimously.*

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### 14.3 STAFF RELATED MATTER

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#### RECOMMENDATION 1

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

- (a) Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

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

#### RECOMMENDATION 2

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

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*Cr Callisto moved:*

*That pursuant to Section 90(2) and (3) of the Local Government Act 1999, the Council orders that the public, with the exception of the Council staff present [General Manager, Governance & Civic Affairs and Administration Assistant, Governance & Civic Affairs], be excluded from the meeting on the basis that the Council will receive, discuss and consider;*

- (a) Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).*

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

*Seconded by Cr Granozio and carried unanimously.*

*Cr Clutterham moved:*

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

*Seconded by Cr McFarlane and carried unanimously.*

**15. CLOSURE**

There being no further business, the Mayor declared the meeting closed at 10.26pm.

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

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