

His Worship the Mayor  
Councillors  
CITY OF MARION

## NOTICE OF GENERAL COUNCIL MEETING

Council Chamber, Council Administration Centre  
245 Sturt Road, Sturt

Tuesday, 27 November 2018 06:30 PM

The CEO hereby gives Notice pursuant to the provisions under Section 83 of the Local Government Act 1999 that a General Council meeting will be held

A copy of the Agenda for this meeting is attached in accordance with Section 83 of the Act.

Meetings of the Council are open to the public and interested members of this community are welcome to attend. Access to the Council Chamber is via the main entrance to the Administration Centre on Sturt Road, Sturt.



Adrian Skull  
Chief Executive Officer



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## OPEN MEETING

## KAURNA ACKNOWLEDGEMENT

We acknowledge the Kaurna people, the traditional custodians of this land and pay our respects to their elders past and present.

## DISCLOSURE

All persons in attendance are advised that the audio of this General Council meeting will be recorded and will be made available on the City of Marion website.

## ELECTED MEMBER'S DECLARATION OF INTEREST (if any)

## CONFIRMATION OF MINUTES

### Confirmation of the minutes for the General Council Meeting held on 9 October 2018

**Originating Officer** Governance Officer - Victoria Moritz

**Corporate Manager** Manager Corporate Governance - Kate McKenzie

**Report Reference:** GC181127

## RECOMMENDATION:

That the minutes of the General Council Meeting held on 9 October 2018 be taken as read and confirmed.

## ATTACHMENTS:

#	Attachment	Type
1	GC181009 - Minutes - 9 October 2018	PDF File

**MINUTES OF THE GENERAL COUNCIL MEETING  
HELD AT ADMINISTRATION CENTRE  
245 STURT ROAD, STURT  
ON TUESDAY 9 OCTOBER 2018**

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**PRESENT**

His Worship the Mayor Kris Hanna

**Councillors**

**Coastal Ward**

Ian Crossland  
Tim Gard

**Mullawirra Ward**

Jason Veliskou  
Jerome Appleby

**Southern Hills**

Janet Byram  
Nick Westwood

**Warracowie Ward**

Bruce Hull  
Nathan Prior

**Warriparinga Ward**

Luke Hutchinson (from 6.40pm)  
Raelene Telfer

**Woodlands Ward**

Tim Pfeiffer

**In Attendance**

Mr Adrian Skull  
Ms Abby Dickson  
Mr Tony Lines  
Mr Vincent Mifsud  
Ms Jaimie Thwaites  
Ms Victoria Moritz

Chief Executive Officer  
General Manager City Development  
General Manager City Services  
General Manager Corporate Services  
Unit Manager Governance and Records  
Acting Quality Governance Coordinator

**1. COMMENCEMENT**

The meeting commenced at 6.30pm

**2. KAURNA ACKNOWLEDGEMENT**

*We acknowledge the Kurna people, the traditional custodians of this land and pay our respects to their elders past and present.*

**3. DISCLOSURE**

All persons in attendance are advised that the audio of this General Council meeting will be recorded and will be made available on the City of Marion website.

#### 4. ELECTED MEMBER'S DECLARATION OF INTEREST

The Chair asked if any Member wished to disclose an interest in relation to any item being considered at the meeting. The following interests were disclosed:

- Cr Byram declared a perceived conflict of interest in the item: *Election of GAROC Representatives (Report Reference GC181009R13)*
- Councillor Prior declared an actual conflict of interest in the item: *Code of Conduct - Councillor Hull (Report Reference GC181009R05)*
- Councillor Hull declared an actual conflict of interest in the item: *Code of Conduct – Councillor Hull (Report Reference: GC181009R05)*

#### 5. CONFIRMATION OF MINUTES

**Moved Councillor Telfer, Seconded Councillor Byram** that the minutes of the General Council meeting held on 11 September 2018 be taken as read and confirmed.

**Carried Unanimously**

#### 6. COMMUNICATIONS

##### Report on Mayoral Activities for August, September and October 2018:

Date	Event	Comments
25 August 2018	Bangladesh Club Australia: Asian Multicultural Night 2018	Attended
26 August 2018	Marion RSL AGM	Attended, gave speech
27 August 2018	Mayor's Multicultural Forum	Hosted
29 August 2018	Hallett Cove Business Association Local Business Awards	Guest Speaker Presented awards
31 August 2018	Rate Capping Forum	Hosted
1 September 2018	Marion Tennis Club Open Day	Attended
1 September 2018	Marion Rams Footy Elimination Final	Attended
3 September 2018	Sheidow Park School - Moon Lantern Festival	Guest speaker
4 September 2018	Official Renaming Ceremony for Sixth Avenue Reserve / Joan Herraman Reserve	Guest speaker
5 September 2018	Metropolitan Mayors Luncheon	Attended
5 September 2018	Metropolitan Local Government Group Meeting	Attended
6 September 2018	Community Lunch Hosted by Junction	Attended
7 September 2018	Exhibition Openings: limited Edition / Plus One / Fleurs Du Printemps	Attended
8 September 2018	Citizenship Ceremony (two)	Conducted ceremony to welcome new Australians
8 September 2018	Cove Netball Club Presentations	Attended
8 September 2018	South Adelaide Basketball Presentation Night	Attended

8 September 2018	The Cove FC Senior Presentation Night	Attended
9 September 2018	Plympton RSL Quarterly Meeting	Attended
11 September 2018	Clovelly Park Primary School Mural Inspection	Attended
11 September 2018	70th Wedding Anniversary Visit to Shirley & Allen Hurst	Presented gift on behalf of the City of Marion
12 September 2018	Vietnam Veterans Federation of South Australia Site Inspection	Attended
16 September 2018	Marion RSL Bowling Club, Official Season Opening & Presentations	Bowled first bowl of the season to open season
17 September 2018	Marion Community Services Expo	Attended
18 September 2018	Meeting with Dara School Principal	Attended
19 September 2018	Marion Historical Society Meeting	Attended
20 September 2018	Gallery M / Red House Group AGM	Attended
22 September 2018	Morphettville Racecourse Lunch	Attended with CEO Mr Adrian Skull
22 September 2018	Morphettville Park Football & Sporting Club 2018 Presentation Dinner	Attended
23 September 2018	Marino Hall Committee: Pop Up Cafe	Attended
23 September 2018	Bandolody (Marion City Band)	Attended
1 October 2018	South Coast Cycling Farewell to Velodrome	Raced Councillor Tim Pfeiffer

In addition, the Mayor has met with residents, MPs, Candidates and with the CEO and Council staff regarding various issues.

**Moved Councillor Prior, Seconded Councillor Crossland** that the Mayoral Communication Report be received.

**Carried Unanimously**

## 7. ADJOURNED ITEMS

Nil

## 8. DEPUTATIONS

Nil

## 9. PETITIONS

Nil

## **10. COMMITTEE RECOMMENDATIONS**

6.40pm Councillor Hutchinson entered the meeting

### **6.40pm Finance and Audit Committee Meeting Minutes 2 October 2018 Report Reference GC181009R01**

**Moved Councillor Telfer, Seconded Councillor Pfeiffer** that Council:

1. Receives and notes the minutes of the Finance and Audit Committee meeting on 21 August 2018 (Appendix 1).
2. Notes that separate reports will be brought to Council for consideration of any recommendations from the Finance and Audit Committee.

**Carried Unanimously**

### **6.40pm Infrastructure and Strategy Committee Meeting Minutes 2 October 2018 Report Reference GC181002R02**

**Moved Councillor Telfer, Seconded Councillor Pfeiffer** that Council:

1. Receives and notes the minutes of the Infrastructure and Strategy Committee meeting of 2 October 2018 (Appendix 1).

**Carried Unanimously**

## **11. CONFIDENTIAL ITEMS**

Nil

## **12. CORPORATE REPORTS FOR DECISION**

### **6.41pm Finance and Audit Committee Annual Report to Council 2017/18 Report Reference GC181009R03**

**Moved Councillor Hutchinson, Seconded Councillor Gard** that Council:

1. Notes the Finance and Audit Committee's Annual Report to Council for 2017/18 provided at Appendix 1.

**Carried Unanimously**

**6.55pm Annual Financial Statements for the year ended 30 June 2018**  
**Report Reference GC181009R04**

**Moved Councillor Telfer, Seconded Councillor Byram** that Council:

1. Adopts the audited Annual Financial Statements for the year ended 30 June 2018 (Attachment 3).
2. Authorises the Mayor and CEO to sign off on the audited Financial Statements and Management Representation Letters (Attachment 1).
3. Receive the Southern Region Waste Resource Authority (SRWRA) 2017/18 audited Annual Financial Statements (Attachment 4).
4. Receive the Council Solutions Regional Authority 2017/18 audited Annual Financial Statements (Attachment 5).

**Carried Unanimously**

**7.22pm Code of Conduct - Councillor Hull**  
**Report Reference GC181009R05**

Councillor Prior declared an actual conflict of interest in the item as he is a declared candidate for the Warracowie Ward in the upcoming Local Government Election in which Councillor Bruce Hull is also a declared candidate. Councillor Prior declared that he will leave the meeting for the item.

Councillor Hull declared an actual conflict of interest in the item as the matter relates to himself. Councillor Hull declared that he will leave the meeting for the item.

7.24pm Councillor Prior left the meeting

7.24pm Councillor Hull left the meeting

**Moved Councillor Crossland, Seconded Councillor Hutchinson** that Council:

1. Notes the report in Appendix 1 regarding breaches of the Code of Conduct by Councillor Hull.
2. Confirms Councillor Hull has breached sections 2.2, 2.6, 2.7 and 2.8 of the Code of Conduct.
3. Confirms the following actions be applied in accordance with section 5 of the Elected Member Code of Conduct Procedure for Investigating Complaints:
  - Notes the mitigating circumstances presented by Councillor Hull
  - Councillor Hull writes a letter of apology to the individual to whom he released confidential information to, in relation to the manner in which he initially described the Council motion.

**Carried**

7.25pm Councillor Hull re-entered the meeting

7.25pm Councillor Prior re-entered the meeting

**7.25pm Code of Conduct - Councillor Kerry**  
**Report Reference GC181009R06**

**Moved Councillor Crossland, Seconded Councillor Gard** that Council:

1. Notes the report in Appendix 1 regarding breaches of the Code of Conduct by Councillor Kerry
2. Confirms Councillor Kerry has breached sections 2.11 and 2.14 of the Code of Conduct
3. Confirms the following actions be applied in accordance with section 5 of the Elected Member code of Conduct Procedure for investigating complaints:
  - Councillor Kerry be censured
  - Councillor Kerry write a letter of apology to the staff member involved in the matter
  - Councillor Kerry be advised that all communication from himself to staff be through either the Chief Executive Officer or Manager Corporate Governance until otherwise advised by the Chief Executive Officer.

**Carried**

**7.26pm City of Marion response to NRM Reform**  
**Report Reference GC181009R07**

**Moved Councillor Crossland, Seconded Councillor Hull** that formal meeting procedures be suspended to discuss this item.

7.33pm meeting suspended

7.35pm Councillor Hutchinson left the meeting

7.38pm Councillor Hutchinson re-entered the meeting

7.49pm meeting resumed

**Moved Councillor Byram, Seconded Councillor Telfer** that Council:

1. Endorses the submission contained in Attachment 3 on the proposed reforms to the natural resources management system subject to the inclusion of the following elements:
  - Climate Change
  - Education for the community as a whole (not just schools)
  - Page 230 in response to the land reform document, Biodiversity be added as a priority
  - Ensure the State Government will continue to maintain Glenthorne Farm as a State Government asset through the department of environment water and natural resources
  - Resilient South be mentioned as a reference group
  - Foreshadow the need to bring in accountability from third parties
  - Funding arrangements, noting the ratepayers contribution through the NRM Levy
  - Bad debt that comes from any ratepayer who does not pay their rates and therefore their NRM Levy Council still has to pay the full levy to the State Government
  - Strongly recommend that the State Government collect the NRM Levy via the Emergency Services Levy billing system and not Local Government

**Carried**

**7.51pm Outcome of review of Hire Charges of Council Operated Facilities  
Report Reference GC181009R08**

**Moved Councillor Veliskou, Seconded Councillor Gard** that Council:

1. Notes the report.
2. Adopts Option 7 as the Fees and Charges for the hire of Council operated facilities, to be effective 1 January 2019.
3. From 1 January 2019 offers a 50% discount to businesses registered within the City of Marion to the Fees and Charges for the hire of Council operated facilities.
4. Notes that a review of the Fees and Charges at these facilities will take place in January 2020 for inclusion in the Annual Business Plan & Budget Process (ABP&BP) of 2020/2021.
5. Notes that Fees and Charges for all Council operated facilities will be reviewed and any alterations to the charges proposed on a 2 yearly basis commencing from 2020/2021.
6. Notes that Administration will:
  - a) review each site's Terms and Conditions of Hire for consistency, taking into account the individual requirements for all Council operated facilities;
  - b) develop a Facility Hire Policy;
  - c) develop a marketing plan to communicate the reduction of fees in council operated facilities;
  - d) undertake an assessment of the usage of council operated facilities and a report be brought back to council in 12 months including the proportion of users based in the City of Marion.

**Amendment:**

**Moved Councillor Crossland, Seconded Councillor Hutchinson** that Council

1. Notes the report.
2. Adopts Option 2, from 1 January 2019 offers a 50% discount to residents and businesses registered within the City of Marion to the Fees and Charges for the hire of Council operated facilities
3. Notes that a review of the Fees and Charges at these facilities will take place in January 2020 for inclusion in the Annual Business Plan & Budget Process (ABP&BP) of 2020/2021.
4. Notes that Fees and Charges for all Council operated facilities will be reviewed and any alterations to the charges proposed on a 2 yearly basis commencing from 2020/2021.
5. Notes that Administration will:
  - a) review each site's Terms and Conditions of Hire for consistency, taking into account the individual requirements for all Council operated facilities;
  - b) develop a Facility Hire Policy;

- c) develop a marketing plan to communicate the reduction of fees in council operated facilities
- d) undertake an assessment of the usage of council operated facilities and a report be brought back to council in 12 months including the proportion of users based in the City of Marion

The amendment to become the motion was **Carried**  
The motion as amended was  
**Carried Unanimously**

### **Order of agenda items**

The Mayor sought and was granted leave of the meeting to consider the item *Draft Coastal Climate Change Adaptation Plan (Report Reference GC181009R09)* at the end of the meeting.

### **6.38pm City of Marion Christmas Trading Hours 2018 Report Reference GC181009R10**

**Moved Councillor Telfer, Seconded Councillor Hull** that Council:

1. Endorses the closure of the City of Marion's principal office, being the Administration building at 245 Sturt Road, Sturt on Friday 21 December 2018 at 12.30 pm.

**Carried Unanimously**

### **8.44pm Election for Representative Members of the LGFA Board of Trustees Report Reference GC181009R11**

**Moved Councillor Prior, Seconded Councillor Hutchinson** that Council:

Votes for the appointment of:

1. Mr Tony Lines (City of Marion)
2. Councillor Karen Hockley (Mitcham)

to the Local Government Finance Authority Representative Board.

**Carried Unanimously**

**8.50pm Election of LGA President  
Report Reference GC181009R12**

**Moved Councillor Hutchinson, Seconded Councillor Prior** that Council:

Votes for the appointment of:

1. Mayor Samuel Joel Telfer (District Council Tumby Bay)  
to the position of Local Government Association President.

**Carried Unanimously**

**Order of agenda items**

The Mayor sought and was granted leave of the meeting to consider the item *Election of GAROC Representatives (Report Reference GC181009R13)* at the conclusion of the count of the votes.

**8.53pm GAROC Terms of Reference  
Report Reference GC181009R14**

**Moved Councillor Byram, Seconded Councillor Westwood** that Council:

1. Endorse the Mayor (or the voting delegate), to present the following amendment to the GAROC Terms of Reference at the Local Government Association Annual General Meeting on Friday 26 October 2018:

"That the Annual General Meeting adopts the Ancillary Documents (listed below) to the new LGA Constitution.....

- c. Terms of Reference for the Greater Adelaide Regional Organisation of Councils (GAROC), with the inclusion of a North, East, South and West Regional grouping applied in the schedule: list of regional groupings of Members"

**Carried**

**8.59pm Commonwealth Games Bid  
Report Reference GC18100R15**

**Moved Councillor Hull, Seconded Councillor Pfeiffer** that Council:

1. Supports the 2026 or 2030 Commonwealth Games in South Australia bid.
2. Endorses the letter to the Premier (Attachment 2) of support for the 2026 or 2030 Commonwealth Games in South Australia to be signed by the Chief Executive Officer.

**Carried**

9.06pm Councillor Pfeiffer left the meeting

**9.06pm Christchurch Adelaide Sister City Committee funding request  
Report Reference GC181009R16**

**Moved Councillor Telfer, Seconded Councillor Gard** that Council:

1. Approves the request to support \$1,000 to the Christchurch Adelaide Sister City Committee for the replacement artwork for the Adelaide Garden in Christchurch and authorises that a letter be sent by the Chief Executive Officer advising them of the decision.

9.08pm councillor Pfeiffer re-entered the meeting

**Lost**

**9.10pm Waste Management Project - Prudential Review  
Report Reference GC181009R17**

**Moved Councillor Hutchinson, Seconded Councillor Veliskou** that Council:

1. Endorses the engagement of a suitably qualified person for the preparation of a prudential report as required pursuant to Section 48 of the Local Government Act 1999 for the collaborative Waste Management Services tender being conducted by Council Solutions.
2. Notes the cost is expected to be in the order of \$5k - \$7k which will be funded from within existing approved budget.

**Carried Unanimously**

**9.11pm Vietnam Veterans Federation - Request to name the new building  
Report Reference GC101009R18**

**Moved Councillor Byram, Seconded Councillor Telfer** that Council:

1. Notes the report.
2. Approves the proposed name of the new building located at 31-39 Norfolk Road, Marion as "The Yerbury Centre".

**Carried Unanimously**

**13. CORPORATE REPORTS FOR INFORMATION/NOTING**

**Moved Councillor Pfeiffer, Seconded Councillor Veliskou** that the following items be moved en bloc:

Finance Report - August 2018 (Report Reference GC181009R19)  
Corporate and CEO KPI Report Quarter Four 2017/18 (Report Reference GC181009R20)  
Investment Performance 2017-18 (Report Reference GC181009R21)  
Questions Taken on Notice Register (Reference GC181009R22)  
Work Health & Safety - Monthly Performance Report August 2018 (Report Reference GC181009R23)

**Carried Unanimously**

**9.13pm Finance Report - August 2018**  
**Report Reference GC181009R19**

**Moved Councillor Pfeiffer, Seconded Councillor Veliskou** that Council:

1. Receives the report “Finance Report – August 2018”.

**Carried Unanimously**

**9.13pm Corporate and CEO KPI Report Quarter Four 2017/18**  
**Report Reference GC181009R20**

**Moved Councillor Pfeiffer, Seconded Councillor Veliskou** that Council:

1. Notes this report; acknowledging that the final audited financial statements for KPI’s one, four, seven and eight will be provided to Council in a separate report to align with the end of financial year independently audited statements (expected October 2018).

**Carried Unanimously**

**9.13pm Investment Performance 2017-18**  
**Report Reference GC181009R21**

**Moved Councillor Pfeiffer, Seconded Councillor Veliskou** that Council:

1. Notes the Investment Performance Report 2017/18.

**Carried Unanimously**

**9.13pm Questions Taken on Notice Register**  
**Report Reference GC181009R22**

**Moved Councillor Pfeiffer, Seconded Councillor Veliskou** that Council:

1. Notes the report “Questions Taken on Notice Register”.

**Carried Unanimously**

**9.13pm Work Health & Safety - Monthly Performance Report August 2018**  
**Report Reference GC181009R23**

**Moved Councillor Pfeiffer, Seconded Councillor Veliskou** that Council:

1. Notes the report and statistical data contained therein.

**Carried Unanimously**

**9.18pm Higher Density Dwelling Impacts on Adjacent Infrastructure and Local Parking Management**  
**Report Reference GC181009R24**

**Moved Councillor Veliskou, Seconded Councillor Prior** that Council:

1. Notes the Report.

**Carried**

**Meeting Extension**

**Moved Councillor Veliskou, Seconded Councillor Prior** that the meeting be extended until the conclusion of the item: *Election of GAROC Representatives (Report Reference GC181009R13)*

**Carried**

9.30pm meeting extended

**Election of GAROC Representatives**  
**Report Reference GC181009R13**

Councillor Byram declared a perceived conflict of interest in the item as she is one of the nominees (Council appointed) to be considered as a candidate and will remain for the item.

**Moved Councillor Telfer, Seconded Councillor Westwood** that Council:

Votes for the appointment of:

1. Deputy Mayor Janet Byram (City of Marion)
2. Councillor Christel Mex (City of Norwood, Payneham and St Peters)
3. Mayor David O'Loughlin (City of Prospect)
4. Councillor Rosaline Marie (Mikki) Bouchee (City of Holdfast Bay)
5. Mayor Karen Redman (Town of Gawler)
6. Deputy Mayor Jan-Claire Wisdom
7. Councillor Don Palmer (City of Unley)
8. Mayor Gillian Aldridge (City of Salisbury)

to the Greater Adelaide Regional Organisation of Councils.

**Carried**

Councillor Byram voted for the Motion

**The following items were not considered:**

- Iconic Event (Report Reference: GC101009R25)
- Public Access to Information (Report Reference GC181009M01)
- Council nursery (Report Reference GC181009Q01)
- Draft Coastal Climate Change Adaptation Plan (Report Reference GC181009R09)

#### **14. MEETING CLOSURE**

Council shall conclude on or before 9.30pm unless there is a specific motion adopted at the meeting to continue beyond that time.

**MEETING CLOSURE** - Meeting Declared Closed at 9.31pm

**CONFIRMED THIS 27 NOVEMBER 2018**

.....  
**CHAIRPERSON**

**COMMUNICATIONS - Nil****ADJOURNED ITEMS - Nil****DEPUTATIONS - Nil****PETITIONS****Frederick Street, Glengowrie - Parking Petition**

<b>Originating Officer</b>	Technical Officer - Traffic & Design - Nathan Saxty
<b>Corporate Manager</b>	Manager Engineering and Field Services - Mathew Allen
<b>General Manager</b>	General Manager City Services - Tony Lines
<b>Report Reference:</b>	GC181127P01

**PETITION FROM:**

The petition was organised by Lynette Socha from 13 Frederick Street, Glengowrie, on behalf of fifteen (15) households located on Frederick Street.

**NUMBER OF SIGNATORIES:**

23 signatories

**DATE PETITION RECEIVED:**

10 October 2018

**CORRESPONDENCE:**

Petition and attached letter (refer Appendix 1) requesting Council to implement parking restrictions from house Numbers 13-27 and 14-26 Frederick Street as follows:

- 4 hour maximum time limit at all times;
- Permit parking for residents only beyond this time;
- Each household to be entitled to one (1) permit only, with exceptional circumstances considered to provide an additional permit for hardship or if temporary access is required for building works etc.

**ORIGINATING OFFICER COMMENTS:**

Frederick Street is classified as a local road within the City of Marion Road Hierarchy Plan, extending from Morphett Road to the western boundary of Council with a road width (kerb to kerb) ranging between 7.8 - 8.9 metres. Fourteen (14) of the fifteen (15) households (comprising of 23 signatories of the petition) are situated between Gillespie Street and Joan Street, with the other household situated between Joan Street and George Street.

Development abutting Frederick Street consists of residential housing and Our Lady of Grace School, located on the north-west corner of Frederick Street and Agnes Street (refer Appendix 2, Plan of the area).

There are minimal parking controls within the petition area on Frederick Street, namely 'No Stopping Zones' at all times on both sides of the street, adjacent to the safety bar layouts installed at the intersection with Gillespie Street and the traffic islands associated with the roundabout at the intersection with Joan Avenue.

To determine the level of on-street and available parking in Frederick Street, a Parking Turnover study has been undertaken as follows:

- Measure the northern and southern kerbs to ascertain the possible available parking;
- Undertake parking observations at various times, in this case:
  - Monday evening at 6:30pm;
  - Tuesday at 12 midday and 2:30pm in the afternoon;
  - Thursday morning at 7:30am;
  - Saturday night at 7pm; and
  - Sunday morning at 9am.

The results of the Parking Turnover study have been summarised below:

**Frederick Street - between Gillespie Street and Joan Avenue  
(House Numbers 13-27 and 14-26)**

Details	Number	Occupancy (%)	Comments
Total available car parking (both sides)	30		
Maximum cars parked in the street (during observation times)	12	40%	This occurred both on Sunday morning and Monday night
Minimum number of cars parked in the street	2	7%	This occurred on Thursday morning
Vehicles observed on more than one occasion	9		

For comparison parking, turnover surveys were undertaken at two other sections of Frederick Street and a section of Stanley Street, a road south of Frederick Street with similar development and road conditions.

The results are as follows:

**Frederick Street - between Joan Avenue and George Street**

Details	Number	Occupancy (%)	Comments
Total available car parking (both sides)	29		
Maximum cars parked in the street (during observation times)	11	38%	This occurred on Thursday morning
Minimum number of cars parked in the street	5	17%	This occurred on Monday night
Vehicles observed on more than one occasion	7		

**Frederick Street - between George Street and Marshall Street**

Details	Number	Occupancy (%)	Comments
Total available car parking (both sides)	33		

Maximum cars parked in the street (during observation times)	12	36%	This occurred on Saturday night
Minimum number of cars parked in the street	4	12%	This occurred on Thursday morning
Vehicles observed on more than one occasion	9		

#### **Stanley Street - between Filmer Avenue and Wilkins Street (similar development and road conditions)**

Details	Number	Occupancy (%)	Comments
Total available car parking (both sides)	45		
Maximum cars parked in the street (during observation times)	9	20%	This occurred on Monday night
Minimum number of cars parked in the street	6	13%	This occurred on Saturday night
Vehicles observed on more than one occasion	3		

The above statistics indicate that the parking rates are similar along all road sections.

#### **SUMMARY**

With a total of 30 on-street car parking spaces available in Frederick Street, between Gillespie Street and Joan Avenue (house numbers 13-27 and 14-26), and a maximum of 12 vehicles in total observed to be parked along the street at any given time (40% occupancy rate), it is considered that there is adequate on-street parking available for residents and the community at all times.

The installation of parking restrictions in the street as requested (4 hour time limit at all times with permit parking for residents) is considered inappropriate for the following reasons:

- Residents claiming ownership of the road adjacent to their property, potentially resulting in neighbourhood disputes;
- The road is a public space available to all road users and there is no requirement for a vehicle owner to park in front of their property;
- Such a parking control would be restrictive, reduce amenity and flexibility for residents, family members and visitors;
- Unrealistic expectation by residents that Council Inspectors would always be available to monitor and enforce the proposed restrictions; and
- Set a precedent within Council for local neighbourhood streets;

In view of the above, Frederick Street, Glengowrie is operating satisfactorily in relation to providing on-street parking amenity to all road users and when compared with similar streets in the neighbourhood, there were no abnormalities observed. Therefore installing parking restrictions in the street would not be advantageous.

#### **RECOMMENDATION:**

**That Council:**

- 1. Notes the report.**

2. Notes that additional parking restrictions are not required in Frederick Street, Glengowrie.
3. Advises the petition organiser of Council's decision.

**ATTACHMENTS:**

#	Attachment	Type
1	Appendix 1_Petition and Letter_Frederick Street Parking Petition_NOV18	PDF File
2	Appendix 2_Plan Area_Frederick Street Parking Petition_NOV18	PDF File

# Frederick Street – Parking Petition

## Appendix 1 Petition



We the undersigned support the proposal for parking restrictions along Frederick Street to be imposed which would restrict parking to 4 hours duration at all times and require permit parking beyond that time. Each household would be entitled to one permit to support longer term street parking for one vehicle and a maximum of two permits would only be provided in exceptional circumstances such as hardship or temporary access restrictions to parking on their property due to building works etc.

Lyne Socha	13 Frederick St Glengowrie SA 5044	
Carmine Alvaro	13 Frederick St Glengowrie SA 5044	
JOHN SECOMB	15 Frederick St Glengowrie	
VALMAI SECOMB	" "	
Annie Evans	17 Frederick St Glengowrie	
ANGELA QUENCE	19 FREDERICK ST Glengowrie	
TIM QUEALE	19 FREDERICK ST Glengowrie	
SHARON THOMPSON	16A FREDERICK ST Glengowrie	
ROGER THOMPSON	16A FREDERICK ST. Glengowrie	
ANTHONY MERCHANT	23 FREDERICK ST Glengowrie	
STEVE FINEZ	24 FREDERICK ST Glengowrie	
Kate Elmer	" "	
Amanda James	26 Frederick St Glengowrie	
Mia Perrod	16B Frederick St Glengowrie	
Michael Black	16B Frederick St Glengowrie	

# Frederick Street – Parking Petition

## Appendix 1 Petition



We the undersigned support the proposal for parking restrictions along Frederick Street to be imposed which would restrict parking to 4 hours duration at all times and require permit parking beyond that time. Each household would be entitled to one permit to support longer term street parking for one vehicle and a maximum of two permits would only be provided in exceptional circumstances such as hardship or temporary access restrictions to parking on their property due to building works etc.

SONJA PRERAB	32 FREDERICK ST. GLENOWRIE	S. Prerad
JOVICA PRERAB	32 FREDERICK ST.	J. Prerad
JULIE ANGELI	17a Frederick St., GLENOWRIE	Angeli
Les Rignman	17a Frederick St., GLENOWRIE	Les Rignman
Kath Davey	21 Frederick St Glenowrie	K.A. Davey
KEVIN EATRIDGE	27 FREDERICK ST. GLENOWRIE	KEATRIDGE
J. Brown	25 FREDERICK ST.	J. Brown
Alex Carolan	22 Frederick St	Alex Carolan

## TO WHOM IT MAY CONCERN

A formal complaint is hereby lodged by residents of Frederick Street, Glengowrie about the car parking congestion and restriction in access to driveways and traffic in the street. With increased development and dual driveways there is a subsequent reduction in the number of parking spaces available on the road. Additional cars being added per household on divided blocks and preferences by a minority of residents to permanently park on the road, or park for days without moving cars, is impacting on the equitable access to street parking for all residents.

Number 14 Frederick Street, Glengowrie is a five car household. There is capacity for off-street parking for 4 cars but there are 2-3 cars permanently parked on the road on any given day which increases by 1-2 cars on weekends. Cars typically parked on Friday will be in the same spot until Monday morning. It is not uncommon for visitors to the property to park in the same spot for days in addition to the residents which results in significantly limited parking options for residents from 13-17 Frederick Street.

Car parking is restricted out the front of 11 and 12 Frederick Street due to yellow lines. Since the development was completed at 18 Frederick Street, two car park options on the street were lost due to the development having one single and one dual driveway. There is another 1-2 cars permanently parked on the road from 18 Frederick Street. Restricted access and parking options for residents from 17-27 and 22 -26 Frederick Street is also experienced due to car parking behaviour of some residents and visitors to nearby households, overflow from congestion down the street and a business being run at 20 Frederick Street.

There is capacity for 8 car parks in the zone covered by 13-17 and 14-18 Frederick Street. However, at least 3 of them are generally used by 14 Frederick St and 1-2 by 18 Frederick Street. One park is used by 16 Frederick Street and the other two parks available have to be shared by four nearby households - 11, 13, 15 and 17 Frederick Street. If all residents in the vicinity only parked one car on the street, it would be sustainable. However, the street parking behaviour by a few residents has created significant congestion, particularly on weekends when demand is higher. The situation has now become untenable.

No-one objects to residents parking on the road, having visitors or even running a business. However, the dominant street parking behaviour by a few households and lack of movement of cars significantly restricts the parking options available for the majority of residents. We all pay rates and taxes and we are all entitled to use street parking equitably. However, the practices of a small minority is having a negative impact on the choices and options available to most residents. It is not reasonable for residents or visitors to households to have to park 3-4 houses away and walk substantial distances from where they parked their car.

It is requested that parking restrictions be imposed from Number 13-27 and 14-26 Frederick Street which restricts parking to 4 hours maximum at all times or permit parking beyond that time. Each household would be entitled to receive one parking permit for their household and only granted a second parking permit in exceptional circumstances. Where a second permit was requested, consideration to the sustainability based on the parking availability in the street and objection rights for the other residents, would be requested. **Under no circumstances** would a household be entitled to more than two parking permits.

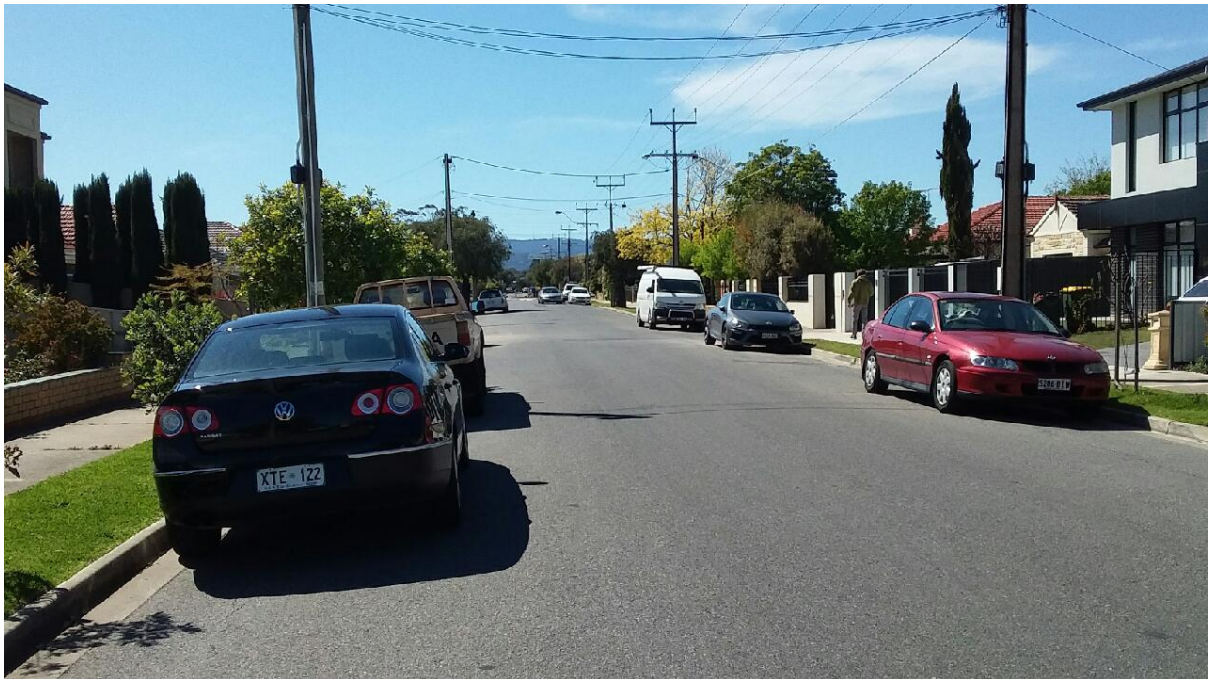
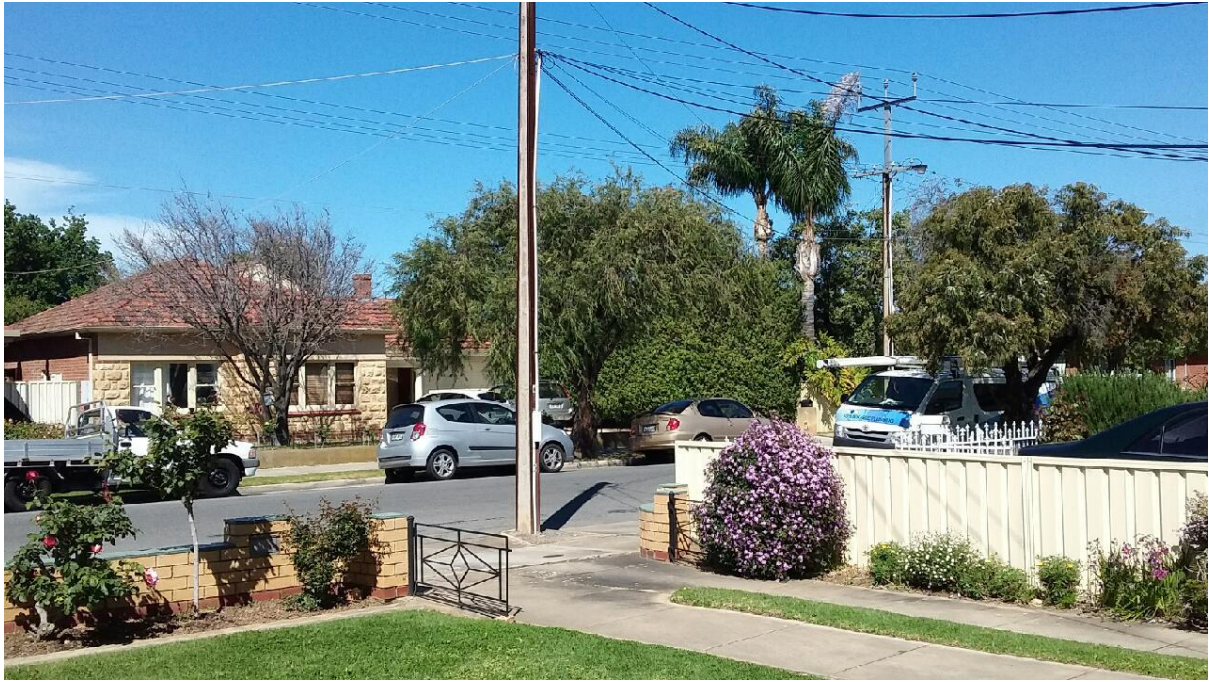
Implementation of the above proposal would promote movement in cars and support traffic flow to prevent restricted access to drive ways and the congestion which frequently exists. Given that the demand in street parking increases substantially over weekends, the parking restrictions are requested to cover a 7 day period and apply at all times. Routine monitoring by Marion Council to support the transition is also requested.

Photos have been included in this submission which shows the car parking congestion which is typically experienced and gets worse on weekends. The cars in the photos had been parked without movement for 36 hours on the weekend between 13 – 17 Frederick Street and 14 – 20 Frederick Street. Additional cars from 19- 25 and 20 – 22 Frederick Street were observed the next day. An emergency vehicle had restricted access to a fire on a light pole on 1/10/2018 due to congestion. They parked along the yellow lines out front of 11 Frederick Street to access it.

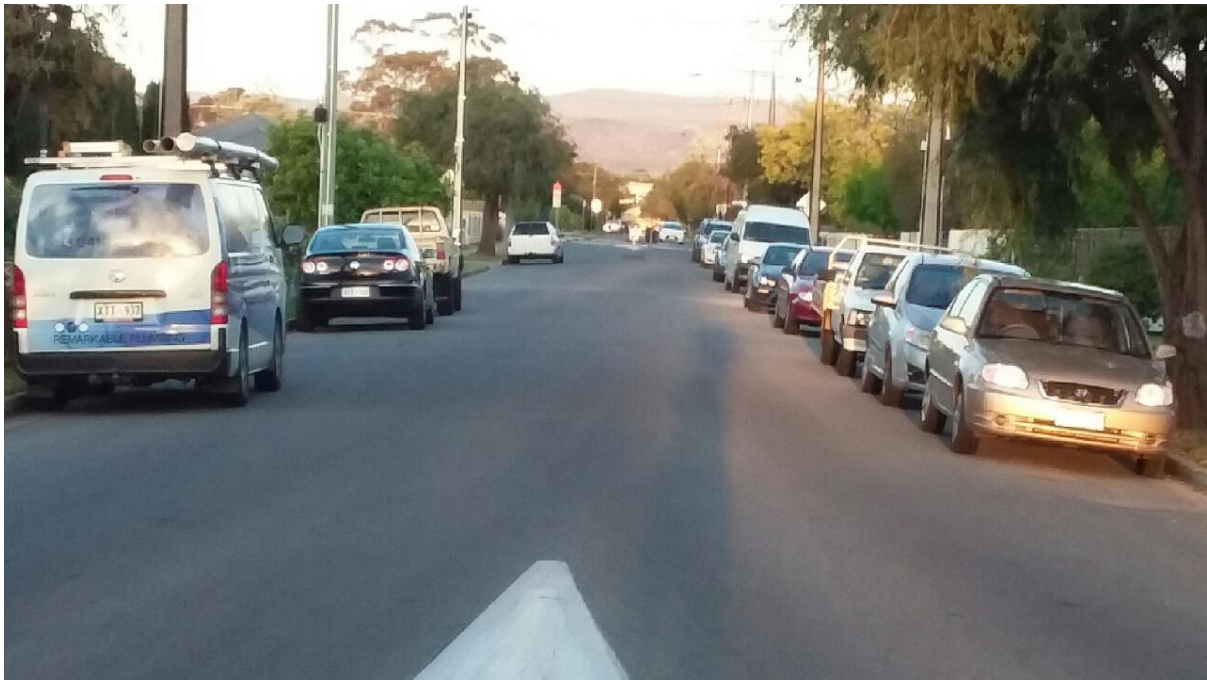
**Cars parked for over 24 hours out the front of 13 – 17 and 14-20 Frederick Street, Glengowrie.**

(None of the cars were from 13, 15 17 or 19 Frederick Street, one was from 16 and one from 20 Frederick Street but the rest were from 14 and 18 Frederick Street)





**The same cars parked for over 36 hours in Frederick Street without having moved.**



**The Same cars parked in Frederick street the next day and additional cars from 19-21 and 22-24 Frederick Street.**

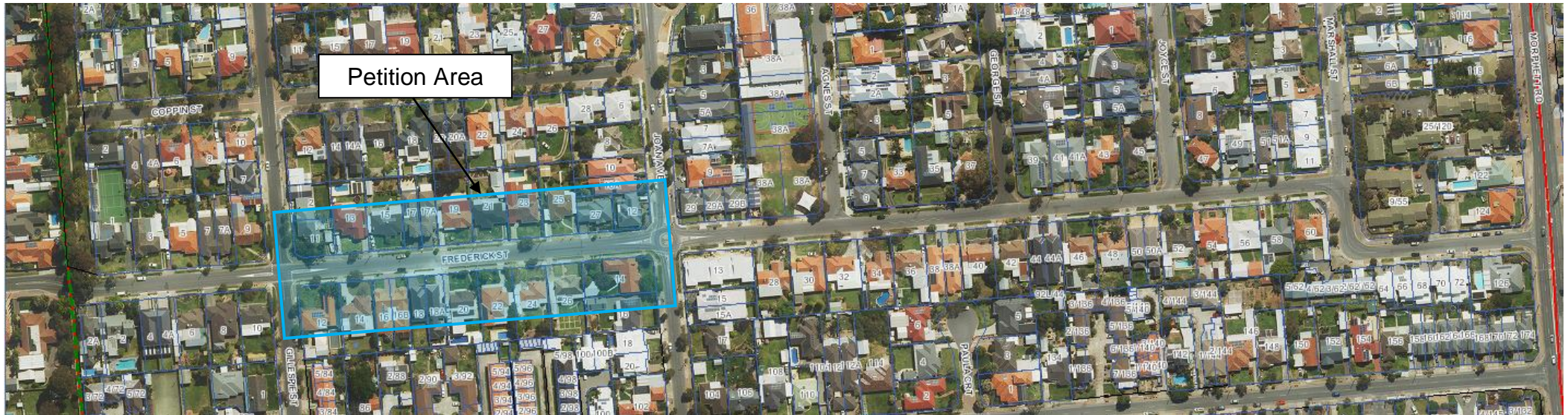


**Restriction of access to a fire out front of 14 Frederick Street on Monday 1 October** (Fire truck had to park along yellow lines in front of 11 Frederick Street) due to congestion in traffic



# Frederick Street – Parking Petition

## Appendix 2 Plan of the Area



## COMMITTEE RECOMMENDATIONS - Nil

## CORPORATE REPORTS FOR DECISION

### Results of 2018 Local Government Elections

<b>Originating Officer</b>	Unit Manager Governance and Records - Jaimie Thwaites
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R01

### REPORT OBJECTIVE

To inform Council of the outcome of the 2018 Local Government Election.

### EXECUTIVE SUMMARY

Local Government Elections are held every four (4) years to determine the membership of each Council. The elections must be held in accordance with the provisions of the *Local Government (Elections) Act 1999*.

The nomination period opened on Tuesday 4 September 2018 and closed at 12 noon, 18 September 2018. During the nomination period, a total of 33 candidate nominations were received, with elections in each of the six wards and the Mayoral position.

Voting in the election concluded at 5pm on Friday 9 November 2018, with the scrutiny and counting of votes conducted on Saturday, 10 November 2018. The conduct of the election was overseen by Deputing Returning Officer, Andrew Jones.

Provisional declarations were made on the 10th and 11th of November 2018 by the Local Deputy Returning Officer, Darren McDonald. The following candidates were elected for the City of Marion.

The final declaration was made by the Returning Officer on 16 November 2018.

<b>Mayor</b>	Kris Hanna
<b>Coastal Ward</b>	Ian Derek Crossland and Tim Gard
<b>Mullawirra Ward</b>	Jason Veliskou and Kendra Clancy
<b>Southern Hills Ward</b>	Maggie Duncan and Matthew Shilling
<b>Warracowie Ward</b>	Nathan John Prior and Bruce Hull

<b>Warriparinga Ward</b>	Luke Hutchinson and Raelene June Telfer
<b>Woodlands Ward</b>	Tim Pfeiffer and Joseph Masika

**Appendix 1** provides full details of the election results as determined by the State Electoral Commission.

## **RECOMMENDATION**

**That Council:**

- 1. Notes this report dated 27 November 2018 regarding the election results for the 2018 Local Government Elections.**

## **Attachment**

#	Attachment	Type
1	Council Elections 2018 - Election Results	PDF File



Electoral Commission of South Australia  
 Level 6 / 60 Light Square Adelaide SA 5000  
 GPO Box 646 Adelaide SA 5001  
 P 08 7424 7400  
 F 08 7424 7444  
[www.ecsa.sa.gov.au](http://www.ecsa.sa.gov.au)

16 November 2018

Mr A Skull  
 Chief Executive Officer  
 City of Marion  
 PO Box 21  
 OAKLANDS PARK SA 5046

### **Re: Council Elections 2018 - Election Results**

In accordance with the Local Government (Elections) Act 1999, I enclose the results for the November 2018 council elections.

The council elections were conducted entirely by post. Voting material comprising ballot papers, candidate profiles, a postal voting guide, ballot paper envelope containing the elector's declaration and reply paid envelope was sent to electors, bodies corporate and groups whose names appeared on the certified voters roll.

Voting closed at 5 pm Friday 9 November 2018 with the scrutiny and count conducted at the Administration Centre, Council Chamber, 245 Sturt Rd .

In accordance with section 50 of the Local Government (Elections) Act 1999, I Mick Sherry, Returning Officer, declare the following candidates elected:

<b>Mayor</b>		Vacancies (1)
HANNA, Kris	Elected	
<b>Councillor for Mullawirra Ward</b>		Vacancies (2)
VELISKOU, Jason	Elected 1	
CLANCY, Kendra	Elected 2	
<b>Councillor for Woodlands Ward</b>		Vacancies (2)
PFEIFFER, Tim	Elected 1	
MASIKA, Joseph	Elected 2	
<b>Councillor for Warracowie Ward</b>		Vacancies (2)
PRIOR, Nathan John	Elected 1	
HULL, Bruce	Elected 2	
<b>Councillor for Warriparinga Ward</b>		Vacancies (2)
HUTCHINSON, Luke	Elected 1	
TELFER, Raelene June	Elected 2	

**Councillor for Coastal Ward**

CROSSLAND, Ian Derek

Elected 1

GARD, Tim

Elected 2

Vacancies (2)

**Councillor for Southern Hills Ward**

DUNCAN, Maggie

Elected 1

SHILLING, Matthew

Elected 2

Vacancies (2)

All candidates will be notified in writing of the results of the elections and I enclose a report on the outcome for your council. Candidates will also be advised that copies of the reports along with copies of the full scrutiny and count details are available on the ECSA website at: [ecsa.sa.gov.au/elections/council-elections-home/results](http://ecsa.sa.gov.au/elections/council-elections-home/results).

I would like to thank you and your staff who have assisted in conducting these elections and remind you of the obligations for all candidates to lodge a Campaign Donations Return, regardless of whether they have been successful, within 30 days of the conclusion of the election, which is the date on this letter. You and your Governance Officers should be mindful of the operation of section 86 of the Local Government (Elections) Act 1999.

Should you require any guidance regarding the lodgement of returns, I would invite you to contact Ms Carol Vu, Manager Compliance, Funding & Disclosure Branch, on 7424 7459 at any time after Monday 3 December 2018.

Yours sincerely



Mick Sherry

**RETURNING OFFICER**

## CITY OF MARION

**Mayoral****4 candidates contesting 1 vacancy**

<b>Ballot Papers</b>		<b>Quota</b>	<b>1st Preference Votes</b>	<b>Elected / Excluded</b>	<b>Votes at Election / Exclusion</b>	<b>Count</b>
<b>Formal</b>	<b>Informal</b>					
<b>15907</b>	<b>96 0.6%</b>	<b>7954</b>				
HANNA, Kris			9094	Elected 1	Quota	1
BYRAM, Janet			3971		3971	
DE JONGE, Robert			1502		1502	
WESTWOOD, Nick			1340		1340	

**Provisional Declaration made at 18:45 Saturday 10 November 2018****Mullawirra Ward****6 candidates contesting 2 vacancies**

<b>Ballot Papers</b>		<b>Quota</b>	<b>1st Preference Votes</b>	<b>Elected / Excluded</b>	<b>Votes at Election / Exclusion</b>	<b>Count</b>
<b>Formal</b>	<b>Informal</b>					
<b>2499</b>	<b>95 3.7%</b>	<b>834</b>				
APPLEBY, Jerome David			663		762	
GOLDING, Les			115	Excluded	125	3
CLANCY, Kendra			654	Elected 2	823	8
TOTANI, Lisa			195	Excluded	252	5
ELLIOTT, Annie			96	Excluded	96	2
VELISKOU, Jason			776	Elected 1	Quota	5

**Provisional Declaration made at 14:08 Sunday 11 November 2018****Woodlands Ward****4 candidates contesting 2 vacancies**

<b>Ballot Papers</b>		<b>Quota</b>	<b>1st Preference Votes</b>	<b>Elected / Excluded</b>	<b>Votes at Election / Exclusion</b>	<b>Count</b>
<b>Formal</b>	<b>Informal</b>					
<b>2408</b>	<b>147 5.8%</b>	<b>803</b>				
MILLER, Ian			598		777	
PFEIFFER, Tim			978	Elected 1	Quota	1
PYSHKINA, Olesya			264	Excluded	286	3
MASIKA, Joseph			569	Elected 2	786	4

**Provisional Declaration made at 11:11 Sunday 11 November 2018****Warracowie Ward****6 candidates contesting 2 vacancies**

<b>Ballot Papers</b>		<b>Quota</b>	<b>1st Preference Votes</b>	<b>Elected / Excluded</b>	<b>Votes at Election / Exclusion</b>	<b>Count</b>
<b>Formal</b>	<b>Informal</b>					
<b>2945</b>	<b>130 4.2%</b>	<b>982</b>				
MIDZI, Jaison			457		752	
ADAMS, John			416	Excluded	569	6
HULL, Bruce			638	Elected 2	890	10
FORDE, Tony			417	Excluded	452	3
LITHGOW, Kirsty			292	Excluded	292	2
PRIOR, Nathan John			725	Elected 1	Quota	3

**Provisional Declaration made at 16:30 Sunday 11 November 2018****Warriparinga Ward****3 candidates contesting 2 vacancies**

<b>Ballot Papers</b>		<b>Quota</b>	<b>1st Preference Votes</b>	<b>Elected / Excluded</b>	<b>Votes at Election / Exclusion</b>	<b>Count</b>
<b>Formal</b>	<b>Informal</b>					
<b>2414</b>	<b>141 5.5%</b>	<b>805</b>				
HUTCHINSON, Luke			1039	Elected 1	Quota	1
MERCER, Kym			404		404	
TELFER, Raelene June			971	Elected 2	Quota	1

**Provisional Declaration made at 17:01 Sunday 11 November 2018**

**Coastal Ward****4 candidates contesting 2 vacancies**

<b>Ballot Papers</b>			<b>Quota</b>	<b>1st Preference Votes</b>	<b>Elected / Excluded</b>	<b>Votes at Election / Exclusion</b>	<b>Count</b>
<b>Formal</b>		<b>Informal</b>					
<b>2651</b>		<b>172 6.1%</b>	<b>884</b>				
CROSSLAND, Ian Derek				1261	Elected 1	Quota	1
GARD, Tim				621	Elected 2	Quota	4
LERWILL, Fleur				615		843	
ASAL, Moheb				154	Excluded	176	3

**Provisional Declaration made at 11:12 Sunday 11 November 2018****Southern Hills Ward****6 candidates contesting 2 vacancies**

<b>Ballot Papers</b>			<b>Quota</b>	<b>1st Preference Votes</b>	<b>Elected / Excluded</b>	<b>Votes at Election / Exclusion</b>	<b>Count</b>
<b>Formal</b>		<b>Informal</b>					
<b>2253</b>		<b>82 3.5%</b>	<b>752</b>				
DUNCAN, Maggie				604	Elected 1	Quota	5
SHILLING, Matthew				343	Elected 2	648	9
TURNER, Jason				281	Excluded	281	2
VERRALL, Frank				346	Excluded	467	5
KERRY, Nick				292	Excluded	333	3
RAJU, Chitra				387		622	

**Provisional Declaration made at 16:25 Sunday 11 November 2018**

## Annual Report 2017/18

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R02

### REPORT OBJECTIVE

To present the 2017/18 Annual Report.

### EXECUTIVE SUMMARY

The annual report is a legislative requirement of the *Local Government Act 1999* but also acts as a means of communicating Council's business, services and achievements with residents, ratepayers, businesses and prescribed bodies. The full report, including financial statements, will be available on Council's website from mid-December.

### RECOMMENDATION

That :

- 1. Council adopts the City of Marion Annual Report 2017/18 (Appendix 1 to this covering report) subject to the following amendments:**
- 2. Administration distributes copies of the City of Marion Annual Report 2017/18 in accordance with legislative requirements.**
- 3. The Mayor write to key stakeholders with a summary of the Annual Report achievements and provide a link to the Annual Report provided on the City of marion Website.**
- 4. A summary of the Annual Report 2017/18 be distributed to households, businesses and stakeholders via City Limits.**

### DISCUSSION

Council is required to prepare and adopt an Annual Report on or before 30 November each year. The City of Marion Annual Report 2017/18 (Appendix 1) has been developed in accordance with legislative requirements and is required to be forwarded to Parliament by 31 December 2018.

The Annual Report includes:

- Details of Council's performance, operation and achievements for 2017/18
- The audited Annual Financial Statements for the City of Marion
- The audited Southern Region Waste Resource Authority Annual Financial Statements
- The audited Council Solutions Regional Authority Annual Financial Statements

## Distribution and Promotion

The City of Marion Annual Report 2017/18 will be available on Council's website from mid-December 2018.

A summary of the report will be included in the December edition of City Limits distributed to more than 43,000 homes and businesses.

Additionally, to meet legislative requirements, electronic/hard copies will be distributed to Parliament with government and community sectors invited to read the full report on Council's website.

## Financial Implications

The costs for producing and printing both an annotated (Appendix 1) and full version of the City of Marion Annual Report 2017/18 (complete with annual financial statements from City of Marion, Southern Region Waste Authority and Council Solutions Regional Authority) will be within Council's budget of \$1,500.

The City of Marion Annual Report 2017/18 complies with legislative responsibilities and provides a comprehensive review of Council's financial status, corporate governance and achievements of 2017/18.

## Attachment

#	Attachment	Type
1	Appendix 1 - Annual Report 2017-18	PDF File

# City of Marion Annual Report 2017-2018

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## WELCOME FROM THE MAYOR

Welcome to the City of Marion Annual Report for 2017/18.

This is my fourth annual report message since being elected Mayor in November 2014. Each year since then Council has reduced rate rises. In 2017/18, we continued that trend with a rate rise of 2.2 per cent.

In June this year we introduced the lowest rate rise in 20 years for 2018/19 – 1.8 per cent.

By working efficiently and making savings we have delivered important projects for our community, including:

- Completing \$1 million upgrade of Grand Central Reserve, Hallett Cove, including amphitheatre, artworks and a space for community events
- Begun \$8.8 million redevelopment of Edwardstown Oval into a modern sporting and community facility with resurfaced velodrome (\$4.8 million from the City of Marion and \$4 million from Federal Government)
- Opened \$900,000 wetland at Glade Crescent, Hallett Cove (\$300,000 from the City of Marion and \$600,000 from the State Government)
- Opened new speed slide at Marion Outdoor Pool as part of \$500,000 facelift

Work began on the \$174.3 million upgrade of Oaklands Crossing which will reduce traffic congestion and boost the local economy. The project is supported by \$95 million from the Federal Government and \$74.3 million from State Government. Council committed \$5 million in principle.

In addition to delivering key infrastructure, Council has sought to curb excessive urban infill while catering for a growing population by submitting a Housing Diversity Development Plan Amendment to the State Government. The Planning Minister's options after reviewing the plan include accepting, rejecting, or varying any or all of it.

Other key projects have included:

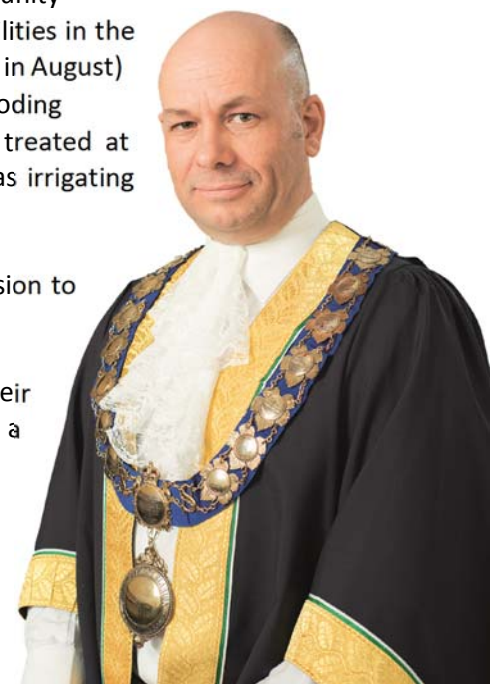
- Beginning replacement of all 8525 of Marion's street lights with energy-efficient LED globes
- Launching a new corporate website to improve service to our community
- Starting construction of the first playground for children with disabilities in the region – the Hendrie Street Reserve Inclusive Playground (completed in August)
- Installing a new \$1.1 million drain in Marion to reduce the risk of flooding
- Helping reduce mains water consumption by selling stormwater treated at Oaklands Wetland for use on major construction projects as well as irrigating reserves, street trees and ovals

One of the most significant legacies of this past year will be Council's decision to plant 30,000 trees over the next 10 years.

I would like to thank our residents, stakeholders and volunteers for their support and input into the projects and services that are making Marion a better place to live, work and play.

Yours faithfully,

**Kris Hanna,**  
Mayor City of Marion



## MESSAGE FROM THE CEO

The past year has seen the commencement of a number of exciting projects in our city.

One of the most significant for the organisation – and the Marion community – was the launch of our first Customer Experience Charter.

The charter commits the organisation to delivering the best service to the community, and I'm proud of the way staff are delivering on that promise. The charter was launched to coincide with our Year of the Customer.

We are making 2018 our Year of Innovation and have introduced new ways to improve service to the community. These include using mobile devices to improve the way we maintain parks, playgrounds and trees. The system provides staff with checklists of work to do and links to requests for work from the community.

Teams now receive information quicker, paperwork is reduced, and the quality of work has improved.

Key projects for the year have included:

- Beginning replacement of all 8525 of Marion's street lights with energy-efficient LED globes
- Launching a new corporate website to improve service to our community
- Starting construction of the first playground for children with disabilities in the region – the Hendrie Street Reserve Inclusive Playground (completed in August)
- Installing a new \$1.1 million drain in Marion to reduce the risk of flooding
- Helping reduce mains water consumption by selling stormwater treated at Oaklands Wetland for use on major construction projects as well as irrigating reserves, street trees and ovals

A new \$5 million soccer facility in the south of Marion also moved a step closer after the State Government committed \$2.5 million to match Council's funding for the project.

Council plays an important role in economic development and supported the Southern Adelaide Economic Development Board – a joint venture between the cities of Marion and Onkaparinga – to launch a new plan to boost investment in the south.



We continued to work with Tonsley Innovation District's stakeholders, including the State Government, PEET Group and Flinders University to grow the integrated employment and residential district. The redevelopment is expected to attract \$1 billion of private investment.

None of these things would have been possible without the contributions of the Mayor, Elected Members, the community and staff. I would like to thank them all for helping to make Marion a more modern, sustainable and dynamic city.

Regards,

**Adrian Skull,**  
Chief Executive Officer

## OUR PURPOSE, VISION AND VALUES

### OUR PURPOSE

(Why we exist)

To improve our residents' quality of life; continuously, smartly and efficiently

### OUR COMMUNITY VISION

(What we want to become)

A community that is Liveable, Valuing Nature, Engaged, Prosperous, Innovative and Connected

### OUR VALUES

With the community and safety at the forefront of everything we do, we value:

**Respect** - Treating everyone as we want to be treated, where all contributions are valued

**Integrity** - Fostering trust and honesty in all of our interactions

**Achievement** - Enhancing our knowledge and performance to reach our shared goals, while being dedicated to supporting one another

**Innovation** - Encouraging new ideas, and learning from our experience to do things better

## ABOUT THE CITY OF MARION – FAST FACTS

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<b>Location</b>	South-Western suburbs of Adelaide
<b>Land area</b>	5,564 m <sup>2</sup>
<b>Estimated resident population</b>	91,446
<b>Residents born overseas</b>	24,185
<b>Landmarks</b>	Cove Civic Centre Living Kurna Cultural Centre Hallett Cove Coastal Walking Trail 7.5 km Hallett Cove Conservation Park Marion Cultural Centre Marion Outdoor Pool Morphettville Racecourse Oaklands Wetlands & Recreation Plaza SA Aquatic and Leisure Centre Tonsley Park Westfield Shopping Centre
<b>Gross Regional Product</b>	\$3.42 billion
<b>Leading Employment Sectors</b>	Retail, Health, Community, Manufacturing
<b>Elected Members</b>	13
<b>Wards</b>	6
<b>Operating Expenditure</b>	\$81.6 million
<b>Revenue</b>	\$92.5 million with \$72.8 million from general rates
<b>Rateable properties</b>	43,085
<b>Average residential rate</b>	\$1,417
<b>Rate increase from 2016/17</b>	2.2% (lowest rate rise in 15 years)
<b>Library items loaned</b>	773,771
<b>Website visits</b>	582,710
<b>Volunteers</b>	356 contributing 38,858 hrs totalling \$1.06 million
<b>Street trees planted</b>	1,475
<b>Development applications</b>	1,771
<b>Value of Development applications</b>	\$221 million
<b>Distance of footpaths</b>	854 km
<b>Distance of roads</b>	537 km
<b>Distance of drains</b>	264 km

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## STRATEGIC PLANS

The City of Marion's 10-Year Strategic Plan 2017-2027 and 3-Year Business Plan 2016-2019 have provided directions for strategic decision-making.

In 2017/18 work areas within Council commenced, progressed and/or delivered a significant number of projects including a suite of major infrastructure projects including:

- The Edwardstown Soldiers Memorial Oval
- The Hallett Cove Foreshore redevelopment
- Development of the Sam Willoughby UCI BMX Track
- LED streetlights
- Streetscape improvements
- Improved tennis and netball facilities

Details of these projects are provided in this Annual Report.

These actions and projects will help us to deliver the Community Vision for a city that is Liveable, Valuing Nature, Engaged, Prosperous, Innovative and Connected.



## COMMUNITY VISION ➤ TOWARDS 2040



### Six themes of our Community Vision

These six themes represent the shared values and aspirations that will guide how our city develops.

#### LIVEABLE

By 2040 our city will be well planned, safe and welcoming, with high quality and environmentally sensitive housing, and where cultural diversity, arts, heritage and healthy lifestyles are celebrated.

#### VALUING NATURE

By 2040 our city will be deeply connected with nature to enhance peoples' lives, while minimising the impact on the climate, and protecting the natural environment.

#### ENGAGED

By 2040 our city will be a community where people are engaged, empowered to make decisions, and work together to build strong neighbourhoods.

#### PROSPEROUS

By 2040 our city will be a diverse and clean economy that attracts investment and jobs, and creates exports in sustainable business precincts while providing access to education and skills development.

#### INNOVATIVE

By 2040 our city will be a leader in embracing and developing new ideas and technology to create a vibrant community with opportunities for all.

#### CONNECTED

By 2040 our city will be linked by a quality road, footpath and public transport network that brings people together socially, and harnesses technology to enable them to access services and facilities.

## BRIEF OVERVIEW OF FINANCIAL PERFORMANCE

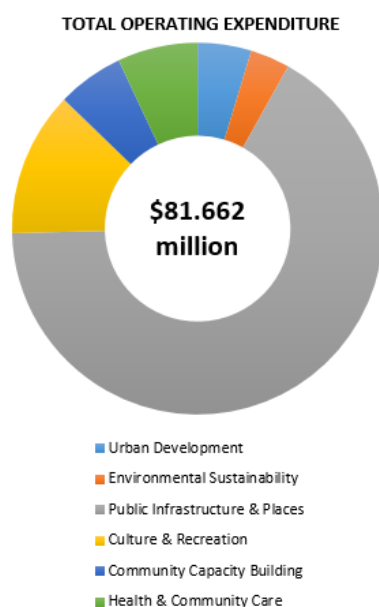
The City of Marion is in a strong financial position, providing a sound basis for Council's long-term objectives identified in the Strategic Plan. Below is a synopsis of Council's financial position.

There has been a strong commitment from Council to reduce the financial rate burden while continuing to deliver significant Infrastructure projects. Our rate increase has continued to decline (see diagram below) with 2017/18 achieving an average 2.2% increase, whilst achieving an operating surplus of \$10.904 million. The operating surplus achieved was above the original budgeted operating surplus of \$5.008m adopted by Council. The main factors for this increase include:

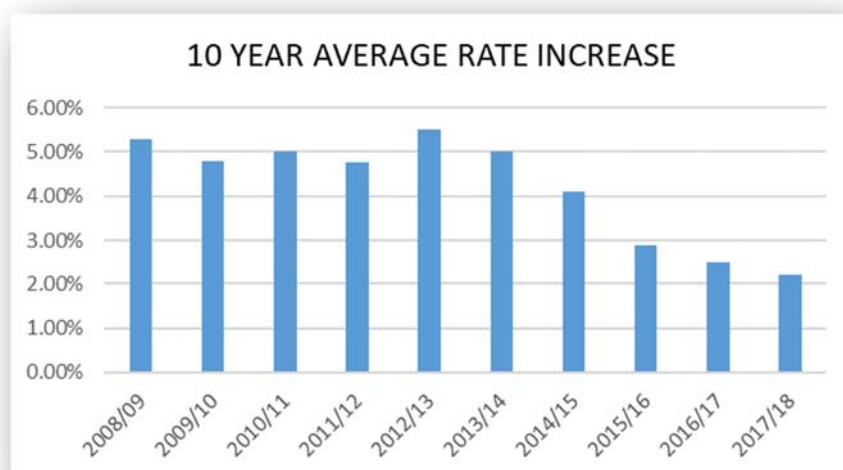
- Statutory Charges and User Charges increased \$0.991m
- Financial Assistance Grants for 2018/19 received in advance \$1.521m
- Other Grants, subsidies and contributions increased \$1.166m
- Dividend received from Southern Region Waste Resource Authority (SRWRA) \$0.765m
- Lower than Budgeted Operating Expenses \$0.302m

Sustaining an operating surplus is critical to renewing and maintaining the \$1.1 billion of community assets under Council's control in accordance with our Asset Management Plans and to ensure Council's ability to fund major projects identified in the Long Term Financial Plan. The following information relates to the Financial Statements contained further in the Annual Report.

- An operating surplus of \$10.904 million which provides funding for renewal, replacement and upgrade of community assets along with funding for the Community Facilities Partnership Program.
- \$92.566 million revenue with 81 per cent coming from rates.
- \$81.662 million operating expenditure (see diagram below)
- \$1.1 billion net assets, providing community facilities, infrastructure and open space.



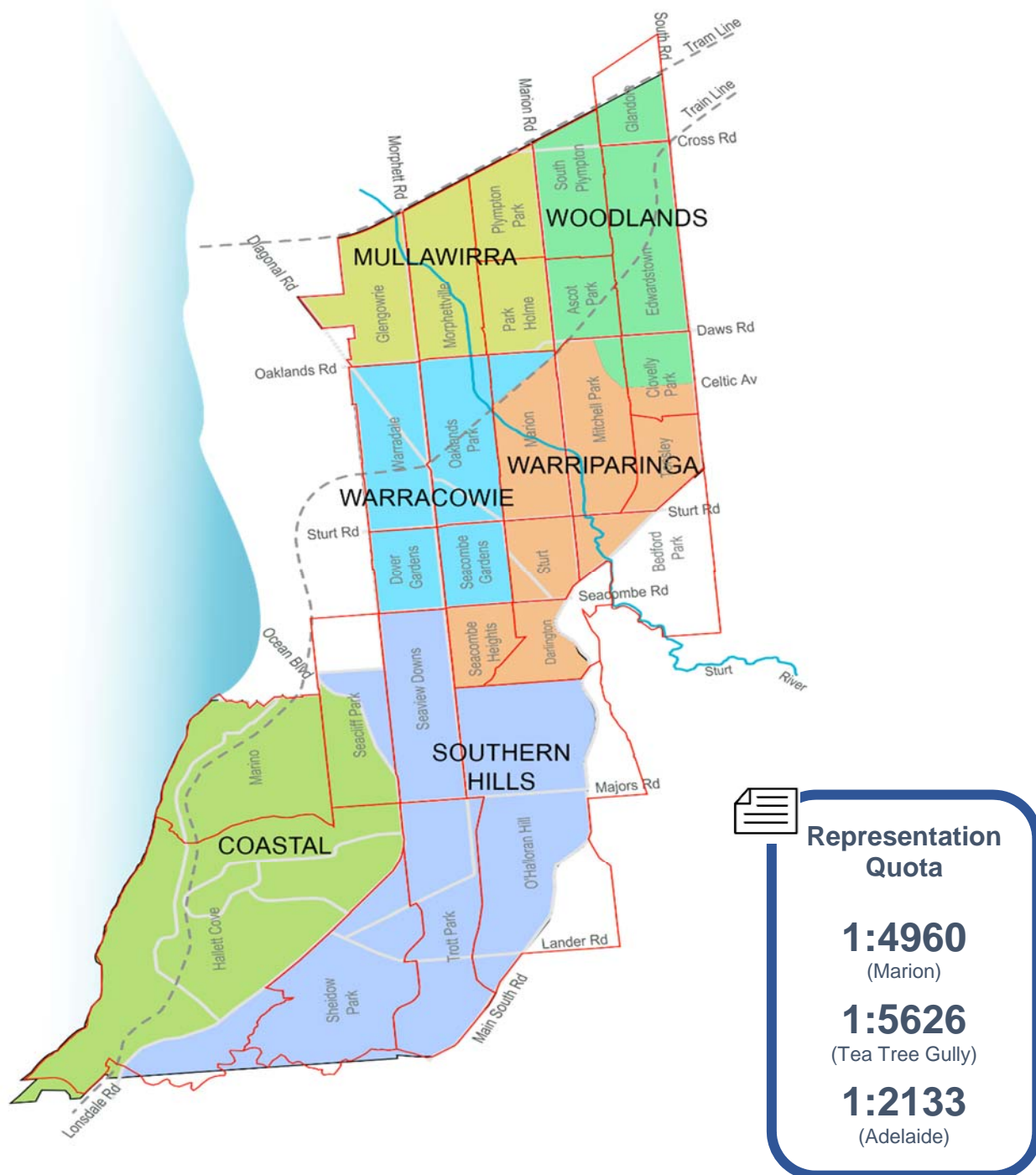
FUNCTION	Expenses
<b>Development</b>	
Urban Development	\$3.812m
<b>Environment</b>	
Environmental Sustainability	\$2.815m
<b>Infrastructure</b>	
Public Infrastructure & Places	\$54.298m
<b>Community</b>	
Culture & Recreation	\$10.294m
Community Capacity Building	\$4.737m
Health & Community Care	\$5.706m
<b>TOTAL</b>	<b>\$81.662m</b>



## COUNCIL AREA AND WARD BOUNDARIES

The Council comprises an elected Mayor and 12 Councillors. The city has six wards, each represented by two Councillors, and 27 suburbs.

In the City of Marion, one Elected Member represents 4,960 voters (known as a 'representation quota') (compared with the City of Tea Tree Gully with 5,626 voters for the same amount of Elected Members). In 2013, the City of Marion reviewed its ward structure and boundaries to ensure Elected Members fairly represent residents and facilities in each ward. Another review is not legislatively required until 2021, where the outcome will be implemented at the 2022 Local Government Election.



## ELECTED MEMBERS



**MAYOR**  
Kris Hanna

### Committees

*July '17 – December '17*  
*January '18 – June '18*  
Review & Selection (Presiding Member)  
Infrastructure and Strategy (ex-officio)  
Urban Planning (ex-officio)

## COASTAL WARD COUNCILLORS

MARINO, SEACLIFF PARK (PART),  
HALLETT COVE (PART)



**DEPUTY MAYOR**  
**COUNCILLOR**  
Ian Crossland

**Deputy Mayor**  
*July '17 – November '17*

**Committees**  
*July '17 – December '17*  
*January '18 – June '18*  
Review & Selection



**COUNCILLOR**  
Tim Gard

**Committees**  
*July '17 – December '17*  
Urban Planning  
  
*January '18 – June '18*  
Infrastructure and Strategy

## MULLAWIRRA WARD COUNCILLORS

GLENGOWRIE, PLYMPTON PARK,  
PARK HOLME, MORPHETTVILLE



**COUNCILLOR**  
Jason Veliskou

**Committees**  
*July '17 – December '17*  
Review and Selection  
  
*January '18 – June '18*  
Urban Planning



**COUNCILLOR**  
Jerome Appleby

**Committees**  
*July '17 – December '17*  
*January '18 – June '18*  
Review and Selection

## SOUTHERN HILLS WARD COUNCILLORS

SEAVIEW DOWNS, O'HALLORAN HILL (PART),  
TROTT PARK, SHEIDOW PARK (PART),  
SEACLIFF PARK (PART), HALLETT COVE (PART)



**COUNCILLOR**  
Janet Byram

**Deputy Mayor**

*December '17 – June '18*

**Committees**

*July '17 – December '17*  
Infrastructure and Strategy

*January '18 – June '18*  
Review and Selection  
*October '17 – June '18*  
Council Assessment Panel



**COUNCILLOR**  
Nick Westwood

**Committees**

*July '17 – December '17*  
Development Assessment Panel

*July '17 – December '17*  
Infrastructure and Strategy

*January '18 – June '18*  
Urban Planning

## WARRACOWIE WARD COUNCILLORS

WARRADALE, OAKLANDS PARK, DOVER GARDENS,  
SEACOMBE GARDENS, MARION (PART)



**COUNCILLOR**  
Bruce Hull

**Committees**

*July '17 – December '17*  
*January '18 – June '18*  
Infrastructure and Strategy



**COUNCILLOR**  
Nathan Prior

**Committees**

*January '18 – June '18*  
Infrastructure and Strategy

*July '17 – December '17*  
Urban Planning

## WARRIPARINGA WARD COUNCILLORS

MARION (PART), MITCHELL PARK (PART), STURT,  
BEDFORD PARK (PART), CLOVELLY PARK (PART),  
SEACOMBE HEIGHTS, DARLINGTON (PART)



**COUNCILLOR**  
Raelene Telfer

**Committees**

*July '17 – November '17*  
*December '17 – June '18*  
Finance & Audit

*July '17 – December '17*  
Urban Planning

*January '18 – June '18*  
(Presiding Member)  
Urban Planning



**COUNCILLOR**  
Luke Hutchinson

**Committees**

*July '17 – December '17*  
Development Assessment Panel

*July '17 – December '17*  
(Presiding Member)  
Urban Planning

*January '18 – June '18*  
(Presiding Member)  
Infrastructure and Strategy

*October '17 – June '18*  
(Deputy Member)  
Council Assessment Panel

## WOODLANDS WARD COUNCILLORS

SOUTH PLYMPTON, GLANDORE (PART), ASCOT PARK,  
EDWARDSTOWN, MITCHELL PARK (PART),  
CLOVELLY PARK (PART)



**COUNCILLOR**  
Nick Kerry

**Committees**

*July '17 – December '17*  
Development Assessment Panel

*July '17 – November '17*  
*December '17 – June '18*  
Finance and Audit Committee

*July '17 – December '17*  
Infrastructure and Strategy

*January '18 – June '18*  
Urban Planning



**COUNCILLOR**  
Tim Pfeiffer

**Committees**

*July '17 – December '17*  
*January '18 – June '18*  
Infrastructure and Strategy

## EXECUTIVE LEADERSHIP TEAM



**CHIEF EXECUTIVE OFFICER**

Adrian Skull

HUMAN RESOURCES, CITY SERVICES,  
CITY DEVELOPMENT, CORPORATE  
SERVICES



**GENERAL MANAGER, CITY  
SERVICES**

Tony Lines

ENGINEERING & FIELD  
SERVICES, COMMUNITY  
CONNECTIONS, CUSTOMER  
EXPERIENCE



**GENERAL MANAGER,  
CITY DEVELOPMENT**

Abby Dickson

CITY PROPERTY, INNOVATION &  
STRATEGY, DEVELOPMENT &  
REGULATORY SERVICES,  
CITY ACTIVATION



**GENERAL MANAGER,  
CORPORATE SERVICES**

Vincent Mifsud

FINANCE & CONTRACTS, ICT,  
CORPORATE GOVERNANCE

## DECISION-MAKING AND STRUCTURE OF COUNCIL

One of the most important functions undertaken by the Mayor and Elected Members is attending Council meetings and participating in the decision-making process. Decisions made at a formal Council meeting provide the direction and authority for the organisation's ongoing operations. While decisions are made at Council meetings, the City of Marion also has four Committees, which assist the Council to accomplish its objectives and add value to the decisions of Council through the provision of advice.

From the 1 July 2017 – 30 June 2018, Council's formal decision-making and Committee structure comprised of:

- General Council
- Infrastructure and Strategy Committee
- Urban Planning Committee
- Review and Selection Committee
- Finance and Audit Committee

Pursuant to the Planning, Development and Infrastructure Act, the Council has also established a Council Assessment Panel (CAP). The CAP considers a wide range of development applications, ensuring that new development proposals are consistent with the Council's Development Plan. Prior to October 2017, this Panel was known as the Development Assessment Panel.

All meetings are open to the public. Documentation for each meeting (notice of meeting, agenda with reports, attachments and minutes) are available through Council's Administration Building, website and libraries. Hard copies are also available at the meeting.

	General Council	Special Council	Urban Planning	Finance & Audit	Development Assessment Panel	Council Assessment Panel	Infrastructure & Strategy	Review & Selection
<b>Number of Meetings</b>	<b>(18)</b>	<b>(5)</b>	<b>(4)*</b>	<b>(5)</b>	<b>(4)</b>	<b>(9)</b>	<b>(10)*</b>	<b>(5)*</b>
<b>Mayor Kris Hanna**</b>	14	4	1				6/10	3/5
<b>Cr Ian Crossland</b>	16	3						3/5
<b>Cr Tim Gard</b>	16	5	3/3				5/5	
<b>Cr Jason Veliskou</b>	18	5	1/1					3/3
<b>Cr Jerome Appleby</b>	17	2						5/5
<b>Cr Janet Byram</b>	17	3			3	7	5/5	2/2
<b>Cr Nick Westwood</b>	17	5	1/1		4		4/5	
<b>Cr Bruce Hull</b>	18	5					10/10	
<b>Cr Nathan Prior</b>	17	5	3/3				5/5	
<b>Cr Raelene Telfer</b>	17	5	4/4	5				
<b>Cr Luke Hutchinson</b>	12	3	3/3		3	1***		
<b>Cr Nick Kerry</b>	15	2	0/1	1			3/5	
<b>Cr Tim Pfeiffer</b>	15	5					10/10	

\* There was a change in committee members from January 2018. The figures shown indicate the number of meetings a member attended out of the maximum they were eligible to attend as a representative.

\*\* Mayor was on leave of absence from 30 January 2018 – 30 March 2018

\*\*\* 'stand-in' member only

# COUNCIL MEETINGS

The *Local Government Act 1999* (The Act) provides the legislative framework for legal and transparent Council decision-making expected from the City of Marion and wider South Australian community.

## FUNCTION

To make decisions on behalf of their constituents as a collective for the benefit of the community.

## OTHER DETAILS

All Elected Members attend. Council meets on the second and/or fourth Tuesday of the month with special meetings called when required.

## RESOLUTIONS OF GENERAL COUNCIL

A 'resolution' is a legal decision formed by a majority vote within a formally constituted meeting of council. During the financial year, 621 resolutions were made by Council resulting from 297 corporate reports seeking a decision.

The Community was heard by the following deputations:

- HYPA (Learning to Drive Program) (July 2017)
- Landlord Consent for Marion RSL to Install Playground (July 2017)
- Trailblazer by the Sea (August 2017)
- Asset Optimisation – McConnell Avenue Reserve, Western Portion (September 2017)
- Australia Day (October 2017)
- Light Square Marion (October 2017)
- Asset Optimisation – Oliphant Avenue (October 2017)
- Woodend Primary School Parking Facilities (November 2017)
- Mitchell Park Sports and Community Centre Scoreboard Water and Power Connection (January 2018)
- Red House Group Inc. (Gallery M) Agreement (April 2018)
- Playground Removal – Westall Way Reserve (May 2018)

Petitions were received on the following matters:

- Revocation and Disposal of Community Land - Lot 189 Mc Connell Avenue Marino (July 2017)
- Preserve Lot 23 of Oaklands Park (September 2017)
- Development at Lot 3 Appleby Road, Morphettville (September 2017)
- Lot 23, Oliphant Avenue, Oaklands Park (November 2017)
- Building Application # 7.2017.208 (Nickels Avenue Park Holme) (December 2017)
- Rockford Place Reserve, Marino (January 2018)
- Oppose Dog Park at Cadell Street (March 2018)
- Westwall Way Reserve Sheidow Park (May 2018)

The following Workshops/Presentations were held in council meetings:

- Playground Framework (October 2017)
- Public Submissions on the Draft Annual Business Plan 2018-19 (May 2018)

## ELECTED MEMBERS

The *Local Government Act 1999* provides the legislative framework and ambit of responsibility for an Elected Member as an individual and as the decision making body of Council. Their role is fundamental in delivering upon the expectations of the local and wider community.

## ELECTED MEMBER ALLOWANCES

An Elected Member is entitled to an annual allowance determined every four years by the Remuneration Tribunal of South Australia. The tribunal's determination on 28 July 2014 provides for a CPI increase each financial year as stated below. This adjustment came into effect as of 7 November 2017;

Mayor	\$79,232*
Deputy Mayor	\$24,760
Elected Members	\$19,808

\*The Mayor received a reduced amount in 2017/18 due to a leave of absence. The value of this equated to a reduction of \$6,295.

## TRAINING AND DEVELOPMENT

Elected Members have ongoing training based on current Council business and their own professional development requirements.

The following training and development opportunities were attended by various Elected Members:

- ICAC Awareness for Public Officers
- Building the Economy in Southern Adelaide: SBE Business Breakfast
- Kelliedy Jones Lawyers & RMIA Though Leadership Forum (insurances)
- LGA OGM / Networking Dinner
- ALGWA National Networking Breakfast
- ALGA National General Assembly

Other training sessions throughout the year (EM Forum) for Elected Members include:

- Conflict of Interest Training – Interactive / case study session delivered by Norman Waterhouse Lawyers (August 2017)
- SA Ombudsman Presentation - focusing on the role of the Ombudsman's Office and Investigating Code of Conduct Complaints (October 2017)

## KEY DECISIONS OF GENERAL COUNCIL

Council made many significant decisions during the financial year. The following list does not encompass *all* decisions, rather key decisions made as an elected body. It does, however, demonstrate the diverse ambit of Council's decision-making power.

2017	Key decisions	2018	Key decisions
<b>July</b>	<ul style="list-style-type: none"> <li>• Endorsed the Castle Plaza Activity Centre DPA</li> <li>• Endorsed design of Oaklands Estate Reserve</li> <li>• Approved Youth Grant Applications, totaling \$110,000</li> </ul>	<b>January</b>	<ul style="list-style-type: none"> <li>• Oaklands Education Centre – supported business case was presented and noted.</li> <li>• Tonsley Greenway – requested alternative walking and cycling route, outside of the rail corridor</li> <li>• Received and noted the Diversity and Inclusion Plan</li> </ul>
<b>August</b>	<ul style="list-style-type: none"> <li>• Endorsed final design for Appleby Road Reserve Playground</li> <li>• Secured funding for Marion Coastal Walkway</li> </ul>	<b>February</b>	<ul style="list-style-type: none"> <li>• Adopted an approach to fund up to 50% of purchase and installation costs of energy efficiency upgrades and solar panels for Council owned and leased facilities.</li> <li>• Marion Outdoor Pool – endorsed funding for upgrade works</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>• Endorsed Recreation/Community DPA for Minister's Authorisation</li> <li>• Endorsed the City of Marion's participation in Stage 2 of the Waste Management Services Project (WMSP).</li> </ul>	<b>March</b>	<ul style="list-style-type: none"> <li>• Endorsed <i>Remnant Native Vegetation Plan 2018-2023</i></li> <li>• Considered outcomes of Insurance Market Testing</li> <li>• Agreed to continue its membership of the Local Government Association (LGA).</li> <li>• Endorsed works program for playground renewal and construction</li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>• Approved design of Hallett Cove Foreshore Stage 4 with funding of up to \$985,000</li> <li>• Oliphant Avenue Reserve (Northern Portion) Approved and supported the establishment of a community garden.</li> </ul>	<b>April</b>	<ul style="list-style-type: none"> <li>• Entered new agreement with Red House Group to manage Gallery M for the next three years</li> <li>• Endorsed Community Events Fund</li> </ul>
<b>November</b>	<ul style="list-style-type: none"> <li>• Considered an Expression of Interest for Potential Land - Acquisition Opportunity at Morphetville</li> <li>• Awarded construction tender for Edwardstown Oval Redevelopment</li> <li>• Housing Diversity Plan Amendment was amended and endorsed to be forwarded to the Minister for Authorisation.</li> </ul>	<b>May</b>	<ul style="list-style-type: none"> <li>• Endorsed funding up to \$88,194 towards Southbank Tennis Court redevelopment works</li> <li>• Inclusive Playground, Hendrie Street Reserve – noted funding of \$280,000 from DPTI</li> <li>• Approved submission supporting Constitutional reform (and the Uluru Statement from the Heart)</li> </ul>
<b>December</b>	<ul style="list-style-type: none"> <li>• Adopted 2017-2020 Events Plan</li> <li>• Approved Community Grant Round One applications, totalling \$41,453</li> <li>• Approved funding for Hendrie Street Reserve</li> <li>• Endorsed the Southern Region (Metropolitan Adelaide) Sector Agreement</li> </ul>	<b>June</b>	<ul style="list-style-type: none"> <li>• Endorsed funding up to \$25,000 as matched funding for the feasibility study of the sea pool at Hallett Cove</li> <li>• Endorsed \$43,000 to fund an extra 36 kW of solar power at City Services to off-set electricity costs at Oaklands wetlands</li> <li>• Approved an EOI process for the provision of high speed internet services</li> <li>• Adopted Annual Business Plan 2018/19 and Long Term Financial Plan with a rate increase of 1.8%</li> </ul>

## CONFIDENTIAL ITEMS

The City of Marion is committed to the principle of open and accountable government while acknowledging that on occasions, it may be necessary to restrict access to discussions and/or documents.

The Act regulates how Council administers confidential items, with an underlying principle that as government is accountable to its public, only certain circumstances evoke the appropriate use of confidential orders. During the financial year, Council (excluding committees) considered 35 reports in confidence in relation to matters in accordance with the *Local Government Act 1999*. The following table provides further detailed information about Council's use of various sections of the Act.

Relevant placita of <i>Local Government Act (SA) 1999</i>	Explanation <b>S 90 (2) Information the disclosure of which would;</b>	Number of times used
3(a)	<ul style="list-style-type: none"> <li>involve unreasonable disclosure of information concerning the personal affairs of any person (living or dead).</li> </ul>	15
3(b)(i) and (ii)	<ul style="list-style-type: none"> <li>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;</li> <li>on balance, be contrary to the public interest.</li> </ul>	12
3(c)	<ul style="list-style-type: none"> <li>reveal a trade secret</li> </ul>	0
3(d)(i) and (ii)	commercial information of a confidential nature (not being a trade secret) the disclosure of which— <ul style="list-style-type: none"> <li>could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party;</li> <li>on balance, be contrary to the public interest.</li> </ul>	12
3(e)	<ul style="list-style-type: none"> <li>matters affecting the security of council, members or employees of the council or council property, or the safety of any person.</li> </ul>	0
3(f)	<ul style="list-style-type: none"> <li>could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial.</li> </ul>	0
3(g)	<ul style="list-style-type: none"> <li>matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.</li> </ul>	2
3(h)	<ul style="list-style-type: none"> <li>legal advice.</li> </ul>	4
3(i)	<ul style="list-style-type: none"> <li>information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council;</li> </ul>	0
3(j)(i) and (ii)	<ul style="list-style-type: none"> <li>would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council);</li> <li>on balance, be contrary to the public interest.</li> </ul>	0
3(k)	<ul style="list-style-type: none"> <li>tenders for the supply of goods, the provision of services or the carrying out of works.</li> </ul>	2
3(m)	<ul style="list-style-type: none"> <li>relating to a proposed amendment to a Development Plan under <i>the Development Act 1993</i> (SA) before a Development Plan Amendment proposal relating to the amendment is released for public consultation under that Act.</li> </ul>	0
3(n)	<ul style="list-style-type: none"> <li>relevant to the review of a determination of a council under the <i>Freedom of Information Act 1991</i> (SA).</li> </ul>	0

Council undertook a rigorous review of its confidential orders in December 2017 resulting in 7 confidential reports being released and 10 reports released in part. At the conclusion of the financial year, Council currently has 95 reports with confidential orders remaining in place to be reviewed again December 2018.

Relevant placita of Local Government Act (SA) 1999	Explanation	Number of times used
(7) + (9)	<b>S 91 Minutes and release of documents</b>  If an order is made under subsection (7)— the <u>council</u> or <u>council committee</u> must specify the duration of the order or the circumstances in which the order will cease to apply, or a period after which the order must be reviewed, and, in any event, any order that operates for a period exceeding 12 months must be reviewed at least once in every year.	95  All to be reviewed Dec 2018 (unless released prior)

## INFORMAL GATHERINGS

Council has a policy position regarding its administration of informal gatherings in accordance with legislative provisions. The Policy states that:

- Informal gatherings are open to the public whenever possible.
- Decisions to hold informal gatherings in confidence are made on a case-by-case basis.
- Council publishes notification details on the website to ensure that interested members of the public can attend.
- If Council decides to hold an informal gathering in confidence, the reason for this decision is briefly stated on the website and reported upon via the Annual Report process.
- On 12 occasions, the Forum Agenda identified that an allotment of time *may* be allocated for Elected Member/CEO or Elected Member only discussion.
- The following occasions detail when confidentiality provisions were applied;
  - 20 February 2018: Urban Activation Project (divulge commercial information) 90(3)(d)
  - 20 February 2018: New Initiatives (planning session of a general or strategic nature) Reg 8AB(1)(b)(iii)(A)
  - 20 March 2018: LKCC Management Agreement (personal affairs) 90(3)(a)
  - 17 April 2018: Major Projects Strategic Discussion (planning session of a general or strategy nature) Reg 8AB(1)(b)(ii)(A)
  - 19 June 2018: Major Projects Update (divulge commercial information) (90)(3)(b) and (d)

	Elected Member attendance at Informal Gatherings											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	(0)	(2)	(2)	(1)	(3)	(1)	(1)	(2)	(1)	(2)	(2)	(1)
Mayor Kris Hanna	-	2	1	1	3	1	1	0	0	2	2	1
Cr Ian Crossland	-	0	1	1	3	1	1	2	1	2	2	1
Cr Tim Gard	-	1	2	1	3	1	1	1	1	2	2	0
Cr Jason Veliskou	-	2	1	1	1	0	1	2	1	2	2	1
Cr Jerome Appleby	-	1	0	1	2	1	0	1	0	1	1	0
Cr Janet Byram	-	1	1	1	3	1	1	2	1	2	2	0
Cr Nick Westwood	-	2	2	1	2	1	1	2	1	2	2	1
Cr Bruce Hull	-	2	2	1	3	1	1	2	1	2	2	1
Cr Nathan Prior	-	2	2	1	3	1	1	2	1	2	2	1
Cr Raelene Telfer	-	2	2	1	3	1	1	2	1	2	2	1
Cr Luke Hutchinson	-	1	0	1	2	0	1	1	0	0	0	0
Cr Nick Kerry	-	1	0	1	2	1	1	0	0	1	0	1
Cr Tim Pfeiffer	-	2	0	0	3	0	0	2	1	2	2	0

# COUNCIL COMMITTEES

The Act allows the Council to form Committees to assist the decision making of Council. These committees do not make formal decisions as they are established to assist the Council in the performance of its functions (such as overseeing or providing advice).

## INFRASTRUCTURE AND STRATEGY COMMITTEE - FUNCTION

The Committee has five (5) and one (1) Independent Member. Meetings convened monthly on the first Tuesday of the month. The Committee met on 10 occasions in 2017/18. Sitting fees are set at \$1,000 per meeting for independent members. Established for the purpose of:

- Advising Council regarding the development, implementation and review of its strategic management plans
- Ensuring that Council policy and strategies provide and promote Community 'wellbeing' through enhancing and sustaining economic, environmental and community development of the City of Marion
- Reviewing any topic specific strategies or plans (not included within any other Committees Terms of Reference) prior to Council consideration and adoption
- Development and implementation of Council policy relating to the management and utilisation of Council assets and infrastructure
- Monitoring and potential implementation strategies for the sporting facilities priorities of the City of Marion
- Monitoring, development and implementation of Council's Strategic Asset Management Plans in accordance with Council's Asset Management Policy
- Opportunities to either acquire new assets or dispose of assets in accordance with Council's Disposal of Land and Assets Policy
- Monitoring of major projects of the City of Marion or within the City of Marion
- Opportunities to further develop strategic transport and integration of transport needs of the Community

Key discussion items were major projects including:

- Edwardstown Soldiers Memorial Oval redevelopment
- International BMX facility
- Soccer pitches in the South
- Marion Outdoor Pool redevelopment
- Morphettville Park Sports & Community Club Redevelopment Options
- Oaklands Wetlands Water Supply
- Mitchell Park Sports & Community Centre (seeking partnership funds)
- Future Energy Efficiency and Renewable Energy Plan
- ICT strategy and future technology including Smart Cities
- Community Facilities Framework
- LED Lighting Project

## REVIEW AND SELECTION COMMITTEE - FUNCTION

The Committee has four (4) Elected Members – Mayor and three (3) Elected Members. Meetings convened as required. In 2017/18, the Committee met on five occasions to discuss independent appointment to committees and the CEO performance review.

Established for the purpose of:

- CEO Employment Agreement and Performance Review
- Vacancy of the Office of the Chief Executive Officer
- Process to source appointment of expert members to Section 41 Committees
- Process to source appointment of expert members for the Council Assessment Panel (CAP)
- Review Committee's Performance

## FINANCE AND AUDIT COMMITTEE - FUNCTION

The Committee has two (2) Elected Members (who are not the Mayor) and three (3) external expert members. The Finance and Audit Committee met on 5 occasions in 2017/18. Sitting fees per meeting include Committee chairperson \$1,200 and Independent members \$1,000.

Established for the purpose of:

- External audit
- Internal audit and service reviews
- Financial Reporting and Prudential Requirements
- Internal controls and risk management

## URBAN PLANNING - FUNCTION

The committee has four (4) Elected Members – Mayor and three (3) Elected Members. The Urban Planning Committee met on four occasions in 2017/18.

Established for the purpose of:

- Strategic planning and development policies
- Developing a revised Development Plan for the City
- Review Committee's performance

## COMMITTEE SITTING FEES

Sitting fees are set per session and range from \$1,000 to \$1,200 for Independent Members and nil for Elected Members. Elected Members presiding over Committee meetings receive a 25% loading above their regular annual allowance.

## INDEPENDENT MEMBER ATTENDANCE AT MEETINGS

The following table identifies external members appointed to a committee and their attendance at meetings throughout the financial year. It is noted that in October 2017, the Development Assessment Panel was disbanded and the Council Assessment Panel was established.

The following Committees do not have any external members appointed:

- Urban Planning
- Review and Selection

Name of Committee	Finance & Audit	Development Assessment	Council Assessment	Infrastructure & Strategy
<b>Total number of meetings</b>	<b>(5)</b>	<b>(4)</b>	<b>(9)</b>	<b>(10)</b>
Gavin Lloyd-Jones (Chair – DAP) (From 1 July '17 - 10 Oct '17) (stand in' member for CAP From 10 Oct '17 – 30 June '18)		4	2	
Graham Goss (From 1 July '17 - 10 Oct '17)		4		
Charmaine Thredgold (From 1 July '17 - 10 Oct '17)		4		
Nathan Sim (From 1 July '17 - 10 Oct '17)		4		
Terry Mosel (Chair – CAP) (From 10 Oct '17 – 30 June '18)			9	
Sue Giles (From 10 Oct '17 – 30 June '18)			9	
Don Donaldson (From 10 Oct '17 – 30 June '18)			6	
Nathan Sim (From 10 Oct '17 – 30 June '18)			8	
Christian Reynolds (From 1 July '17 to 30 June '18)				8
Greg Connor (Chair Finance & Audit) (From 1 July '17 – 30 June '18)	5			
Kathryn Presser (From 1 Jul '17 – 31 Dec '17)	3			
Emma Hinchey (From 1 Jul '17 – 30 June '18)	5			
Natalie Johnston (From 13 Feb '18 – 30 June '18)	2			

# DEVELOPMENT ASSESSMENT PANEL/COUNCIL ASSESSMENT PANEL

The City of Marion Development Assessment Panel became the Council Assessment Panel in October 2017 as part of change to the *Planning, Development and Infrastructure Act 2016*. The task of the panel is to assess proposed development against the Development Plan, which sets out the planning policies applicable to the Council area.

## FUNCTION

The Panel assesses the 'pros and cons' of an application. This involves judgment based on whether a development satisfies, or is at variance with the policies set out in the Development Plan. The Council Assessment Panel comprises five members appointed by Council, four of which are independent members with experience in development-related disciplines and one Elected Member.

The Panel met on 13 occasions during the financial year. The Presiding Member receives \$500 per meeting; Independent members receive \$400 per meeting and Elected Members \$200 per meeting.

## ACHIEVEMENTS FOR 2017/18 FINANCIAL YEAR

More than \$221 million of building applications were granted – an increase of approximately \$41 million from 2016/17.

The two largest approvals were for a \$10 million development for alterations and additions to an existing hotel, including a five storey addition, part of which shall be used for tourist accommodation (motel) at 849 Marion Road, Mitchell Park and a \$8.8 million dollar construction of a two storey community function centre comprising function room facilities with associated office use, commercial kitchen, storage, and amenities for public and sporting groups, new cycling and cricket facilities comprising freestanding storage outbuilding and temporary cricket nets, modifications to existing velodrome track (including new surface), alterations and expansion of existing carpark, associated landscaping including remodeling of the existing Soldiers Memorial Gardens after the demolition of all existing sporting structures at 93 Raglan Avenue SOUTH PLYMPTON SA 5038.

The total number of applications granted was 1771. This included 731 new houses and 128 dwelling additions, along with 1491 combined approvals for class 10 structures, including sheds, pools and verandahs.

Eight offices, 44 shops, 13 warehouses and 13 public buildings were also approved, while 368 demolitions were granted.

## NUMBER OF BUILDING CONSENTS AND VALUES<sup>1</sup>

2013/14	2014/15	2015/16	2016/17	2017/18
1726	1751	1795	1789	1771
\$168.3m	\$195.5m	\$182.1m	\$180.5m	\$221m

## DEVELOPMENT PLAN AMENDMENTS (DPA)

### CASTLE PLAZA ACTIVITY CENTRE DPA

The DPA was authorised by the Minister and consolidated into Council's Development Plan on 20 February 2018. The changes to the Development Plan brought about by the DPA will facilitate the redevelopment and expansion of the existing Castle Plaza Shopping Centre into a more vibrant, compact and intensely-developed mixed use activity centre accommodating employment generating land uses and medium to high density residential development in close proximity to a high frequency public transport corridor.

### HOUSING DIVERSITY DPA

The intention of the DPA is to support the development of a range of housing types and densities throughout the Council area and promote mixed use development in key strategic locations. The DPA will also involve protection of character areas and inner-suburb areas that demonstrate a high quality streetscape by promoting sensitive low density infill development within those areas. The DPA also investigates the introduction of mixed use areas within and adjacent to activity centres and along certain transit corridors. More vibrant activity centres will boost the local economy and create employment.

<sup>1</sup> These figures include development approvals granted by Council or private certification only. They do not include developments such as land divisions, tree applications or developments that do not require building rules consents. They do not reflect applications refused by Council or granted approval by the Development Assessment Commission.

Following public consultation the DPA was amended, taking into account comments received, and forwarded to the Minister for authorisation in late December 2017. The DPA is currently being considered by the Department of Planning Transport and Infrastructure (DPTI).

#### **RECREATION/COMMUNITY DPA**

The DPA was authorised by the Minister and consolidated into Council's Development Plan on 21 November 2017. The DPA rezoned a number of existing major recreation/community complexes to a zone which better reflects existing uses and facilitates the envisaged forms of development anticipated at these complexes.

#### **MORPHETTVILLE RACECOURSE DPA**

The DPA facilitates the development of surplus land at the Morphettville Racecourse (and surrounds) for mixed use development incorporating higher density residential, a neighbourhood level activity centre, offices, bulky goods and the renewal of core racing facilities, centered around an upgraded tram station. The proposed development is located in two Council areas (Marion and West Torrens) and includes the Department of Transport and Infrastructure (DPTI) controlled tram corridor. The DPA is being undertaken by the Minister for Planning. The DPA was placed on public consultation in late 2017 and is currently being considered by the Department of Planning Transport and Infrastructure (DPTI).

#### **SOUTHERN INNOVATION AREA DPA**

The DPA was authorised by the Minister and consolidated into Council's Development Plan on 20 February 2018. The changes to the Development Plan brought about by the DPA will facilitate a greater range and mix of land uses within the Tonsley Precinct and Laffers Triangle including employment, commercial, education, health and technology activities, supported by opportunities for medium to high density residential uses

#### **COMMUNITY LAND**

During the year, Council resolved to revoke the community land classification over Louise Avenue Reserve, Warradale, Luke Court Reserve, O'Halloran Hill and Ranger Street Reserve, Hallett Cove and to place the properties on the market for sale. The net proceeds from the sales will be allocated to the Open Space Reserve Fund for the development of other open space facilities.

Council's open space has been classified under the Open space Policy. Upon completion of the current review of the Council owned facilities, the Community Land Management Plans will be reviewed.

Council resolved to purchase land adjacent Marino Hall and will undertake assessment of future development opportunities for this site.

## **REGIONAL SUBSIDIARIES**

Council has the ability to join another or more Councils to establish a regional subsidiary to provide a specified service or to manage/administer property or activities on behalf of the constituent Councils. The City of Marion has two such subsidiaries as described below.

#### **SOUTHERN REGION WASTE RESOURCE AUTHORITY**

The Southern Region Waste Resource Authority (SRWRA) is a section 43 Regional Subsidiary of the Cities of Marion, Holdfast Bay and Onkaparinga. SRWRA is responsible for providing and operating waste management services on behalf of the Constituent Councils and ensuring that a long-term Waste Management Strategy exists in the southern region of Adelaide.

SRWRA is managed by a board of 10 people. Each council provides three representatives with the 10th being an independent expert in business or waste management. The board is chaired by the independent member whom only has a casting vote. The equitable interest of the constituent councils in the authority is agreed as follows:

City of Holdfast Bay	15 per cent
City of Marion	30 per cent
City of Onkaparinga	55 per cent

## COUNCIL SOLUTIONS

Council Solutions was established on 20 December 2012. It is owned in equal parts by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully. Council Solutions is responsible for managing selected procurement and service delivery on behalf of the constituent councils. A key objective is to secure best value for money in these activities to improve the financial sustainability of the constituent councils for the benefit of their communities and ratepayers.

Council Solutions is managed by a board of seven members. Each council provides one representative, with the seventh being an independent member with expertise relevant to the activities of the authority. The board is chaired by the independent member who has a casting vote.

## GOVERNANCE

The *Local Government Act 1999* (SA) provides the legislative framework for legal and transparent decision. The term 'governance' incorporates practices and procedures that make for informed decision-making.

The following pieces of information are legislatively required to be provided within an Annual Report.

### LIST OF REGISTERS AND CODES OF CONDUCT OR PRACTICES

Following is a list of registers kept by Council:

- Register of Interests – Elected Members\*
- Register of Interests – Staff
- Register of Elected Members' allowances and benefits\*
- Register of staff salaries and benefits
- Register of campaign donations
- Register of Elected Members' gifts and benefits\*
- Register of Fees and Charges\*
- Register of By Laws\*
- Register of Informal Gatherings\*
- Register of Elected Member Conflicts of Interest (excl. Confidential items)\*

\*These documents can be downloaded from the City of Marion's Website – alternatively a copy can be requested from Customer Service in line with the Fees and Charges Schedule.

### CODE OF PRACTICE

Following is a list of Council Codes of Conduct or Practice, adopted in accordance with the Local Government Act 1999 or the Local Government (Elections) Act 1999 and Local Government (Procedures at Meetings) Regulations 2000:

- Code of Conduct – Council Members
- Code of Conduct - Employees
- Code of Practice – Access to meetings and documents
- Code of Practice – Procedures at Meetings

The Code of Conduct for council members and staff are mandatory codes published by the Minister for Planning for the purposes of Section 63 (1) and Section 110 (1) respectively of the Local Government Act 1999. These codes are to be observed by all elected members and staff to ensure that all activities of Council are conducted legally, ethically and in accordance with expected standards of behaviour.

### SENIOR EXECUTIVE OFFICER INFORMATION

Council had four senior executives whose salary packages include the use of a motor vehicle and allows for private use. Salary packages for the four senior executives including superannuation and the use of a motor vehicle, ranged from \$209,261 to \$295,317 for the CEO.

## HUMAN RESOURCES INFORMATION

The City of Marion had 360.41 full-time equivalent staff as at the 30 June 2018. The following human resource management or development programs were delivered:

- Gap Year – For the 2<sup>nd</sup> consecutive year Council employed two successful candidates who completed their Year 12 studies and live in Marion. The program provided the two young people with the skills and knowledge that will help them identify a career and increase their chances of finding future work
- Career Transition Program (CTP) – This program enables the City of Marion to put initiatives in place for those nearing or reaching retirement age to provide work/life balance and enhanced wellbeing. This provides 55+ aged staff with access to flexible working arrangements and ability to explore alternative roles to transition out of fulltime work and a plan for maintaining involvement in activities outside of the Organisation
- Leadership Development – Council has a leadership development program focused on the skills required into the future, developing capabilities for succession planning and providing career development opportunities
- Volunteer Management – A volunteer strategy has been developed to ensure our volunteer vision is realised: Our volunteers, representing diverse backgrounds and all parts of our community, share a passion to positively affect our community. Our volunteers, who have actively chosen to volunteer at the City of Marion, are recognised and celebrated for their capability, capacity and diversity
- Reward and Recognition: An enhanced employee reward and recognition program was implemented focusing on empowering our leaders to recognise employees and teams for leading the Council values
- Diversity and Inclusion: Our Diversity and Inclusion Plan shows our commitment to having an organisation that welcomes diversity and is inclusive. Our approach embraces strategies to foster an inclusive and safe workplace for employees and volunteers where all persons are welcomed, valued, and have opportunities to grow and develop

## NATIONAL COMPETITION POLICY

The *National Competition Policy* (NCP) supports economic reform from practices that restrained Australian markets and industries. This policy identifies various principles to encourage competitive markets that would enhance national productivity for the benefit of the community whilst eliminating any unfair advantages.

In relation to government activities, it specifies that government should not enjoy any competitive advantage simply as a result of their public ownership. By virtue of clause 7, of the NCP Principles Agreement, local government is also bound.

The City of Marion is required to report any activities undertaken in the financial year in relation to competitive neutrality principles such as:

- The commencement or cessation of significant business activities
- Any reviews or reformed By-Laws that restrict competition, including proposals for new By-laws
- Complaints received alleging a breach/es of the NCP or unfairly competitive practices
- Structural reform of public monopolies

For the 2017/18 financial year, compliance with the NCP is reflected within the principles of Council's Procurement and Contractor Management Policy which seeks to:

- Obtain value in the expenditure of public money
- Providing for ethical and fair treatment of participants
- Ensuring probity, accountability and transparency in procurement operations

## COMPETITIVE TENDERING

The City of Marion provides open and effective competition by providing contractors with fair and reasonable access to opportunities to do business with Council. In procuring goods, services and construction works, the City of Marion maximizes value for money at an acceptable level of risk to support the delivery of infrastructure, facilities and services which benefit the community.

Public tendering is required for contracts valued at more than \$100,000.

The City of Marion is also part owner of Council Solutions, a regional subsidiary established by six large metro councils. Council Solution procurement activities are subject to public tender.

## REVIEW OF DECISIONS

As required by the Local Government Act 1999 the Council has developed a procedure for the Review of Decisions, outlining how decisions of Council or other people acting on behalf of council are reviewed. Council reviewed its Policy Complaints and Grievance Policy at its meeting on 27 March 2018. Council's internal review of a Council decision policy and procedure is available from the City of Marion website. In 2017/18 Council received three formal requests to conduct an internal review of decisions of Council. The complaints related to the following:

- Removal of on-street parking restrictions (August 2017) – recommended to trial permit parking at this location
- Development matter (March 2018) – review did not proceed
- Barking Dog Complaint (March 2018) – review did not proceed

## FREEDOM OF INFORMATION

Council is required to publish statistical data for the financial year in relation to the public and local community having access to official documents and records kept. These legislative requirements provide further transparency and therefore accountability of our management of various records.

### STATEMENT AND STATISTICS

The City of Marion website provides a statement and information regarding the process to follow when requesting such documentation. The following provides a summary of the number of Freedom of Information (FOI) requests and resulting outcomes throughout the year;

Number of applications	16	Of the 14 applications determined:	
Processed	40	Full release	1
Withdrawn	26	Partial release	3
Determined	14	Refused	10

### AMENDMENT OF COUNCIL DOCUMENTS

Should any member of the public consider that any document they have accessed is incorrect, incomplete, misleading or out of date, they may request an amendment by writing to;

Freedom of Information Officer,  
City of Marion  
PO BOX 21  
OAKLANDS PARK SA 5046

## LOCAL NUISANCE AND LITTER CONTROL

The nuisance provisions of the *Local Nuisance and Litter Control Act 2016 (SA)* (the Act) came into operation on 1 July 2017. The Act regulates Council's management of nuisance and litter related complaints. In addition, Council is required to publish various details for the relevant financial year of such complaints received.

### STATISTICS

The City of Marion is required to include various details of complaints received by the community that is managed by legislation. This ensures consistency across Council boundaries in dealing with nuisance and litter control.

Total Complaints received:	391
Nature of complaints:	
Dust	82
Smoke	14
Noise	151
Odour	26
Unsightly	112
Other	6
Offences expiated	2
Offences prosecuted	0
Number of nuisance abatement notices issued	2
Number of litter abatement notices issued	0
Number of Civil penalties negotiated	0

# FINANCIAL MANAGEMENT

The City of Marion is in a strong financial position, providing a sound basis for Councils long-term objectives identified in the Strategic Plan. Below provides further information articulating income and expense streams with ratios provided as a mechanism to measure Council's alignment with budget targets.

## STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income details Council's revenue and expenses for the reporting period and reveals an operating surplus (before capital revenues and contributed assets) of \$10.904m for 2017/18 compared to an operating surplus of \$11.673m for 2016/17. Included in Council's operating surplus is grant funding of \$1.4m received for the redevelopment of Edwardstown Soldiers Memorial Recreation Oval and advance payment of the 2018/19 Financial Assistance Grants of \$1.521m.

## OPERATING INCOME

Total Operating income for 2017/18 was \$92.566m compared to \$88.173m in 2016/17. The increase of \$4.393m (5%) predominantly results from an increase in Rates of \$2.3m (from an adopted rate increase of 2.2% + growth of 0.99%).

In addition, Council's increased income from Statutory Charges and User Charges of \$0.727m, Grants, Subsidies and Contributions Income of \$0.712m and Other Income of \$0.415m increasing other sources of income and reducing the reliance on rates.

## OPERATING EXPENSES

Total Operating expense for 2017/18 was \$81.662m compared to \$76.500m in 2016/17. The increase of \$5.162m (6.7%) predominantly relates to an increase in Materials (\$0.541m), Contractors (\$2.750m) & Other Expenses of (\$0.770m). These include increases in waste collection and dumping, utilities, infrastructure maintenance works and a number of projects including the Heron Way amphitheatre, Finniss Street streetscaping and an Urban Activation pilot.

Employee costs increased \$1.053m (3.3%) in 2017/18 from 2016/17 with increases from Enterprise Agreements and lower than average capitalised labour (where staff costs are allocated to capital works).

## CAPITAL REVENUES AND CONTRIBUTED ASSETS

Other key variances reported on the Statement of Comprehensive Income are *Amounts Received Specifically for New or Upgraded Assets* (down \$1.002m) predominantly relating to a State Government Grant received in 2016/17 of \$2m for the Sam Willoughby International BMX Track. There has also been a decrease of \$4.922m (0.4%) following the comprehensive valuation carried out by independent professional valuers of council's assets in 2017/18.

## CRUCIAL OPERATING/FINANCIAL RATIOS

The City of Marion utilises 'ratios' in order to measure Council's alignment (or otherwise) with expected budget targets by expressing the difference between actual versus expected budget outcomes as a percentage.

## OPERATING SURPLUS RATIO

This ratio expresses the operating surplus/(deficit) as a percentage of total operating revenue. Council has set a target for this ratio of between 0 and 5% on a five year rolling average.

	2016	2017	2018
Operating Surplus Ratio	12%	13%	12%

The Operating Surplus Ratio in the adopted budget for 2017/18 was 5.8% and this has been significantly impacted by the grant for Edwardstown Soldiers Memorial Oval redevelopment (\$1,400k), the advance payment of 2018/19 Financial Assistance Grant instalment (\$1,521k), and a number of other variances. The ratio would have been 8.9% if not for these two grants.

With council's focus on maintaining a balanced or better cash funding position it is necessary that an operating surplus sufficient to meet Council's capital expenditure requirements is achieved.

**RATE REVENUE RATIO**

This ratio expresses rate revenue as a percentage of operating revenue. Although this ratio is not a prescribed measure required by the 'Model Set of Accounts' it is a valuable indicator as it highlights Council's reliance on rates as a revenue source and the need for Council to seek alternative sources of income.<sup>1</sup> Council's reliance on rates has decreased by 4% over the past three years.

	2016	2017	2018
<b>Rate Revenue Ratio</b>	85%	82%	81%

**STATEMENT OF FINANCIAL POSITION**

The Statement of Financial Position provides details of Council's assets, liabilities and equity as at 30 June 2018. The majority of Council's assets relate to community property and infrastructure assets (roads, paths, drainage, etc.).

**Infrastructure, Property, Plant & Equipment (IPP&E):**

Council's IPP&E decreased by \$3.130m (0.3%) compared to 2016/17 with the majority of the movement relating to a net revaluation decrease of \$4.922m made up predominantly of decreases in Land (\$8.149m) and Infrastructure (\$21.961m), offset by an increase in the valuation of \$25.625m in Buildings & Other Structures. The majority of Council's assets relate to community property and infrastructure assets (roads, paths, drainage, etc.).

The table below identifies the key contributors to the movement in Council's non-current assets which can mainly be attributed to revaluations of its Infrastructure assets.

	2017 \$'000	2018 \$'000	Increase/ (Decrease) \$'000
<b>Building assets</b>	83,206	106,068	22,862
<b>Infrastructure assets</b>	677,069	652,385	(24,684)
<b>Land assets</b>	360,144	351,995	(8,149)

**WORKING CAPITAL RATIO**

This ratio focuses on the liquidity position of Council, adjusting for restricted assets (eg. unspent specific tied grants that would need to be excluded from Council's current assets as Council would be restricted from using this cash to meet short term liabilities). It is calculated by dividing current assets (less restricted assets) by current liabilities (less liabilities associated with restricted assets). Council's target for this ratio is between 1.0 and 1.1.<sup>2</sup>

	2016	2017	2018
<b>Working Capital Ratio</b>	1.5	2.1	2.5

**ASSET SUSTAINABILITY RATIO**

Net asset renewal expenditure is defined as net capital expenditures on the renewal and replacement of existing assets and excludes new capital expenditure on the acquisition of additional assets. It is calculated by dividing net asset renewal figures by depreciation expenses. This ratio indicates whether the Council is renewing or replacing existing assets at the rate of consumption. A long-term average ratio of 95-100% would indicate that Council is investing adequately in maintaining its asset base.<sup>3</sup>

	2016	2017	2018
<b>Asset Sustainability Ratio</b>	84%	75%	78%

<sup>1</sup> To address Council's dependence on rate revenue, it has focused upon training and development of Officers to maximise grant opportunities and annual reviews of its Fees and Charges Schedule.

<sup>2</sup> Council's cash flow is in a good position to undertake day to day operations, along with having sufficient cash to cover the balances in its Asset Sustainability Reserve. Council's significant cash reserves quarantined for future major projects and long term asset management objectives have impacted on this ratio.

<sup>3</sup> Council's Long Term Financial Plan (LTFP) is set to achieve an average Asset Sustainability Ratio of 97% over the next three years, but only 83% over the 10-year term of the LTFP. Continual review and monitoring of Council's Asset Management Plans are to be incorporated into Council's Long Term Financial Planning process in an effort to close this future gap.

**ASSET CONSUMPTION RATIO**

This ratio shows the consumption of the asset stock at a point in time (or the percentage of useful life remaining). Depreciation represents the reduction in value of the assets each year and therefore accumulated depreciation is the total reduction in the carrying value of the assets. It is calculated by dividing the carrying value of depreciable assets by the gross value of depreciable assets. Council's target for this ratio is between 80-100%. A ratio higher than 80% indicates that Council's overall asset base has on average a relatively high remaining useful life. A result between 40% and 80% is considered acceptable. The ratio reflected below indicate on average a relatively high remaining useful life for assets.

	2016	2017	2018
<b>Asset Consumption Ratio</b>	78%	78%	77%

**BORROWINGS**

In assessing Council's financial position, it is appropriate to consider liabilities in relation to borrowings. Borrowings are required by Council from time to time to finance strategic long-term assets for the orderly development of the City. Council's total borrowings at 30 June 2018 were \$6.805m – a net decrease of \$1.100m over the level of borrowings in June 2017.

**KEY DEBT RATIOS**

The following indicators are used to monitor Council's performance in relation to its current level of debt;

**NET FINANCIAL LIABILITIES RATIO**

This ratio indicates the extent to which net financial liabilities of the Council can be met by Councils' total operating revenue and is calculated by dividing the former by the latter. The result below highlights Council's Financial Assets exceed its Financial Liabilities predominantly as a result of a substantial holding of cash and other financial assets allocated for unexpended grants and committed funding for capital projects carried over or retimed to 2018/19 and beyond totalling \$12.256m.<sup>4</sup>

	2016	2017	2018
<b>Net Financial Liabilities Ratio</b>	(8%)	(25%)	(33%)

**INTEREST COVER RATIO**

Net interest costs are defined as total interest expenses less total interest revenues. This ratio indicates the extent to which Council's commitment to interest expenses are met by total operating revenues. Negative ratios have been recorded for the past four years reflecting interest revenues being greater than interest expenses.

	2016	2017	2018
<b>Interest Cover Ratio</b>	(0.0%)	(0.4%)	(0.6%)

**DEBT SERVICING RATIO**

This ratio identifies Council's ability to service its debt obligations from operating revenues, with a maximum target set at 5%. The ratio confirms that Council has a low debt holding and is well positioned for the future borrowing outlined in the Long Term Financial Plan. The 1.8% result is below the maximum target of 5% as illustrated in the table below.

	2016	2017	2018
<b>Debt Servicing Ratio</b>	2.9%	2.4%	1.8%

**STATEMENT OF CHANGES IN EQUITY**

The Statement of Changes in Equity reconciles the opening and closing balances of Council's equity over the reporting period. The balance of equity represents Council's net worth of \$1,175.9m as reflected in the Statement of Financial Position.

**CASH FLOW STATEMENTS**

The Cash Flow Statement details the cash movements for the year ended and reconciles with *Note 11* of the Annual Financial Statements. The Statement indicates a cash surplus of \$21.5m compared with \$29.9m in 2016/17. As previously mentioned a significant portion of the cash position is committed to unexpended grants, carryovers and retimed works (\$12.3m).

<sup>4</sup> Council's capacity to meet its financial obligations from operating revenues is strong and it has capacity to meet future funding requirements identified in the Long Term Financial Plan.

## OPERATING CASH FLOW COVERAGE RATIO

This ratio identifies Council's ability to fund its operating and capital expenditure requirements (without the need for significant sudden rate increases or service reductions) whilst continuing to maintain intergenerational equity and both sustainable and responsible use of borrowings. It is calculated by dividing cash flow from operations (less loan principal repayments) by the average annual optimal level of expenditure per Councils' Asset Management Plans. Council's target for this ratio is between 100% and 105%.<sup>5</sup>

	2016	2017	2018
Operating Cash Flow Coverage Ratio	108%	147%	132%

## RESERVE FUNDS

A review of the balances of these reserves indicates that they are at a level sufficient to meet their purpose and intent as listed in *Note 9 Reserves* of the Annual Financial Statements. Council's current reserve funds include the following:

### GRANTS AND CARRYOVERS RESERVE: \$12.256m

This consists of grant funded carryover projects and capital works carried over to 2018/19 or retimed to future years as required.

### OPEN SPACE RESERVE: \$1.218m

It is considered by management that the current balance of this fund is adequate to meet its intended purpose.

### ASSET SUSTAINABILITY RESERVE – GENERAL: \$9.591m

The current balance in this fund is considered by management to be adequate to provide Council with the funding capacity to not only respond to a major infrastructure failure (\$2m is retained in this reserve for this specific purpose) but to also assist Council in managing its long term asset management objectives.

### ASSET SUSTAINABILITY RESERVE – COMMUNITY FACILITY PARTNERSHIP FUND (CFPP): \$6.672m

Funding has been specifically set aside in the Asset Sustainability Reserve for the renewal, upgrade and purchase of Council assets as specifically resolved by Council. It includes a balance set aside to encourage organisations leasing council facilities to seek partnership funding for the required renewal and upgrade of those facilities.

### ASSET SUSTAINABILITY RESERVE – MAJOR NEW PROJECTS: \$5.394m

Funding has also been specifically set aside in the Asset Sustainability Reserve for major new projects. Council has endorsed funding its \$4.0m contribution to the Edwardstown Soldiers Memorial Recreation Ground redevelopment from this reserve.

## LONG TERM FINANCIAL PLAN (LTFP)

Council has a LTFP focused upon;

- Achieving the City of Marion's Strategic Directions.
- Addressing issues arising and opportunities identified from internal audit reviews, service reviews and business excellence assessments.
- Maintaining a breakeven or better cash funding position.
- Improving the maintenance of assets in accordance with Council's Asset Management Plans, with a priority on maintenance *before* renewal, and/or renewal *before* new (whichever is more cost effective).
- Reviewing existing services and assets to ensure they meet prioritised community needs.
- Approving new Major Projects where it has the identified funding capacity to do so.
- Maintaining Council's position for an average residential rate that remains low (in comparison with other metropolitan councils).
- Progressing 'liveable cities' strategies and funding opportunities within Marion.

<sup>5</sup> Council's operating cash flow coverage is sufficient to meet the asset renewal requirements included in its Long Term Financial Plan. This ratio has been impacted by higher than forecast investment returns with Council's significant cash reserves quarantined for future major projects and managing its long term asset management objectives. This ratio has also been impacted by the advance receipt of the 2018/19 Financial Assistance Grant of \$1.521m, increasing the ratio from 124% to 132%.



**LIVEABLE**

## LIVEABLE KEY ACHIEVEMENTS

By 2040 our city will be well planned, safe and welcoming, with high quality and environmentally sensitive housing, and where cultural diversity, arts, heritage and healthy lifestyles are celebrated.

### **\$8.8 MILLION EDWARDSTOWN OVAL REDEVELOPMENT**

The Federal Government committed \$4 million towards the project, adding to Council's \$4.8 million. Existing buildings were removed and works began on construction of a new two-storey building. This \$8.8 million rebuild will create new sports and community spaces, function rooms, viewing areas, upgrades to the velodrome and loop path, an upgrade to the Memorial Gardens and facilities for training providers. A World War One Honor Board will also be rehomed at the site. The facility is due for completion in March 2019.

### **HALLETT COVE FORESHORE REDEVELOPMENT**

Stage 5, the Amphitheatre, was completed in December 2017. Heron Way roadworks, are scheduled for completion July 2018 including the realignment of parking bays, construction of rain gardens, footpath and landscaping. Design for Stage 4 Reserve and Playground was completed and construction commenced in April 2018. It is anticipated that the playground construction will be completed by October 2018, including connecting pathways, tunnel slide, climbing structure, sand and water play, nature play areas, picnic settings, shelters, BBQ, irrigated turf and landscaping.

### **INCLUSIVE PLAY SPACE AT HENDRIE RESERVE**

The Hendrie Street Inclusive Playground is the first inclusive playground for the region and has been purpose built to cater for children and adults of all ages and abilities. It includes a broad range of needs such as mobility, vision and hearing impairments as well as autism spectrum disorders. The playground cost \$965,000 and was funded by the City of Marion, State Government, donations from the charity Touched by Olivia and Edwardstown Rotary Club. The Playground will officially be opened on the 10th August 2018, by the Governor of South Australia, his Excellency, the Honourable Hieu Van Le AC.

### **OPEN SPACE AND RECREATION WORKS PROGRAM**

The Program delivers upgrades to existing playgrounds and open spaces and the development of new open space projects throughout the City of Marion. In 2017/18 Council endorsed the Playground Renewal Program to 2022 and 6 playground upgrades, costing \$965,500 were delivered including:

- Appleby Reserve, Morphettville – funded by Renewal SA.
- Breakout Creek Reserve, Glengowrie
- Clare Avenue Reserve, Sheidow Park
- Gully Road Reserve, Seaciff Park
- Joan Herraman Reserve, Ascot Park (previously Sixth Avenue Reserve)
- Woodforde Family Reserve

### **SOUTHERN SOCCER FACILITY**

The State Government committed \$2.5 million towards a new Southern Soccer Facility on Majors Road. The City of Marion has matched State Government funding and is

contributing \$2.5 million to the Football Federation of South Australia for the build. Lease arrangements and funding agreement for two all-weather soccer pitches and facilities at O'Halloran Hill are underway.

### **SAM WILLOUGHBY INTERNATIONAL UCI BMX TRACK**

The cities of Marion and Onkaparinga each announced a \$750,000 commitment and the State Government \$2 million to build the Sam Willoughby International BMX Track. Due to reactive soils and a budget shortfall, alternative sites were explored with a site at Darlington identified as a possible location. Investigations into the Darlington site are continuing and will be resolved in late 2018 with design and documentation to begin in 2019, should the site be viable. Council will continue to work with key stakeholders to deliver a facility to meet international standards and community expectations.

### **SPORTS COURTS REFURBISHMENT (TENNIS AND NETBALL)**

Capital works continued for tennis and netball facilities totaling \$454,000, including completing upgrades to Woodforde Family Reserve, Warradale Park Tennis Club, Hallett Cove Beach Tennis Club and South Bank Tennis Club. Work included installing LED lighting, fencing, drainage and resurfacing courts. Council will continue to deliver the objectives of the final year of the capital works program in 2018/19.

### **LIVING KAURNA CULTURAL CENTRE (LKCC)**

The LKCC is an Aboriginal education venue which hosts cultural education workshops, Aboriginal Men's and Women's groups, community events and has rooms for hire. During 2017/18 the centre attracted 14,453 visitors. There were:

- 4,050 attendees at cultural workshops and tours
- 4,184 visitors to the Gallery
- 568 attended two open days in July and February
- 2,841 people utilised the venue for events
- 2,468 people utilised the park for events

### **MARION OUTDOOR POOL**

Approximately 100,000 attendances were recorded during the season (October – March). Events were held including two open days with markets, interactive activities and games for all ages, along with a joint radio station and movie night to compliment the many carnivals, school excursions and parties. Council approved a multi-year staged upgrade to the facility which included installation of 21 shade umbrellas and a new speed slide.

### **SERVICE REIEW**

The program entails a review of over 130 services. The City of Marion delivered year two of the service review program, resulting in the detailed review of 12 services.



# VALUING NATURE

## VALUING NATURE KEY ACHIEVEMENTS

By 2040 our city will be deeply connected with nature to enhance peoples' lives, while minimising the impact on the climate and protecting the natural environment.

### GLENTHORNE FARM

Glenthorne Farm is a 208 hectare property at O'Halloran Hill, owned by the University of Adelaide, and access is limited to the public. Before being elected in March 2018, the State Liberals made an election promise to open up the site as part of Glenthorne National Park which could include picnic areas, camp ground, walking and cycling trails. This would be a 1,500 hectare site combining O'Halloran Hill Recreation Park, Field River Valley, as well as Glenthorne Farm. Council has long advocated for it to be opened to the public as an accessible and vegetated site that preserves history and the environment.

### OAKLANDS WATER SUPPLY BUSINESS

The total number of reserves that have now been connected to treated stormwater from Oaklands Wetland has increased by four sites to 33. A water supply agreement has been developed to supply recycled stormwater to the Tonsley development. Fit for purpose water quality is always preferred for public irrigation, toilets, heating and cooling compared to high quality drinking water. Up to 216 ML of treated stormwater will be supplied from the Oaklands Wetland into the Tonsley site and will assist in achieving one of the criteria for the 6 Star Green Award.

### STAGE 2 RECREATION PLAZA AT OAKLANDS WETLAND

Construction of Stage 2 commenced in April 2018, including the installation of new heritage-style rotunda, shelter, picnic settings, car parking, skate mounds, line marking for trike and bike riders and a netball ring. The project also delivered paths, timber log seating, native vegetation planting and lighting for the rotunda and car park. It is anticipated the project will be completed by the end of September 2018.

### CREATING A WATER SENSITIVE CITY

Waterfall Creek is the largest watercourse within Hallett Cove and receives urban stormwater runoff from the vast majority of this suburb. As part of a joint Stormwater Management Plan, the City of Marion successfully completed an adventure playground, walking trails, picnic shelter areas and a significant revegetation program for the wetlands, which are integrated within a broader masterplan for the reserve site.

### COASTAL MANAGEMENT PLAN

Council has completed a detailed investigation into the potential impacts of coastal climate change along the Marion coastline. The main risks considered were the potential for flooding and the likelihood of erosion. The results of the work show that whilst inundation is unlikely to be a major problem for the City of Marion over the next 50 years, there is potential for coastal erosion to increase in some areas and action to protect cliffs and other coastal features may be needed. During 2018/19 Council

will work with key agencies to discuss the risk profiles and erosion "hot spots" and identify responsibilities for future action.

### ENVIRONMENT EDUCATION PROGRAMS

#### Encouraging Recycling

Council remains focused on sharing information with our community about how they can responsibly dispose of recyclable, organic and general waste. Community education activities included:

- 43 presentations to schools, kindergartens and community groups
- 665 free kitchen caddy's distributed to households.
- Two tours of recycling facilities and two workshops on backyard composting and worm farming.
- Hosting of a hazardous waste drop-off day saw 810 vehicles deliver over 26 tonnes of hazardous waste for safe recycling and disposal.
- The Recycle Right Bin Tagging Campaign achieved a 72 per cent reduction of contamination in recycling bins.

#### Green Education – Southern Region

Council continued to host an Education Officer, funded by the Adelaide and Mt Lofty Ranges Natural Resources Management Board, to work with schools, preschools and their communities to develop knowledge, practical skills and values to live sustainably.

### ADAPTING TO CLIMATE CHANGE

A Heatwave Hypothetical, *'Feeling Hot! Dealing with Heatwaves in Southern Adelaide'* was held in February 2018 as part of the regional Resilient South Climate Adaptation Program. The award winning event attracted around 250 community members for an interactive conversation about responding to the impacts of climate change, building community knowledge and capacity around responding to heat-waves, and fostering strong working relationships across organisations. Mayors of each of the partner Council's signed a Sector Agreement for Climate Change Adaptation in Southern Adelaide with the SA Government.

### STREETSCAPE IMPROVEMENTS – GREENING OUR COMMUNITY

Approximately 30,000 native plants were planted across the City which included 10,000 indigenous native shrubs at Oaklands Wetland during Planet Ark National Tree Day in July 2017 with support from the Friends of the Sturt River and the local community. To improve the local amenity, attract native wildlife and reduce the impact of heat in urban areas council planted 1,150 street trees. The remaining 20,000 native plants were planted across 18 locations including parks and reserves.



# ENGAGED

## ENGAGED KEY ACHIEVEMENTS

By 2040 our city will be a community where people are engaged, empowered to make decisions, and work together to build strong neighbourhoods.

### ARTS AND CULTURE CONTRIBUTIONS TO PLACEMAKING

Eight public art and placemaking projects saw the commissioning of:

- Three multimedia (video installation, music and live projection) placemaking projects delivered across the city to activate public spaces with various artists
- **Dig and Delve:** a 6 metre high interactive spade for the Hendrie Street Reserve Inclusive Play Ground by Laura Wills and Will Cheeseman
- **Wirtu:** a projected depiction of the Southern Cross Constellation, at Heron Way Amphitheatre by Aurelia Carbone
- **Find and Leap:** mural at Kellett Reserve representing women, men and children playing cricket and football by Laura Wills and Rosina Possingham
- **Locally Indigenous:** glow-in-the-dark path motifs of native flora and fauna between Capella Drive and Hallett Cove Railway Station by Aurelia Carbone
- **Trott Park Art Streets:** a series of temporary art-based activations identifying and celebrating the 50 per cent of streets in Trott Park that are named after Australian Artists, various artists with Open Space Contemporary Arts (OSCA).

### COMMUNITY GRANTS PROGRAMS

The City of Marion allocated \$100,000 to assist local, not-for-profit organisations and community groups, and voluntary associations to undertake projects and activities that are beneficial to the community. Successful projects support Council's vision of being a diverse and inclusive community.

### COMMUNITY LEADERSHIP PROGRAM (CLP)

Thirteen people graduated from the CLP and all experienced an empowering journey of both personal and professional development. Over three months the graduates learnt about communication, marketing, budgets, risk management, running a community event, cultural diversity, personality profiling, resilience and positive psychology.

### NEIGHBOURHOOD AND COMMUNITY CENTRES

The City of Marion has four centres that provide multifunctional services and a meeting place for the community. A range of social, educational and wellbeing activities and programs are offered to support individuals including:

- School Holiday Programs
- Keep Fit/Tai Chi/Yoga
- Arts and crafts
- Adult Community Educational Programs
- Bingo
- Indoor Bowls / Snooker
- Multicultural Groups

87,840 participants attended the 4 centres in 2017/18 an increase of 6 per cent from 2016/17.

### MARION CULTURAL CENTRE

The centre houses Gallery M, Domain Theatre, Cultural Centre Library, and meeting rooms. Council delivered over 70 performances or skills development workshops and the facility was hired over 500 instances. Over 30,000 people attended shows in the theatre or hired a meeting space. An increased emphasis on diversifying audiences saw increased youth band performances, open mic showcases, skill development workshops and an increased number of markets in the plaza. A marketing plan was implemented including online ticketing, increased social media usage, publication of an online newsletter, which resulted in new visitors and increased patronage.

### VOLUNTEER GROWTH

A total of 356 City of Marion volunteers contributed 38,858 hours of service to the dollar value of \$1,066,652, assisting with the delivery of various programs across Council including:

- Community Bus, Community Care – Social Support, Decluttering
- Crime Prevention – Graffiti Removal
- Libraries including Marion Heritage Research Centre
- Neighbourhood Centres

New initiatives included:

- Evaluation of the Future of Volunteering
- Launch of a volunteer pool for events
- Encouraging the recruitment of volunteers who have arrived from countries other than the main English speaking countries
- Recognition Review for volunteer Years of Service

### RECONCILIATION ACTION PLAN IMPLEMENTATION

Council's Reconciliation Action Plan 2016-2019 continues to be implemented. National Reconciliation Week events were held across Marion including an art exhibition 'Don't make history a mystery', a Youth Reconciliation celebration at Warriparinga attended by 85 young Aboriginal people, and Aboriginal awareness sessions. A Management Agreement for the Living Kurna Cultural Centre (LKCC) has been developed with the Kurna Nation Cultural Heritage Association (KNCHA). Annual NAIDOC celebrations were held as well as a 'Close the Gap' event to increase awareness of health gaps between Aboriginal and Torres Strait Islander people and other Australians.

### LIBRARIES

In March 2018, Marion libraries launched a six-month campaign to showcase services and present libraries as modern, exciting facilities. *Get into Libraries* featured monthly themed activities, including pop up displays at shopping centres, robotics classes and meet the author events. Marion has three libraries, which loaned a total of 773,771 items and attracted 459,059 visitors in 2017/18.



# PROSPEROUS

## PROSPEROUS KEY ACHIEVEMENTS

By 2040 our city will be a diverse and clean economy that attracts investment and jobs, and creates exports in sustainable business precincts while providing access to education and skills development.

### TONSLEY

Council continued to work with the key stakeholders, including the State Government, industry, PEET Group, Flinders University and TAFE to develop the integrated employment and residential district at Tonsley. This redevelopment is expected to attract \$1 billion of private investment. Progress over the past year includes:

- Currently 32 business located at Tonsley
- 1,400 people employed at the precinct
- 6,500 students each year
- New tenants SAGE, Global Centre for Modern Ageing, Smith Brothers, AZZO, Phoenix contact, ZEISS, Tesla, ProTom, Seed Terminator, Radical Torque Systems, AGIG and Micro-X have moved in
- GigCity launched
- Planning for Australian first hydrogen production and distribution facility
- Flinders University Tonsley Manufacturing Innovation Hub – Industry 4.0
- Tonsley Connection Events
- Boiler House redevelopment being planned by Kid Retail Group for a micro-brewery, restaurant, cafe
- Awarded two National Good Design Awards, one National Urban design Award, two Property Council of Australia Awards
- District energy scheme which will include 20,000 solar panels producing a capacity of 6MW to power Tonsley businesses and residents
- Tonsley Village residential works commenced on Stage 1 with apartments and townhouses under construction, road works and civil being complete
- Community connection activities occurred every Thursday within the Tonsley Pod and walking tours of the site conducted fortnightly by volunteers

The Tonsley Village residential development will continue with stage 2. A multi-deck car park will be established and precinct-wide approach to parking applied. Council will seek opportunities to engage with the State Government and key stakeholders to plan and deliver a new train station at Tonsley as an extension of the Flinders Link work.

### SMALL BUSINESS ADVISORY SERVICES

The Southern Adelaide Small Business Advisory Service was relaunched in July 2017, continuing to provide support to 274 clients in its second year of operation. The service is a partnership between the Cities of Marion and Onkaparinga and the Department of State Development (DSD). The advisory service delivered approximately 370 hours of face-to-face support to aspiring entrepreneurs and established operators. Council will continue to work regionally through the Southern Adelaide Economic Development Board to reinvigorate the Southern Adelaide Small Business Advisory Service to support start-ups and businesses with strong growth potential.

### DARLINGTON UPGRADE PROJECT

Marion and Onkaparinga Councils continued to work with the State Government and Gateway South (construction consortium) for the design and construction of the motorway. The project has achieved several milestones with the installation of two bridges over the Southern Expressway. In addition, Sturt Road and Flinders Drive bridges are nearing completion and the excavation of the sunken the motorway has commenced. The Australian and State Governments jointly funded the \$620 million project. The \$85.5 million Flinders Link rail project connecting the Tonsley train line to Flinders University. The State Government has developed 70 per cent designs for planning approvals. Construction on the rail corridor is due to commence late 2018 / early 2019 with completion of both projects by the end of 2019.

### SOUTHERN ADELAIDE ECONOMIC DEVELOPMENT BOARD

Council also supports the Southern Adelaide Economic Development Board – a joint venture between the Cities of Marion and Onkaparinga – to launch a new plan to boost investment in the south. \$200,000 in State Government funds were secured to advance projects in the areas of smart cities, hospitality & tourism, community energy and business innovation.



# INNOVATIVE

## INNOVATIVE KEY ACHIEVEMENTS

By 2040 our city will be a leader in embracing and developing new ideas and technology to create a vibrant community with opportunities for all.

### LEASE OPTIMISATION

Council renewed the Leasing and Licensing Policy to set up strong support and a collaboration model for clubs and organisations to continue to innovate their businesses. The review assisted in ensuring there is a consistent approach and leases/licenses support clubs to be sustainable and support high utilisation of Council facilities.

### ENERGY EFFICIENCY – ROLLOUT OF SOLAR PANELS

In 2017/18 energy saving actions, including installation of 410 kW of solar panels, have been implemented across the high energy-using Council-operated sites including Cooinda, Cove Civic Centre, Glandore Community Centre, Living Kurna Cultural Centre. In 2018 Council adopted an approach to fund up to 50 per cent of the purchase and installation costs of energy efficiency upgrades and solar panels for Council-owned and leased facilities. Council supports the use of the Community Facilities Partnership Program to assess and fund applications for energy efficiency upgrades and solar panels for Council owned and leased facilities. Council will coordinate the submission process and then installation. In addition an energy-efficiency and renewable energy review was completed for the Marion Leisure and Fitness Centre.

### ONLINE BOOKING SYSTEM – PILOT PROJECT

An online booking system was introduced to enable people to book and pay for hiring rooms at three Council facilities; Glandore Community Centre, Clovelly Park Hall and Cosgrove Hall. Additional functionality is currently being built to enable people to book into events at the hired space. Once this is complete, more features will be added to the system. Total project investment to date is \$95,000.

### INTRODUCTION OF ELECTRONIC DEVELOPMENT ASSESSMENT SYSTEM

The Development Services Department has implemented new electronic assessment tools that create a more efficient and responsive working environment for both staff and the customer. Applications are now processed as an electronic file which makes communication with the customer more immediate, improves records management and significantly reduces the volume of paper being used. The electronic assessment tools have also facilitated the online lodgement portal which enables our residents to lodge their development applications when it is most convenient to them.

### SMART CITIES PROGRESS

Aligned to our purpose to improve our residents' quality of life; continuously, smartly and efficiently, one of our Strategic Plan goals is a City that provides infrastructure

and support that enables innovation to flourish through technology and infrastructure opportunities.

Achievements included:

- August 2017 the Southern Adelaide Economic Development Board relaunched with a priority focusing on a 'Smart Region' which aims to foster creative thinking, emergent technology, interactive data capture and innovative use of resources for the benefit the community.

Opportunities and goals for the next 12 months include:

- July 2018 - Smart Cities and Suburb funding Round Two – application for Oaklands Smart Precinct Proposal
- Technology trials to improve service delivery.
- Embedding Smart City Principles throughout the organisation across all areas of service.
- Establishment of a Southern Adelaide Smart City Consortium bringing together education, industry and governments.

### DIGITAL ECONOMY EDUCATION

SEED (Space for Exploring Everything Digital) was launched and delivered digital literacy activities to over 3,500 people across the City of Marion, an increase of 50 per cent from 2016/17. Programs topics included Code Club, Robotics, and "getting to know your device". The SEED program in conjunction with specific small business programs promoted the value of the digital economy. Topics of programs included – How to sell on Etsy (an online market for buying and selling handcrafted products), Writing for social media, and Facebook for business.

### LED STREETLIGHT REPLACEMENT ACROSS THE CITY

Council is replacing 8,525 street lights with LED energy-efficient globes. Work began in March 2018 and 2,786 old inefficient street lights have been replaced. The remaining lights are due to be replaced by July 2019. The initiative is expected to cut energy use by 75 per cent, saving ratepayers about \$10 million over the project's 20-year span. Carbon emissions will be reduced by more than 1,600 tonnes a year. Street lighting is the largest source of greenhouse gas emissions by local government in Australia. LED lighting will improve visibility on roads and footpaths, making it safer for pedestrians and road users. SA Power Networks are installing the lights at a cost of \$3.1 million. Marion, Mitcham and Charles Sturt council's have also joined forces to become the first local government consortium in Australia to benefit from the creation and sale of Australian carbon credits from LED street lighting. Replacing the old and inefficient street lights will result in Marion Council selling up to \$11,000 worth of carbon credits each year.



CONNECTED

## CONNECTED KEY ACHIEVEMENTS

By 2040 our city will be linked by a quality road, footpath and public transport network that brings people together socially and harnesses technology to enable them to access services and facilities.

### OAKLANDS CROSSING REDEVELOPMENT

The Oaklands Crossing Grade Separation Project involves the grade separation of the road and rail networks at the northern intersection of Morphett and Diagonal Roads by a lowered rail underpass of Morphett Road, construction of a new Oaklands Railway Station, and grade separation of the Marino Rocks Greenway pedestrian and cycling shared path at Morphett Road. The project provides a minimum of 50 more car parking spaces relative to the number of car parking spaces prior to commencement of the Project. Commencement of design and construction occurred in March 2018. The \$174.3 million project is being jointly funded by the Australian Government - \$95 million, the State Government - \$74 million and the City of Marion contributing \$5 million in principle. Construction is expected to be completed by the end of 2019.

### SOCIAL MEDIA COMMUNICATIONS AND ENGAGEMENT

Facebook, Instagram and Twitter were used to keep the community informed about services, events and activities. Social media proved successful in encouraging community engagement and feedback on a range of projects, including designs for parks and facilities. Council's campaign to End Dumped Trolleys involved the community in sharing photographs of abandoned trolleys and lending their voice to the issue. Social media played a leading role by enabling us to provide up-to-date information and solve enquiries. Next financial year Council will continue to grow our social media engagement, with a particular focus on high quality visual content, including increased use of video and photography to help inform customers about Council's services, community facilities and events.

### UPGRADED COUNCIL WEBSITE

Council designed, built and launched a new website to improve service to the community. The website's appearance and features were developed following extensive community consultation. New features include a powerful search function, easy to navigate menu structure and a mapping system. The user-friendly design includes quick links to key services, including libraries, waste collection and development applications. People can easily locate restaurants, attractions and shops and view park listings, including details of playground equipment. An events calendar lists local arts, fitness, educational and environmental activities. Community groups can add events without charge and the payments system has been simplified. Rolling social media feeds were also added to enable people to stay in touch with the latest news about Council projects.

### WIFI ROLLOUT TO KEY COUNCIL FACILITIES

Increased public Wi-Fi services have been connected and are now available at Glandore Community Centre, Trott Park Neighbourhood Centre, Living Kurna Cultural Centre and Marion Outdoor Pool. These initiatives will improve access for our community visiting these venues.

### CUSTOMER EXPERIENCE CHARTER

The City of Marion launched its first customer charter committing the organisation to delivering the best service to the community. Launched in September 2017, the charter aims to improve the quality of life for residents – continuously, smartly and efficiently. The charter outlines the standard of service people can expect. This included being treated in a friendly, professional manner. It commits the organisation to delivering on what is promised, and keeping people informed of progress. The charter includes a commitment to finding creative solutions to problems and seeing things from the community's point of view.

### CAPITAL WORKS PROGRAM FOR ROADS

A condition audit of Council's entire road network was undertaken and used to develop a five-year forward works program. The audit was used to model the performance of the road network and optimise existing funding to inform pavement management strategies. During 2017/18, the City of Marion resealed over 150,000 m<sup>2</sup> of road including road reconstruction treatments and resurfacing works.

### GLANDORE LANEWAYS

Council has acquired ownership of privately-owned laneways in Glandore and made them public roads. The laneways have been named 'Frederick Lane' and 'Burmeister Lane'. The laneways have undergone a significant transformation including relocation of fence lines and some privately-owned structures. This helped facilitate improved turning movements and access. The previously unsealed road surface has been upgraded to a concrete pavement. Street lighting has been installed to improve safety and drainage works have been completed to improve stormwater management.

### COVE HUB PROGRAM - TO BUILD CAPACITY OF SMALL BUSINESS IN SOUTHERN MARION

The Cove Business Hub continued its program of events and workshops designed to support start-ups and small businesses in the region. The Hub hosted 40 programs with over 640 registrations, an increase of 66 per cent on the previous year. Cove Civic Centre also hosted three markets, bringing in an additional 2000 people to the centre. In the next 12 months, the Civic Centre will again host its Cove Christmas Markets and will continue to deliver a varied program of events and activities to support the southern business community.

# City of Marion

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2018

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## City of Marion

### General Purpose Financial Statements for the year ended 30 June 2018

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## City of Marion

### General Purpose Financial Statements for the year ended 30 June 2018

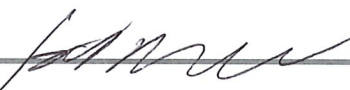
### Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

  
\_\_\_\_\_  
Adrian Skull  
**CHIEF EXECUTIVE OFFICER**

  
\_\_\_\_\_  
Kris Hanna  
**MAYOR**  
9.10.18

Date: 9.10.18

## City of Marion

## Statement of Comprehensive Income

for the year ended 30 June 2018

\$ '000	Notes	2018	2017
<b>Income</b>			
Rates Revenues	2a	74,864	72,591
Statutory Charges	2b	2,305	1,879
User Charges	2c	2,250	1,949
Grants, Subsidies and Contributions	2g	9,954	9,242
Investment Income	2d	1,112	929
Reimbursements	2e	654	691
Other Income	2f	894	479
Net Gain - Equity Accounted Council Businesses	19	533	413
<b>Total Income</b>		<b>92,566</b>	<b>88,173</b>
<b>Expenses</b>			
Employee Costs	3a	33,274	32,221
Materials, Contracts & Other Expenses	3b	30,844	26,783
Depreciation, Amortisation & Impairment	3c	16,991	16,870
Finance Costs	3d	541	613
Net loss - Equity Accounted Council Businesses	19	12	13
<b>Total Expenses</b>		<b>81,662</b>	<b>76,500</b>
<b>Operating Surplus / (Deficit)</b>		<b>10,904</b>	<b>11,673</b>
Asset Disposal & Fair Value Adjustments	4	(1,311)	(1,226)
Amounts Received Specifically for New or Upgraded Assets	2g	1,522	2,524
Physical Resources Received Free of Charge	2i	131	439
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>11,246</b>	<b>13,410</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	(4,922)	29,324
<b>Total Other Comprehensive Income</b>		<b>(4,922)</b>	<b>29,324</b>
<b>Total Comprehensive Income</b>		<b>6,324</b>	<b>42,734</b>

<sup>1</sup> Transferred to Statement of Changes in Equity

## City of Marion

## Statement of Financial Position

as at 30 June 2018

\$ '000	Notes	2018	2017
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	21,509	29,913
Trade & Other Receivables	5b	5,878	5,840
Other Financial Assets	5c	27,450	11,900
Inventories	5d	227	248
<b>Total Current Assets</b>		<b>55,064</b>	<b>47,901</b>
<b>Non-Current Assets</b>			
Equity Accounted Investments in Council Businesses	6a	5,815	6,059
Infrastructure, Property, Plant & Equipment	7a	1,132,532	1,135,662
Other Non-Current Assets	6b	6,826	5,202
<b>Total Non-Current Assets</b>		<b>1,145,173</b>	<b>1,146,923</b>
<b>TOTAL ASSETS</b>		<b>1,200,237</b>	<b>1,194,824</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	10,339	10,235
Borrowings	8b	1,100	1,197
Provisions	8c	5,422	5,239
<b>Total Current Liabilities</b>		<b>16,861</b>	<b>16,671</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	6,805	7,905
Provisions	8c	700	701
<b>Total Non-Current Liabilities</b>		<b>7,505</b>	<b>8,606</b>
<b>TOTAL LIABILITIES</b>		<b>24,366</b>	<b>25,277</b>
<b>Net Assets</b>		<b>1,175,871</b>	<b>1,169,547</b>
<b>EQUITY</b>			
Accumulated Surplus		380,504	373,871
Asset Revaluation Reserves	9a	760,237	765,159
Other Reserves	9b	35,130	30,517
<b>Total Council Equity</b>		<b>1,175,871</b>	<b>1,169,547</b>

## City of Marion

Statement of Changes in Equity  
for the year ended 30 June 2018

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
<b>2018</b>					
<b>Balance at the end of previous reporting period</b>		373,871	765,159	30,517	<b>1,169,547</b>
<b>a. Net Surplus / (Deficit) for Year</b>		11,246	-	-	<b>11,246</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	9a	-	(4,922)	-	<b>(4,922)</b>
<b>Other Comprehensive Income</b>		-	(4,922)	-	<b>(4,922)</b>
<b>Total Comprehensive Income</b>		<b>11,246</b>	<b>(4,922)</b>	<b>-</b>	<b>6,324</b>
<b>c. Transfers between Reserves</b>		(4,613)	-	4,613	-
<b>Balance at the end of period</b>		<b>380,504</b>	<b>760,237</b>	<b>35,130</b>	<b>1,175,871</b>
<b>2017</b>					
<b>Balance at the end of previous reporting period</b>		369,211	735,835	21,767	<b>1,126,813</b>
<b>a. Net Surplus / (Deficit) for Year</b>		13,410	-	-	<b>13,410</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	9a	-	29,324	-	<b>29,324</b>
<b>Other Comprehensive Income</b>		-	29,324	-	<b>29,324</b>
<b>Total Comprehensive Income</b>		<b>13,410</b>	<b>29,324</b>	<b>-</b>	<b>42,734</b>
<b>c. Transfers between Reserves</b>		(8,750)	-	8,750	-
<b>Balance at the end of period</b>		<b>373,871</b>	<b>765,159</b>	<b>30,517</b>	<b>1,169,547</b>

## City of Marion

## Statement of Cash Flows

for the year ended 30 June 2018

\$ '000	Notes	2018	2017
<b>Cash Flows from Operating Activities</b>			
<b><u>Receipts</u></b>			
Rates Receipts		74,602	72,393
Statutory Charges		2,335	1,888
User Charges		2,475	2,013
Grants, Subsidies and Contributions (operating purpose)		10,222	9,377
Investment Receipts		1,112	929
Reimbursements		711	725
Other Receipts		5,665	3,555
<b><u>Payments</u></b>			
Payments to Employees		(33,446)	(32,423)
Payments for Materials, Contracts & Other Expenses		(35,993)	(26,707)
Finance Payments		(541)	(613)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>27,142</b>	<b>31,137</b>
<b>Cash Flows from Investing Activities</b>			
<b><u>Receipts</u></b>			
Amounts Received Specifically for New/Upgraded Assets		1,522	2,524
Sale of Replaced Assets		529	2,049
Sale of Surplus Assets		318	363
Distributions Received from Equity Accounted Council Businesses		765	-
<b><u>Payments</u></b>			
Expenditure on Renewal/Replacement of Assets		(13,223)	(12,675)
Expenditure on New/Upgraded Assets		(8,687)	(4,931)
Net Purchase of Investment Securities		(15,550)	(3,700)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(34,326)</b>	<b>(16,370)</b>
<b>Cash Flows from Financing Activities</b>			
<b><u>Receipts</u></b>			
Proceeds from Bonds & Deposits		-	3
<b><u>Payments</u></b>			
Repayments of Borrowings		(1,197)	(1,126)
Repayment of Bonds & Deposits		(23)	(2)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(1,220)</b>	<b>(1,125)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(8,404)</b>	<b>13,642</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11a	<b>29,913</b>	<b>16,271</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	11a	<b>21,509</b>	<b>29,913</b>

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 31 May 2018.

##### 1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

##### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

##### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

#### 2 The Local Government Reporting Entity

City of Marion is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 245 Sturt Road, Sturt. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Other entities in which Council has an interest but does not control are reported in Note 19.

#### 3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2015/16	\$1,278,810	\$2,715,629	-\$1,436,819
2016/17	\$4,091,214	\$2,700,069	+\$1,391,145
2017/18	\$3,399,489	\$3,269,242	+\$130,247

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

#### 4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

#### 5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

#### 6 Infrastructure, Property, Plant & Equipment

##### 6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

##### 6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Category	Individual Threshold
Infrastructure	\$5,000
Land	N/a
Land Improvements	\$5,000
Buildings	\$5,000
Furniture and Fittings	\$3,000
Equipment	\$3,000
Other	\$3,000

Thresholds are also applied to Aggregated Assets in determining whether the value is considered material.

Category	Aggregated Threshold
Infrastructure	
Reserve Lighting	\$250,000
Reserve Pathways	\$500,000
Buildings	
Bus Shelters	\$1,000,000
Shelters/Gazebos	\$250,000
Fencing	\$500,000

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

Furniture and Fittings	\$25,000
Equipment	
Irrigation	\$1,000,000
LED Lighting	\$1,000,000
Other	
BBQs	\$250,000
Reserve Furniture	\$500,000
Drink Fountains	\$50,000
Reserve Bollards	\$250,000
Reserve Bins	\$100,000
City Band Instruments	\$100,000
Council Artwork	\$100,000

#### 6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

#### 6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

	Short Life Years	Long Life Years
<b><i>Furniture &amp; Equipment</i></b>		
Office Equipment	3 to 10	N/a
Office Furniture	15	N/a
Vehicles and Heavy Equipment	3 to 15	N/a
Other Plant & Equipment	7 to 25	N/a
LED Lighting	50	N/a
Irrigation – Equipment	10	N/a
Irrigation - Pipework	60	N/a
<b><i>Buildings</i></b>		
Sub Structure	N/a	80 to 200
Super Structure	40 to 80	N/a
Roofing	40	N/a
Services	40 to 50	N/a
Fitout	30 years	N/a
<b><i>Infrastructure</i></b>		
Sealed Roads – Surface	25 to 40	N/a
Road Base	60 to 100	200
Road Formation	200	N/a
Kerb	70 - 105	200
Footpath – Bitumen/Rubber	20 to 40	60 to 100
Footpath – Concrete	50 to 85	N/a
Footpath – Paved	50 to 85	N/a
Other Road Structures	20 to 100	20 to 40
Traffic Signs	15 to 20	N/a
Bridges	80 to 140	200
Stormwater Pipes Concrete	100 to 175	200
Stormwater Pipes PVC	60 to 100	N/a
Stormwater Pipes Ribloc	60 to 100	200
Junction Boxes	100 to 175	200
Pollutant Traps	100 to 175	200
Box Culverts	100 to 175	200
Headwalls	100 to 175	200
Drainage Pits	100 to 175	200
<b><i>Other Infrastructure</i></b>		
Wetland Assets	15-100	250 years
Car Parks	25 to 40	N/a
Lighting	15-25	N/a
Recreation Pathways	30-40	N/a
Sports Floodlights	25	N/a

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

<i>Other Assets</i>		
Playground Equipment	20	N/a
Reserve Furniture	25	N/a
Band Instruments	30	N/a
Civic Art Structures	15 to 80	N/a

#### 6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

#### 6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

#### 7 Payables

##### 7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

#### 7.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

#### 8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

#### 9 Employee Benefits

##### 9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

##### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

applied and Council's involvement with the schemes are reported in Note 18.

#### 10 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

#### 11 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

#### 12 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.

- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

#### 13 New accounting standards and interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

City of Marion has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

***The standards are not expected to have a material impact upon Council's future financial statements are:***

#### **Effective for annual reporting periods beginning on or after 1 January 2017**

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

#### **Effective for annual reporting periods beginning on or after 1 January 2018**

- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2017-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 4*

#### Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 1059 *Service Concession Arrangements: Grantors (Appendix D)*

#### 15 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

#### 14 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 2. Income

\$ '000	Notes	2018	2017
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		74,161	71,746
Less: Mandatory Rebates		(1,357)	(1,060)
Less: Discretionary Rebates, Remissions & Write Offs		(3)	(7)
<b>Total General Rates</b>		<b>72,801</b>	<b>70,679</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		1,801	1,666
<b>Total Other Rates</b>		<b>1,801</b>	<b>1,666</b>
<b>Other Charges</b>			
Penalties for Late Payment		262	246
<b>Total Other Charges</b>		<b>262</b>	<b>246</b>
<b>Total Rates Revenues</b>		<b>74,864</b>	<b>72,591</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		899	810
Town Planning Fees		74	86
Animal Registration Fees & Fines		531	465
Parking Fines / Expiation Fees		801	518
<b>Total Statutory Charges</b>		<b>2,305</b>	<b>1,879</b>
<b>(c). User Charges</b>			
Hall & Equipment Hire		285	256
Sales - General		373	297
Sundry		887	785
Admission Fees		460	380
Rental Income		245	231
<b>Total User Charges</b>		<b>2,250</b>	<b>1,949</b>

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 2. Income (continued)

\$ '000	Notes	2018	2017
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		1,103	924
- Banks & Other		9	5
<b>Total Investment Income</b>		<b>1,112</b>	<b>929</b>
<b>(e). Reimbursements</b>			
Private Works		250	171
Other		404	520
<b>Total Reimbursements</b>		<b>654</b>	<b>691</b>
<b>(f). Other Income</b>			
Insurance & Other Recoupments - Infrastructure, IPP&E		175	31
Sundry		145	124
Donations & Contributions income		574	324
<b>Total Other Income</b>		<b>894</b>	<b>479</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		1,522	2,524
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>1,522</b>	<b>2,524</b>
Other Grants, Subsidies and Contributions		8,433	7,851
Individually Significant Item - Additional Grants Commission Payment (refer below)		1,521	1,391
<b>Total Other Grants, Subsidies and Contributions</b>		<b>9,954</b>	<b>9,242</b>
<b>Total Grants, Subsidies, Contributions</b>		<b>11,476</b>	<b>11,766</b>
The functions to which these grants relate are shown in Note 12.			
<b>(i) Sources of grants</b>			
Commonwealth Government		4,256	3,613
State Government		7,133	7,956
Other		87	197
<b>Total</b>		<b>11,476</b>	<b>11,766</b>
<b>(ii) Individually Significant Items</b>			
Grant Commission (FAG) Grant Recognised as Income		1,521	1,391

2018 : In June 2018, Council received payment of the first two instalments of the 2018/19 Grants Commission Financial Assistance Grants. This was offset by the 2017/18 Grants Commission payment received in June 2017.

2017: In June 2017, Council received payment of the first two instalments of the 2017/18 Grants Commission Financial Assistance Grants. This has had a material effect on Council's operating result in the 2016/17 financial year.

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## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 2. Income (continued)

\$ '000	Notes	2018	2017
<b>(h). Conditions over Grants &amp; Contributions</b>			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
<b>Unexpended at the close of the previous reporting period</b>		2,839	1,245
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Other		(443)	(835)
<b>Subtotal</b>		<b>(443)</b>	<b>(835)</b>
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Other		1,632	2,429
<b>Subtotal</b>		<b>1,632</b>	<b>2,429</b>
<b>Unexpended at the close of this reporting period</b>		<b>4,028</b>	<b>2,839</b>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>		<b>1,189</b>	<b>1,594</b>
<b>(i). Physical Resources Received Free of Charge</b>			
Land & Improvements		-	264
Roads, Bridges & Footpaths		112	83
Stormwater Drainage		12	68
Buildings		-	23
Other		7	1
<b>Total Physical Resources Received Free of Charge</b>		<b>131</b>	<b>439</b>

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 3. Expenses

\$ '000	Notes	2018	2017
<b>(a). Employee Costs</b>			
Salaries and Wages		28,259	27,408
Employee Leave Expense		2,571	2,609
Superannuation - Defined Contribution Plan Contributions	18	2,540	2,488
Workers' Compensation Insurance		806	890
Less: Capitalised and Distributed Costs		(902)	(1,174)
<b>Total Operating Employee Costs</b>		<b>33,274</b>	<b>32,221</b>
Total Number of Employees (full time equivalent at end of reporting period)		360	344
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		34	37
Bad and Doubtful Debts		3	-
Elected Members' Expenses		329	340
Operating Lease Rentals - Cancellable Leases		483	450
<b>Subtotal - Prescribed Expenses</b>		<b>849</b>	<b>827</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		14,022	12,770
Energy		2,022	1,815
Maintenance		3,046	2,014
Legal Expenses		249	180
Levies Paid to Government - NRM levy		1,799	1,683
Levies - Other		174	160
Parts, Accessories & Consumables		3,031	2,681
Professional Services		1,342	977
Sundry		2,485	1,826
Insurance		521	627
Fringe Benefits Tax		181	215
Advertising		138	103
Printing & Postage		333	331
Memberships & Subscriptions		260	209
Bank Fees & Charges		200	203
Telecommunication Charges		192	162
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>29,995</b>	<b>25,956</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>30,844</b>	<b>26,783</b>

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 3. Expenses (continued)

\$ '000	Notes	2018	2017
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings & Other Structures		4,884	4,927
Infrastructure		8,493	8,361
- Other		1,409	1,380
Plant & Equipment		1,210	1,260
Furniture & Fittings		77	76
Intangible Assets		58	54
Other Assets		965	954
<b>Subtotal</b>		<b>17,096</b>	<b>17,012</b>
Less: Capitalised and Distributed costs		(105)	(142)
<b>Total Depreciation, Amortisation and Impairment</b>		<b>16,991</b>	<b>16,870</b>
<b>(d). Finance Costs</b>			
Interest on Loans		541	613
<b>Total Finance Costs</b>		<b>541</b>	<b>613</b>

## Note 4. Asset Disposal &amp; Fair Value Adjustments

<b>Infrastructure, Property, Plant &amp; Equipment</b>			
<b>(i) Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		688	2,412
Less: Carrying Amount of Assets Sold		(2,053)	(3,638)
<b>Gain (Loss) on Disposal</b>		<b>(1,365)</b>	<b>(1,226)</b>
<b>(ii) Assets Surplus to Requirements</b>			
Proceeds from Disposal		159	-
Less: Carrying Amount of Assets Sold		(105)	-
<b>Gain (Loss) on Disposal</b>		<b>54</b>	<b>-</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		<b>(1,311)</b>	<b>(1,226)</b>

## Note 5. Current Assets

<b>(a). Cash &amp; Cash Equivalents</b>			
Cash on Hand at Bank		309	213
Short Term Deposits & Bills, etc.		21,200	29,700
<b>Total Cash &amp; Cash Equivalents</b>		<b>21,509</b>	<b>29,913</b>

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 5. Current Assets (continued)

\$ '000	Notes	2018	2017
<b>(b). Trade &amp; Other Receivables</b>			
Rates - General & Other		2,315	2,065
Rates Postponed for State Seniors		159	145
Accrued Revenues		328	467
Debtors - General		1,501	1,463
GST Recoupment		988	1,064
Prepayments		587	636
<b>Total Trade &amp; Other Receivables</b>		<b>5,878</b>	<b>5,840</b>

**(c). Other Financial Assets (Investments)**

Other Financial Assets (Term Deposits with over 90 days to maturity)		27,450	11,900
<b>Total Other Financial Assets (Investments)</b>		<b>27,450</b>	<b>11,900</b>

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13

**(d). Inventories**

Stores & Materials		227	248
<b>Total Inventories</b>		<b>227</b>	<b>248</b>

## Note 6. Non-Current Assets

**(a). Equity Accounted Investments in Council Businesses**

Southern Region Waste Resource Authority	19	5,739	5,971
Council Solutions	19	76	88
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>5,815</b>	<b>6,059</b>

**(b). Other Non-Current Assets**

Capital Works-in-Progress		6,660	4,978
Computer Software & Licences		1,178	1,238
Less Accumulated Amortisation		(1,012)	(1,014)
<b>Total Other Non-Current Assets</b>		<b>6,826</b>	<b>5,202</b>

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 7a (i). Infrastructure, Property, Plant &amp; Equipment

\$ '000	Fair Value Level	as at 30/6/2017					Asset Movements during the Reporting Period							as at 30/6/2018				
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals								Dep'n	Impairment	
Land	2	357,491	2,653	-	-	360,144	-	-	-	-	-	(8,149)	-	351,995	-	-	-	351,995
Buildings & Other Structures	3	136,341	27,436	80,571	-	83,206	2,256	925	(1,060)	(4,884)	-	-	25,625	168,688	2,399	65,019	-	106,068
Infrastructure	3	741,028	4,562	105,764	-	639,826	2,072	7,161	-	(8,493)	-	(21,961)	-	756,151	2,055	139,601	-	618,605
- Other	3	46,771	6,410	15,938	-	37,243	3,092	944	(548)	(1,409)	(4,538)	(1,004)	-	42,819	3,164	12,203	-	33,780
Plant & Equipment		-	13,687	7,197	-	6,490	1,390	2,036	(536)	(1,210)	4,538	-	-	-	21,872	9,164	-	12,708
Furniture & Fittings		-	1,734	892	-	842	7	35	-	(77)	-	-	-	-	1,774	967	-	807
Other Assets		13,295	1,938	7,322	-	7,911	637	433	(14)	(965)	-	-	567	11,290	537	3,258	-	8,569
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>1,294,926</b>	<b>58,420</b>	<b>217,684</b>	<b>-</b>	<b>1,135,662</b>	<b>9,454</b>	<b>11,534</b>	<b>(2,158)</b>	<b>(17,038)</b>	<b>-</b>	<b>(31,114)</b>	<b>26,192</b>	<b>1,330,943</b>	<b>31,801</b>	<b>230,212</b>	<b>-</b>	<b>1,132,532</b>
<b>Comparatives</b>		<b>1,275,378</b>	<b>51,136</b>	<b>214,856</b>	<b>-</b>	<b>1,111,658</b>	<b>4,195</b>	<b>11,081</b>	<b>(3,638)</b>	<b>(16,958)</b>	<b>-</b>	<b>-</b>	<b>29,324</b>	<b>1,294,926</b>	<b>58,420</b>	<b>217,684</b>	<b>-</b>	<b>1,135,662</b>

## Note 7a (ii). Investment Property

Nil

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

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##### Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

##### Information on Valuations

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

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##### Valuation of Assets (continued)

##### Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are restated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

##### Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

##### Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Fair value hierarchy level 2 valuations: Land is shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

*Fair value hierarchy level 3 valuations of valuations of buildings, infrastructure and other assets* : There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

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##### Valuation of Assets (continued)

##### Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. A comprehensive revaluation was carried out by independent valuation for the reporting period, 30 June 2018.

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis. Additions are recognised at cost.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset. Currently there are no assets that require this treatment.

##### Buildings & Other Structures

A comprehensive revaluation was carried out by independent valuation for this reporting period, 30 June 2018.

##### Infrastructure

A comprehensive revaluation of infrastructure assets (roads, footpaths, kerbs, drains, bridges, traffic devices and traffic signs) was carried out by independent valuation for this reporting period, 30 June 2018.

A comprehensive revaluation was carried out by independent valuation for this reporting period, 30 June 2018 for other infrastructure assets such as car parks, lighting, walking trails and reserve pathways

All acquisitions made after the respective dates of valuation are recorded at cost.

##### Plant, Furniture & Equipment

These assets are recognised on the cost basis.

##### All other Assets

A comprehensive revaluation was carried out by independent valuation for this reporting period, 30 June 2018.

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 8. Liabilities

		2018	2018	2017	2017
\$ '000	Notes	Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		9,537	-	9,451	-
Payments Received in Advance		21	-	-	-
Accrued Expenses - Employee Entitlements		744	-	737	-
Accrued Expenses - Other		18	-	20	-
Deposits, Retentions & Bonds		-	-	23	-
Other		19	-	4	-
Total Trade and Other Payables		10,339	-	10,235	-

**(b). Borrowings**

Loans	1,100	6,805	1,197	7,905
<b>Total Borrowings</b>	<b>1,100</b>	<b>6,805</b>	<b>1,197</b>	<b>7,905</b>

All interest bearing liabilities are secured over the future revenues of the Council

**(c). Provisions**

Employee Entitlements (including oncosts)	5,422	700	5,239	701
<b>Total Provisions</b>	<b>5,422</b>	<b>700</b>	<b>5,239</b>	<b>701</b>

## Note 9. Reserves

\$ '000	1/7/2017	Increments (Decrements)	Transfers	Impairments	30/6/2018
<b>(a). Asset Revaluation Reserve</b>					
Land	258,845	(8,149)	-	-	250,696
Buildings & Other Structures	59,250	25,625	-	-	84,875
Infrastructure	25,857	(21,961)	-	-	3,896
- Stormwater Drainage	97,742	-	-	-	97,742
- Other	1,302	(1,004)	-	-	298
- Roads, Bridges, Footpaths	318,547	-	-	-	318,547
Other Assets	4,506	567	-	-	5,073
JV's / Associates - Other Comprehensive Income	(890)	-	-	-	(890)
<b>Total Asset Revaluation Reserve</b>	<b>765,159</b>	<b>(4,922)</b>	<b>-</b>	<b>-</b>	<b>760,237</b>
<b>Comparatives</b>	<b>735,835</b>	<b>29,324</b>	<b>-</b>	<b>-</b>	<b>765,159</b>

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 9. Reserves (continued)

\$ '000	1/7/2017	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2018
<b>(b). Other Reserves</b>					
Open Space Reserve	1,188	53	(23)	-	1,218
Grants/Carry Forward Projects Reserve	13,698	11,077	(12,519)	-	12,256
Asset Sustainability Reserve	15,631	8,098	(2,073)	-	21,656
<b>Total Other Reserves</b>	<b>30,517</b>	<b>19,228</b>	<b>(14,615)</b>	<b>-</b>	<b>35,130</b>
<b>Comparatives</b>	<b>21,767</b>	<b>15,929</b>	<b>(7,179)</b>	<b>-</b>	<b>30,517</b>

#### PURPOSES OF RESERVES

##### Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

##### Open Space Reserve

Purpose - this reserve has been established to account for the following:

- I. set aside open space contributions provided by developers in accordance with the Development Act (conditions may apply)
- II. separate net proceeds associated with Road Closures.
- III. net proceeds associated with disposal of minor land holdings
- IV. funds received from the 'Urban Trees Fund'

Use of Fund - monies can be applied to the development of Open Space facilities as approved by Council and in accordance with the Open Space Policy (pending). Interest revenues earned on contributions provided by developer are transferred to the Fund.

##### Grants/Carry Forward Projects Reserve

Purpose - this reserve was created for:

*Grants received in advance* - occasionally a funding body has provided Grant funds relating to the following financial year in advance. When this has occurred, it has been necessary to transfer these funds to this reserve so that they can be matched against the expenditures planned to be incurred in the next financial year.

*Unexpended Grants* - when grant monies have not been fully acquitted in the financial year this reserve is used to transfer the unexpended balance to the following year.

*Carryovers* - typically represents unspent capital and service improvements budgets carried forward to the following financial year.

*Use of Fund* - monies are utilised in accordance with the original purpose.

## City of Marion

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

#### Note 9. Reserves (continued)

##### Asset Sustainability Reserve

Purpose - this is a reserve fund established to:

- I. Primary Purpose – Provide Council with the ability to access sufficient funds to enable it to respond to a major infrastructure failure or fund an infrastructure gap identified in periodic asset audits. A minimum balance of \$2 million will be retained in the Asset Sustainability Reserve for this purpose.
- II. Assist Council fund its Long Term Asset Management objectives.
- III. Provide a means by which to spread the cost of intergenerational assets thereby reducing the need for borrowing
- IV. Provide a means by which Council can strategically plan to maintain its asset base within a long term Financial framework.
- V. Quarantine funds specifically set aside in the Community Facilities Partnership Program (CFPP) for the purpose of funding the renewal, upgrade and purchase of Council assets as resolved by Council. This will include encouraging organisations leasing council facilities to seek partnership funding for required renewal and upgrade of those community facilities.

The Asset Sustainability Reserve will be funded from planned surpluses identified in the Long Term Financial Plan (LTFP) and from funds specifically set aside for the CFPP in the LTFP.

Use of Fund - Reserve transfers will be controlled by specific Council resolutions or identified as part of the approved annual Strategic Plan and Budget.

#### Note 10. Assets Subject to Restrictions

\$ '000	Notes	2018	2017
<p>The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.</p>			
<b>Cash &amp; Financial Assets</b>			
<b>Unexpended amounts received from Federal Government</b>			
Other		4,028	2,839
<b>Total Cash &amp; Financial Assets</b>		<b>4,028</b>	<b>2,839</b>
<b>Total Assets Subject to Externally Imposed Restrictions</b>		<b>4,028</b>	<b>2,839</b>

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2018	2017
<b>(a). Reconciliation of Cash</b>			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	21,509	29,913
<b>Balances per Statement of Cash Flows</b>		<b>21,509</b>	<b>29,913</b>
<b>(b). Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
<b>Net Surplus/(Deficit)</b>		<b>11,246</b>	<b>13,410</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		16,991	16,870
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(521)	(400)
Non-Cash Asset Acquisitions		(131)	(439)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,522)	(2,524)
Net (Gain) Loss on Disposals		1,311	1,226
Other		2	-
		<b>27,376</b>	<b>28,143</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		(38)	(1,086)
Net (Increase)/Decrease in Inventories		21	(72)
Net (Increase)/Decrease in Other Current Assets		58	(4)
Net Increase/(Decrease) in Trade & Other Payables		(457)	4,152
Net Increase/(Decrease) in Unpaid Employee Benefits		182	4
<b>Net Cash provided by (or used in) operations</b>		<b>27,142</b>	<b>31,137</b>
<b>(c). Non-Cash Financing and Investing Activities</b>			
<b>Acquisition of assets by means of:</b>			
- Physical Resources Received Free of Charge	2i	131	439
<b>Amounts recognised in Income Statement</b>		<b>131</b>	<b>439</b>
<b>Total Non-Cash Financing &amp; Investing Activities</b>		<b>131</b>	<b>439</b>
<b>(d). Financing Arrangements</b>			
<b>Unrestricted access was available at balance date to the following lines of credit:</b>			
Corporate Credit Cards		75	75
LGFA Cash Advance Debenture Facility		11,000	11,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short-term draw-down facility, and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017
<b>\$ '000</b>										
<b>Leader in the Delivery of the Community Vision</b>										
Development Assessment	1,042	1,086	3,823	3,669	(2,781)	(2,583)	-	3	-	-
Crime Prevention	1	1	388	390	(387)	(389)	-	-	-	-
Community Support & Development	5,269	3,404	10,130	9,701	(4,861)	(6,297)	3,399	1,999	116,030	115,560
Public & Environment Health	87	90	895	843	(808)	(753)	35	38	-	-
General Inspection	1,359	1,011	1,610	1,589	(251)	(578)	-	1	-	-
Public Infrastructure	3,503	3,713	18,988	18,132	(15,485)	(14,419)	2,910	3,319	676,208	707,144
Open Space	711	260	13,288	12,000	(12,577)	(11,740)	468	59	290,111	264,162
Public Conveniences	3	2	607	516	(604)	(514)	-	-	3,172	3,005
Strategic Projects	182	25	1,356	1,276	(1,174)	(1,251)	-	21	-	1
Asset Management	-	-	-	-	-	-	-	-	15,967	17,492
Neighbourhood Centres	778	640	2,481	2,480	(1,703)	(1,840)	521	382	7,820	6,882
Cultural Development	353	311	3,453	3,371	(3,100)	(3,060)	2	24	14,852	11,129
Libraries	675	700	7,483	7,518	(6,808)	(6,818)	558	547	14,612	14,581
Waste & Recycling	96	56	7,956	7,525	(7,860)	(7,469)	9	3	5,739	5,972
Economic Development	195	204	1,002	749	(807)	(545)	200	160	-	-
<b>Total Leader in the Delivery of the Community Vision</b>	<b>14,302</b>	<b>11,503</b>	<b>74,865</b>	<b>69,759</b>	<b>(60,563)</b>	<b>(58,256)</b>	<b>8,102</b>	<b>6,556</b>	<b>1,144,511</b>	<b>1,145,928</b>
<b>Organisation of Excellence</b>										
Governance	1	89	4,191	4,130	(4,190)	(4,041)	-	1	-	2
Service Quality	-	1	168	136	(168)	(135)	-	-	589	578
<b>Total Organisation of Excellence</b>	<b>1</b>	<b>90</b>	<b>4,359</b>	<b>4,266</b>	<b>(4,358)</b>	<b>(4,176)</b>	<b>-</b>	<b>1</b>	<b>589</b>	<b>580</b>
<b>Treasury</b>	<b>77,730</b>	<b>76,167</b>	<b>2,426</b>	<b>2,462</b>	<b>75,304</b>	<b>73,705</b>	<b>1,852</b>	<b>2,685</b>	<b>55,137</b>	<b>48,316</b>
<b>Total Functions/Activities</b>	<b>92,033</b>	<b>87,760</b>	<b>81,650</b>	<b>76,487</b>	<b>10,383</b>	<b>11,273</b>	<b>9,954</b>	<b>9,242</b>	<b>1,200,237</b>	<b>1,194,824</b>

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 12b. Components of Functions

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**The activities relating to Council functions are as follows:**

#### **Leader in the Delivery of the Community Vision – “Broad Horizons, Bright Future”**

##### **PUBLIC INFRASTRUCTURE**

Includes the design, development and maintenance of footpaths, streets, drainage and kerb and water table, as well as street signs, traffic control devices and line-marking ensuring that local neighbourhoods are safe and accessible with good amenity

##### **WASTE & RECYCLING**

Services including domestic kerbside collection, hard rubbish collection, street sweeping and general litter collection to maintain cleanliness and amenity

##### **OPEN SPACE**

Parks, reserves, ovals and streetscape development and maintenance providing well maintained public spaces for use by all members of the community

##### **LIBRARIES**

Providing opportunities for learning and social activities for all ages and interests

##### **ASSET MANAGEMENT**

Management and maintenance of Council properties enabling them to be utilised by members of the community for various purposes such as meetings, social activities and programs

##### **COMMUNITY SUPPORT & DEVELOPMENT**

Services such as home and community care, youth services, support for volunteers and community transport providing direct support to groups within the community

##### **COMMUNITY DEVELOPMENT**

Recreation, sport and leisure facilities, services and activities that provide opportunities for community members to socialise and undertake physical activity

##### **DEVELOPMENT ASSESSMENT**

Building and planning services which ensure that houses are safely constructed and designed and developed in a manner which is sympathetic to the local neighbourhood

##### **CULTURAL DEVELOPMENT**

Supporting community involvement in arts and cultural activity and expression, celebrating diversity, indigenous people and those from culturally and linguistically diverse backgrounds. This includes the Marion Cultural Centre and Living Kurna Cultural Centre providing cultural and artistic experiences for the community

##### **TREES**

Provision of street trees and revegetation programs to improve amenity and promote, where possible, the use of indigenous plants

##### **NEIGHBOURHOOD CENTRES**

Providing opportunities for learning and social activities for all ages and interests

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 12b. Components of Functions (continued)

##### **PUBLIC & ENVIRONMENTAL HEALTH**

Services such as food safety and public health inspections, immunisation and enforcement of certain environmental regulations as well as Planning, information, advice and demonstration to promote environmentally sensitive practices by both Council and the community

##### **ECONOMIC DEVELOPMENT**

Planning and support for existing and potential businesses to assist businesses to adapt to changing circumstance and provide an employment base for the Marion community

##### **STRATEGIC PROJECTS**

Major projects such as the Marion South Plan and State Aquatic Centre aimed at providing improved services and facilities for the Community

##### **CRIME PREVENTION**

Services such as graffiti removal and working with other agencies to improve the safety and amenity of the community

##### **GENERAL INSPECTION**

Services include dog and cat control, pest control, parking control and the enforcement of by-laws to ensure that the community is safe and orderly

##### **PUBLIC CONVENIENCES**

Services such as provision and maintenance of public toilets in close proximity to highly frequented reserves and other open space areas

##### **Organisation of Excellence**

To lead in the delivery of the Community Vision, the organisation must maintain its sustainability. This underpins our Corporate Vision of "An Organisation of Excellence". To achieve this, the following essential support services are funded in the budget.

##### **Excellence in Governance**

###### **Elected Member Support**

Provision of services which enable Elected Members to undertake their role in making decisions for the Council and community, including Council meetings, elections, council receptions and Sister City activities

###### **Strategic, corporate and sustainability planning and policy development**

To ensure that Council is progressing towards achieving the Community Vision 2020 and its strategic social, cultural, and economic and environmental sustainability goals in a transparent and accountable manner, working with our Local, State, and Federal Government partners

###### **Financial services**

Including budgeting, rating, accounts management and payroll, which ensure sound and transparent financial management which enables Council to provide adequate services and facilities and appropriately address community needs

###### **Risk management policy, development and internal audit**

Activities to ensure that Council is continuously improving its management systems

###### **External relations, communication and community engagement**

Enables the community to be appropriately and adequately informed about the activities and decisions of the Council

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## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 12b. Components of Functions (continued)

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##### **Service Quality**

###### **Customer service**

In particular the Customer Service Centre, which enables Council staff to liaise with the community to address issues and concerns directly with Council, as well as provide the community with information and referral to other services provided in the region

###### **Information technology**

Provides support to Council staff for their technological needs to enable them to contribute towards delivery of the Community Vision as well as access by the community to Council information and services through the internet and email

###### **Information Management**

Enables Council to keep adequate and appropriate records of activities and decisions

##### **Employer of Choice**

###### **Human Resources**

Services that provide support for staff to undertake their roles to deliver the Community Vision

###### **Occupational Health & Safety**

Services to ensure that work is undertaken in a manner that is safe for the staff and community

#### Note 13. Financial Instruments

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##### **Recognised Financial Instruments**

###### **Bank, Deposits at Call, Short Term Deposits**

###### **Accounting Policy:**

Carried at lower of cost and net realisable value; Interest is recognised when earned.

###### **Terms & Conditions:**

Deposits are returning fixed interest rates between 2.15% and 2.35% (2017: 1.85% and 2.40%). Short term deposits have an average maturity of 98 days and an average interest rate of 2.34% (2017: 95 days and 2.42%).

###### **Carrying Amount:**

Approximates fair value due to the short term to maturity.

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 13. Financial Instruments (continued)

## Recognised Financial Instruments

## Receivables

**Rates & Associated Charges**

(including legals &amp; penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

**Accounting Policy:**

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

Secured over the subject land, arrears attract interest of 2% (2017: 2%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

## Receivables

**Fees & Other Charges****Accounting Policy:**

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

## Receivables

**Other Levels of Government****Accounting Policy:**

Carried at nominal value.

**Terms & Conditions:**

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

**Carrying Amount:**

Approximates fair value.

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 13. Financial Instruments (continued)

## Recognised Financial Instruments

## Receivables

## Retirement Home Contributions

**Accounting Policy:**

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

## Liabilities

## Creditors and Accruals

**Accounting Policy:**

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

## Liabilities

## Retirement Home Contributions

**Accounting Policy:**

To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

**Terms & Conditions:**

Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

**Carrying Amount:**

Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

## Liabilities

## Interest Bearing Borrowings

**Accounting Policy:**

Carried at the principal amounts. Interest is charged as an expense as it accrues.

**Terms & Conditions:**

Secured over future revenues, borrowings are repayable over 10 to 15 years; interest is charged at fixed rates between 5.80% and 6.85% (2017: 5.80% and 6.85%).

**Carrying Amount:**

Approximates fair value.

## Liabilities

## Finance Leases

**Accounting Policy:**

Accounted for in accordance with AASB 117.

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2018</b>					
<b><u>Financial Assets</u></b>					
Cash & Equivalents	21,509	-	-	21,509	21,509
Receivables	1,829	-	-	1,829	1,829
Other Financial Assets	27,450	-	-	27,450	27,450
<b>Total Financial Assets</b>	<b>50,788</b>	<b>-</b>	<b>-</b>	<b>50,788</b>	<b>50,788</b>
<b><u>Financial Liabilities</u></b>					
Payables	10,339	-	-	10,339	10,339
Current Borrowings	1,570	-	-	1,570	1,100
Non-Current Borrowings	-	5,301	3,155	8,456	6,805
<b>Total Financial Liabilities</b>	<b>11,909</b>	<b>5,301</b>	<b>3,155</b>	<b>20,365</b>	<b>18,244</b>
<b>2017</b>					
<b><u>Financial Assets</u></b>					
Cash & Equivalents	29,913	-	-	29,913	29,913
Receivables	1,930	-	-	1,930	1,930
Other Financial Assets	11,900	-	-	11,900	11,900
<b>Total Financial Assets</b>	<b>43,743</b>	<b>-</b>	<b>-</b>	<b>43,743</b>	<b>43,743</b>
<b><u>Financial Liabilities</u></b>					
Payables	10,235	-	-	10,235	10,235
Current Borrowings	1,743	-	-	1,743	1,197
Non-Current Borrowings	-	5,791	4,235	10,026	7,905
<b>Total Financial Liabilities</b>	<b>11,978</b>	<b>5,791</b>	<b>4,235</b>	<b>22,004</b>	<b>19,337</b>

The following interest rates were applicable  
to Council's Borrowings at balance date:

	30 June 2018		30 June 2017	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	6.16%	7,905	6.17%	9,102
		<b>7,905</b>		<b>9,102</b>

**Net Fair Value**

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 13. Financial Instruments (continued)

\$ '000

##### Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

#### Note 14. Commitments for Expenditure

\$ '000

Notes

2018

2017

##### Capital Commitments

##### **Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:**

Land	69	56
Buildings	533	961
Infrastructure	1,237	2,952
Plant & Equipment	21	208
Other	274	64
	<b>2,134</b>	<b>4,241</b>

##### **These expenditures are payable:**

Not later than one year	2,134	4,241
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<b>2,134</b>	<b>4,241</b>

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## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2018	2018	2017	2016

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

#### 1. Operating Surplus Ratio

Operating Surplus	10,904	12%	13%	12%
Total Operating Income	92,566			

*This ratio expresses the operating surplus as a percentage of total operating revenue.*

#### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	(30,471)	(33%)	(25%)	(8%)
Total Operating Income	92,566			

*Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.*

#### Adjustments to Ratios

*In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.*

Adjusted Operating Surplus Ratio	10%	12%	12%
Adjusted Net Financial Liabilities Ratio	(33%)	(25%)	(8%)

#### 3. Asset Sustainability Ratio

Net Asset Renewals	13,278	78%	75%	84%
Infrastructure & Asset Management Plan required expenditure	16,991			

*Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.*

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 16. Uniform Presentation of Finances

\$ '000	2018	2017
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	92,566	88,173
less Expenses	(81,662)	(76,500)
<b>Operating Surplus / (Deficit)</b>	<b>10,904</b>	<b>11,673</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(13,807)	(12,675)
<i>add back</i> Depreciation, Amortisation and Impairment	16,991	16,870
<i>add back</i> Proceeds from Sale of Replaced Assets	529	2,049
<b>Subtotal</b>	<b>3,713</b>	<b>6,244</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(8,687)	(4,931)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,522	2,524
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	318	363
<b>Subtotal</b>	<b>(6,847)</b>	<b>(2,044)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>7,770</b>	<b>15,873</b>

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 17. Operating Leases

\$ '000	2018	2017
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**Lease Payment Commitments of Council**

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease return or acquire the equipment leased

No lease contains any escalation clause

**Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:**

Not later than one year	279	300
Later than one year and not later than 5 years	292	287
Later than 5 years	142	-
	<b>713</b>	<b>587</b>

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 18. Superannuation

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The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

##### **Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2017/18; 9.50% in 2016/17). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

##### **Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2016/17) of "superannuation" salary.

In addition, Council makes a separate contribution of 3.2% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

##### **Contributions to Other Superannuation Schemes**

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 19. Interests in Other Entities

\$ '000

**All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.**

	Council's Share of Net Income		Council's Share of Net Assets	
	2018	2017	2018	2017
Joint Ventures	521	400	5,815	6,059
<b>Total</b>	<b>521</b>	<b>400</b>	<b>5,815</b>	<b>6,059</b>

#### (i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

##### (a) Carrying Amounts

Name of Entity	Principal Activity	2018	2017
Southern Region Waste Resource Authority (SRWRA)	Waste Disposal	5,739	5,971
Council Solutions	Procurement	76	88
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>5,815</b>	<b>6,059</b>

##### **Southern Region Waste Resource Authority (SRWRA)**

The Southern Region Waste Resource Authority was established under Section 43 of the Local Government Act to provide and operate services for the management of waste and waste facilities under its control on behalf of its constituent councils.

The SRWRA owns and operates the Southern Region Waste Disposal Depot on behalf of the Cities of Holdfast Bay, Marion and Onkaparinga.

The City of Marion has an equal voting right and a 30% interest in the assets and liabilities of SRWRA. For the year ended 30 June 2018, the net assets of SRWRA total \$19,133,000. The City of Marion interest, totalling \$5,739,000 is disclosed below.

In 2006 the decision was taken to equity account for this investment due to a change in the operations of the business. Initial balances were brought to account through accumulated surplus.

##### **Council Solutions**

Established by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully in December 2012, this regional joint venture has been established for the purposes of providing a centre of excellence in procurement and to provide services to the Constituent Councils

The City of Marion has a 16.67% interest in the assets and liabilities of Council Solutions. For the year ended 30 June 2018, the net assets of Council Solutions total \$455,000. The City of Marion interest, totalling \$76,000 is disclosed below.

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## Note 19. Interests in Other Entities

\$ '000

**(b) Relevant Interests**

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2018	2017	2018	2017	2018	2017
Southern Region Waste Resource Authority (SRWRA)	30%	30%	30%	30%	30%	30%
Council Solutions	17%	17%	17%	17%	17%	17%

**(c) Movement in Investment in Joint Venture or Associate**

	Southern Region Waste Resource Authority (SRWRA)		Council Solutions	
	2018	2017	2018	2017
Opening Balance	5,971	5,558	88	101
Share in Operating Result	533	413	(12)	(13)
Distributions Received	(765)	-	-	-
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>5,739</b>	<b>5,971</b>	<b>76</b>	<b>88</b>

**(d). Share of Joint Operations Expenditure Commitments**

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

	2018	2017
<b>(i) Operating Expenditures Payable</b>		
Not later than one year	18	18
Later than one year and not later than 5 years	19	37
Later than 5 years	-	-
	<b>37</b>	<b>55</b>

## Note 20. Non-Current Assets Held for Sale &amp; Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

## Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

#### 1. LAND UNDER ROADS

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

#### 2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

#### 3. BANK GUARANTEES

Council currently has no guaranteed loans or other banking facilities advanced to community organisations and sporting bodies at reporting date.

#### 4. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 4 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2018, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 09/10/18.

**Council is unaware of any material or significant "non adjusting events" that should be disclosed.**

#### Note 23. Related Party Transactions

\$ '000	2018	2017
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##### Key Management Personnel

##### Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 17 persons were paid the following total compensation:

##### The compensation paid to Key Management Personnel comprises:

Salaries, Allowances & Other Short-Term Employee Benefits	1,190	1,167
Post-Employment Benefits	77	74
<b>Total</b>	<b>1,267</b>	<b>1,241</b>

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

##### Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received no receipts from Key Management Personnel.

# Independent Auditor's Report to the Members of the Corporation of the City of Marion

## Opinion

We have audited the financial report of the Corporation of the City of Marion (the "Council"), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration the Chief Executive Officer.

In our opinion the accompanying financial report presents fairly, in all material respects, the Entity's financial position as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

## Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

The Chief Executive Officer is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Chief Executive Officer's Responsibilities for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011 and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial report and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive Officer either intends to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

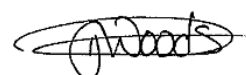
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from **material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.** Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the **effectiveness of the Entity's internal control.**
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer.
- Conclude on the **appropriateness of the Chief Executive Officer's use of the going concern basis of accounting** and, based on the audit evidence obtained, whether a material uncertainty exists related to **events or conditions that may cast significant doubt on the Entity's ability** to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our **auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.** Our conclusions are based on the audit evidence obtained up to the date of our **auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.**
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
DELOITTE TOUCHE TOHMATSU



Penny Woods  
Partner  
Chartered Accountants  
Adelaide, 9 October 2018

# Independent Assurance Report to the members of the Corporation of the City of Marion

## **Opinion**

We have undertaken a reasonable assurance engagement on the Corporation of the City of Marion (the "Council")'s compliance, in all material respects, with the requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions, as evaluated against Section 125 of the Local Government Act 1999, for the period from 1 July 2017 to 30 June 2018.

In our opinion, the Council has complied, in all material respects, with the requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions, as evaluated against Section 125 of the Local Government Act 1999, for the period from 1 July 2017 to 30 June 2018.

## **Basis for Opinion**

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* ("ASAE 3100") issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **The Council's Responsibilities**

The Council is responsible for:

- a) The compliance activity undertaken to meet Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls;
- b) Identifying risks that threaten compliance with Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls identified above being met;
- c) Identifying suitable compliance requirements as specified by Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls; and
- d) Identifying, designing and implementing controls to enable Section 125 of the Local Government Act 1999 to be met and to monitor ongoing compliance.

## **Our Independence and Quality Control**

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

### ***Assurance Practitioner's Responsibilities***

Our responsibility is to express an opinion on the Council's compliance, in all material respects, with the requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions, as evaluated against Section 125 of the Local Government Act 1999, for the period from 1 July 2017 to 30 June 2018. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether the Council has complied, in all material respects, with the requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions, as evaluated against Section 125 of the Local Government Act 1999, for the period from 1 July 2017 to 30 June 2018.

An assurance engagement to report on the Council's compliance with the requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions, as evaluated against Section 125 of the Local Government Act 1999.

Our procedures included obtaining an understanding of internal controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these internal controls, assessing the risk that a material weakness exists, and testing the implementation of internal controls on a sample basis based on the assessed risks.

### ***Inherent Limitations***

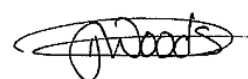
Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with compliance requirements may occur and not be detected.

A reasonable assurance engagement for the period from 1 July 2017 to 30 June 2018 does not provide assurance on whether compliance with requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions will continue in the future.

### ***Restricted Use***

This report has been prepared for use by the members of the Council in accordance with ***Section 129 of the Local Government Act 1999*** in relation to the design and implementation of internal controls. We disclaim any assumption of responsibility for any reliance on this report to any person other than the members of the Council, or for any purpose other than that for which it was prepared.

  
DELOITTE TOUCHE TOHMATSU



Penny Woods  
Partner  
Chartered Accountants  
Adelaide, 9 October 2018

## City of Marion

### General Purpose Financial Statements for the year ended 30 June 2018

#### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Marion for the year ended 30 June 2018, the Council's Auditor, Deloitte Touche Tohmatsu has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

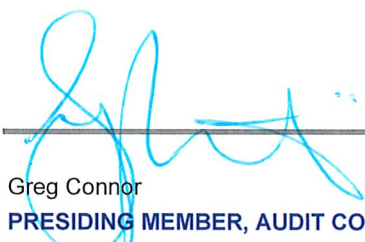
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

---

Adrian Skull  
**CHIEF EXECUTIVE OFFICER**

Date: 2.10.18

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Greg Connor  
**PRESIDING MEMBER, AUDIT COMMITTEE**

9 October 2018

Corporation of the City of Marion  
245 Sturt Road  
STURT SA 5047

Dear Members

**Auditor's Independence Declaration to the Corporation of the City of Marion**

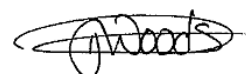
In accordance with the Local Government (Financial Management) Regulations 2011, I am pleased to provide the following declaration of independence to the councillors of the Corporation of the City of Marion.

I confirm that, for the audit of the financial statements of the Corporation of the City of Marion for the 30 June 2018 financial year, I have maintained my independence in accordance with the requirements of APES 110—Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

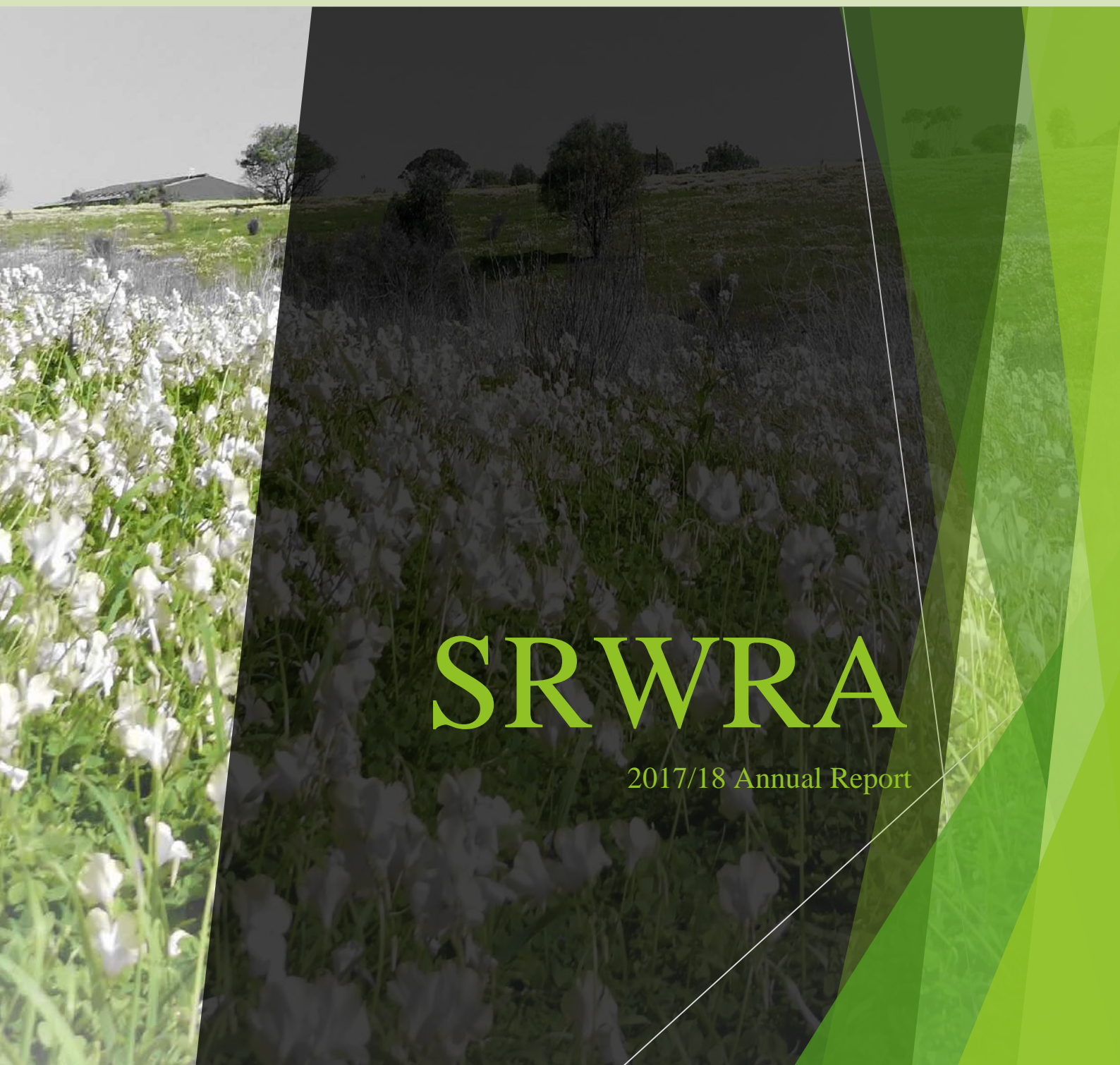
This statement is prepared in accordance with the requirements of Regulation 22 (5) Local Government (Financial Management) Regulations 2011.

Yours faithfully

  
DELOITTE TOUCHE TOHMATSU



Penny Woods  
Partner  
Chartered Accountants



# SRWRA

2017/18 Annual Report



SRWRA is a regional subsidiary established by the Cities of Onkaparinga, Marion and Holdfast Bay, pursuant to Section 43 of the Local Government Act, 1999.

Under our Charter, SRWRA is responsible for providing and operating waste management services on behalf of our constituent Councils.

At a practical level, our core business activity is the management of our wholly-owned SRWRA Landfill and Recycling Operation employing innovative resource recovery approaches in managing all products and materials as valuable and finite resources. This is one of the State's major landfill operations currently receiving over 100,000 tonnes of waste annually.

Since 1996 the Authority has been extracting landfill gas (methane) through its gas management plant. On average, the Authority generates over 18,000MWh per annum from the SRWRA Landfill facility, equivalent to powering more than 2,500 local homes. As a result, more than 6.8m cubic metres of methane from the SRWRA's Landfill Gas site is consumed, CO2 abatement equivalent to taking 26,000 cars off the road.

The SRWRA's joint venture operation with Integrated Waste Services (IWS) has developed through 2017/18 with significant improvements in the recycling programme through the jointly operated Southern Recycling Centre (SRC) realising significant improvements in the reduction of waste to landfill.

#### **Joint Venture Partner**



#### **Constituent Councils**



## Chairperson's Message



Waste management impacts many aspects of society and the economy. This has never been more evident than in the past 12 months when the Chinese government stopped taking recyclable materials from Australia, an action which focused our collective consciousness on the need to ensure we have sustainable markets for recycled materials in Australia.

As a country we have a strong commitment to recycling and South Australia has long been at the forefront of this. For many people, recycling means putting waste in the yellow-top bin with the expectation that this is then sorted and turned back into its base materials such as paper, glass, plastics etc. Unfortunately, all too much of this product is not suitable for recycling and ends up in a landfill. This must change. In Australia we need to proactively stimulate markets for the use of recycled materials so that industry will continue to invest and innovate to produce products which rely less on virgin materials. The circular economy needs commitment from government at the policy level, all levels of government from a procurement perspective and from the consumer. We must strive to keep resources in use for as long as possible, extract the maximum value from them while they

are in use, then recover and regenerate products and materials at the end of each service lifecycle. We need our businesses and governments to actively prioritise the use of recycled goods or to introduce recycled material quotas.

As the Southern Region Waste Resource Authority, we continue to ensure that we are investing in the technology and systems to increase resource recovery from our operations. The Southern Recycling Centre is now operating effectively and has diverted over 10,000 tonnes from landfill over the past 12 months, and we expect this volume to increase over time.

Our landfill operation is one of the South Australia's largest, and it continues to be a very important component in ensuring SRWRA continues to fulfil its responsibility to provide and operate waste management services on behalf of its Constituent Councils.

We have again delivered an excellent financial performance distributing \$2.550 million to the Constituent Councils while keeping waste disposal costs very competitive in the market.

The Board, the Audit Committee and our staff, capably led by Chief Executive Mark Hindmarsh, are to be commended for their dedication and commitment to ensure the Authority continues to meet the objectives and responsibilities outlined in its Charter in a fiscally and environmentally sustainable manner.

On behalf of the Board of the Southern Region Waste Resource Authority, I am pleased to submit the Annual Report for the 2018 financial year.

## *Board of Management as at June 30<sup>th</sup> 2018*

### **Chairperson**



Mark Booth

### **Members**



Kirk Richardson  
City of Onkaparinga



Vincent Mifsud  
City of Marion



Lynda Yates  
City of Holdfast Bay



Alison Hancock  
City of Onkaparinga



Ian Crossland  
City of Marion



Roberto Bria  
City of Holdfast Bay

### **Deputy Members**



Heidi Greaves  
City of Onkaparinga



Nick Kerry  
City of Marion



John Smedley  
City of Holdfast Bay

### Chief Executive Officer's Message



The past year has seen an increased focus on the Waste Management Sector especially around the recovery of reusable and recyclable waste products.

The Authority is committed to sustainability and sets a high environmental standard for its incorporation and use of recycled products which promotes the regeneration of recyclable products and supports the key delivery outcomes by reducing reliance on disposal to landfill.

Recovery and reuse form a staple part of the landfill and recycling operations with over 40,000 tonnes of waste being recovered for reuse on site this year. An integral part of the recovery and diversion from landfill process comes from the Southern Recycling Centre diverting over 10,000 tonnes of organic waste from landfill this year for positive reuse.

The Authority continues to develop its operations incorporating new advancements in lining technology, pioneering an Australian first with a new lining design and application.

The culmination of investigation and exploration of several developments and efficiencies in the use of recovered products has seen the Authority deliver a milestone financial performance distributing \$2.55 million to its Constituent Councils whilst assuring low cost competitive disposal costs for its members.

With several successful projects coming to fruition the year has been an educational year of working with new technologies to enhance the operation of the waste management and resource recovery systems at the Authority.

SRWRA has a dedicated team and strong supportive Board who are integral to the momentum of efficiencies and continuous improvements across the administration and operations of the SRWRA landfill and recycling operations.

I would like to take this opportunity to extend my thanks and appreciation to the SRWRA staff, Board members and Audit Committee members for their hard work and dedicated contribution over the past twelve months, strengthening the Authorities commitment and responsibilities to waste management on behalf of its Constituent Councils.

In the continued development of the SRWRA's community educational initiatives each year the Authority writes to all the local primary schools in the Constituent Council areas promoting the Les Perry Memorial Grant Programme. Schools in the Constituent Council areas are encouraged to apply to the Authority for a grant of approximately \$500 each to focus on recycling and educating children on the importance of recycling and re-use of common household waste materials. A total of 14 schools were successfully awarded the grant this year.

I am pleased to report that the 2017/18 financial period for the Authority showed an operating surplus of \$1.75M for the year ended 30th June 2018. This is an excellent result, built around the improvements and ongoing efficiencies of the operations over the past twelve months. The Authority strives to operate a reasonable commercial return to the Constituent Councils whilst ensuring there are adequate financial reserves to meet future developments and post closure requirements of its operations.

A complete copy of the Audited Financial Statements for 2017/18 form part of this report.

As the demands on the Waste Industry continues to evolve and develop, I look forward to leading the Authority through the challenges and exciting opportunities in the year ahead.



## **FINANCIAL REPORT**

For the Financial Year Ended 30 June 2018

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2018

#### CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern Region Waste Resource Authority Board to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards*.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2018 and the results of its operations and cashflows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



.....  
Mark Booth  
Chairman



.....  
Mark Hindmarsh  
Executive Officer

Dated the 12<sup>th</sup> day of Sept 2018

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME  
for the financial year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
<b>INCOME</b>			
User charges	2	11,713	11,617
Investment income	2	620	552
Other Income	2	1,201	244
Net gain - equity accounted Joint Venture	15	176	265
<b>Total Income</b>		<b>13,710</b>	<b>12,678</b>
<b>EXPENSES</b>			
Employee costs	3	1,189	1,194
Materials, contracts & other expenses	3	9,777	9,240
Depreciation, amortisation & impairment	3	908	949
Other Expenses	3	80	78
Net loss - equity accounted Joint Venture	15	-	-
<b>Total Expenses</b>		<b>11,954</b>	<b>11,461</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>1,756</b>	<b>1,217</b>
Net gain (loss) on disposal or revaluation of assets	4	21	18
Amounts received specifically for new or upgraded assets		-	140
<b>NET SURPLUS / (DEFICIT)</b>		<b>1,777</b>	<b>1,375</b>
transfer to Equity Statement			
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - property, plant & equipment		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,777</b>	<b>1,375</b>

This Statement is to be read in conjunction with the attached Notes.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

		2018	2017
	Notes	\$'000	\$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	16,343	19,940
Trade & other receivables	5	1,839	2,025
Inventories	5	-	-
		<b>18,182</b>	<b>21,965</b>
<b>Total Current Assets</b>		<b>18,182</b>	<b>21,965</b>
<b>Non-current Assets</b>			
Equity Accounted Joint Venture	15	885	709
Property, Plant & Equipment	6	15,580	15,081
<b>Total Non-current Assets</b>		<b>16,465</b>	<b>15,790</b>
<b>Total Assets</b>		<b>34,647</b>	<b>37,755</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	2,436	2,529
Provisions	7	101	149
<b>Total Current Liabilities</b>		<b>2,537</b>	<b>2,678</b>
<b>Non-current Liabilities</b>			
Provisions	7	12,980	15,174
<b>Total Non-current Liabilities</b>		<b>12,980</b>	<b>15,174</b>
<b>Total Liabilities</b>		<b>15,517</b>	<b>17,852</b>
<b>NET ASSETS</b>		<b>19,130</b>	<b>19,903</b>
<b>EQUITY</b>			
Accumulated Surplus		19,130	19,903
<b>TOTAL EQUITY</b>		<b>19,130</b>	<b>19,903</b>

This Statement is to be read in conjunction with the attached Notes.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### STATEMENT OF CHANGES IN EQUITY for the financial year ended 30 June 2018

2018	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
	Notes			
Balance at end of previous reporting period	19,903	-	-	19,903
Adjustments due to compliance with revised Accounting Standards	-	-	-	-
Adjustments to give effect to changed accounting policies	-	-	-	-
Restated Opening Balance	19,903	-	-	19,903
Net Surplus/ (Deficit) for Year	1,777			1,777
<b>Other Comprehensive Income</b>				
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-	-
Transfers between reserves	-	-	-	-
Distributions to Member Councils	(2,550)	-	-	(2,550)
<b>Balance at end of period</b>	<b>19,130</b>	<b>-</b>	<b>-</b>	<b>19,130</b>

2017	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
	Notes			
Balance at end of previous reporting period	18,528	-	-	18,528
Adjustments due to compliance with revised Accounting Standards	-	-	-	-
Adjustments to give effect to changed accounting policies	-	-	-	-
Restated Opening Balance	18,528	-	-	18,528
Net Surplus/ (Deficit) for Year	1,375	-	-	1,375
<b>Other Comprehensive Income</b>				
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-	-
Transfers between reserves	-	-	-	-
Distributions to Member Councils	-	-	-	-
<b>Balance at end of period</b>	<b>19,903</b>	<b>-</b>	<b>-</b>	<b>19,903</b>

This Statement is to be read in conjunction with the attached Notes

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2018

		<b>2018</b>	2017
	Notes	<b>\$'000</b>	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Operating receipts		13,439	11,927
Investment receipts		623	552
<u>Payments</u>			
Operating payments to suppliers & employees		(12,322)	(10,279)
<b>Net Cash provided by (or used in) Operating Activities</b>	8 (b)	<b>1,740</b>	<b>2,200</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		-	-
Sale of surplus assets		33	163
Distributions received from equity accounted Joint Venture	15	-	125
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(341)	(754)
Expenditure on new/upgraded assets		(2,479)	(863)
Capital contributed to equity accounted Joint Venture	15	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(2,787)</b>	<b>(1,329)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Payments</u>			
Distribution to Member Councils		(2,550)	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(2,550)</b>	<b>-</b>
<b>Net Increase (Decrease) in cash held</b>		<b>(3,597)</b>	<b>871</b>
Cash & cash equivalents at beginning of period		19,940	19,069
<b>Cash &amp; cash equivalents at end of period</b>	8 (a)	<b>16,343</b>	<b>19,940</b>

This Statement is to be read in conjunction with the attached Notes

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of City of Onkaparinga, City of Marion and the City of Holdfast Bay.

##### 1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

##### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

##### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

#### 2 The Local Government Reporting Entity

Southern Region Waste Resource Authority operates as a regional subsidiary pursuant to Section 43 of the SA Local Government Act 1999 and Section 25 of the Local Government Implementation Act 1999, and has its principal place of business at 112 Bakewell Dr, Seaford Heights SA 5169.

#### 3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

#### 4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 10.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 1 - Significant Accounting Policies (cont)

##### 5 Infrastructure, Property, Plant & Equipment

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

##### 5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

##### 5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. No capitalisation threshold is applied to the acquisition of land or interests in land.

Capitalisation threshold applied of \$1,000 for all asset classes. Any purchases greater than this amount are capitalised and depreciated on the Authority's asset register.

##### 5.3 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation on Landfill Construction assets are amortised proportionately to the rate of filling based upon the projected remaining airspace of landfill cells as at the beginning of the reporting period. The Authority annually assesses the remaining airspace of landfill cells and accordingly, depreciation and amortisation rates are adjusted to reflect these estimates. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment	3 -10 years
Buildings	30 - 50 years
Waste Facility	10 - 15 years
Landfill Construction	Amortised proportionately to rate of filling

##### 6 Payables

##### 6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 1 - Significant Accounting Policies (cont)

#### 7 Employee Benefits

##### 7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

The Authority recognises all presently entitled liabilities as current liabilities regardless of whether it is expected to be paid within the preceding 12 months of reporting date.

##### 7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Statewide Super. The Scheme has two types of membership, each of which is funded differently.

##### Accumulation Fund Members

*Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation 9.5% in 2017/18 (9.5% in 2016/17; 9.5% in 2015/16). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.*

##### Defined Benefit Members

*Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial. The most recent full actuarial investigation conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.*

The Authority also makes contributions to other superannuation schemes selected by employees under the 'choice of fund' legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the new assets of the scheme, and no further liability attaches to the Authority.

#### 8 Rehabilitation

Expenditures relating to ongoing rehabilitation and restoration reduce any provision previously established.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and makes adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet. The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified.

#### 9 Inventory

Inventory held by the Authority reflect materials stored on site which have either been purchased or gifted which will be used for future Cell and Capping construction works to be undertaken in future years.

## **SOUTHERN REGION WASTE RESOURCE AUTHORITY**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018**

#### **Note 1 - Significant Accounting Policies (cont)**

##### **10 GST Implications**

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax". Receivables and Creditors include GST receivable and payable. Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable. Non-current assets and capital expenditures include GST net of any recoupment.

Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

##### **11 Comparative Information**

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with AIFRS.

##### **12 New Accounting Standards**

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been used in preparing these reports.

The Authority is of the view that none of the new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

##### **13 Valuation of Land and Building Assets**

Land and Building assets held by the Authority were valued by Opteon (South Australia) Pty Ltd with an effective valuation date of 30 June 2014 applied for financial reporting purposes. Assets were valued to their market value based on the current zoning of the Onkaparinga Council Development Plan and Environmental Protection Agency (EPA) constraints and assessed market values based on highest and best use. All purchases made post 30 June 2014 have been recorded at Cost.

##### **14 Capping Liability Review**

During the 2017/18 financial year, the Authority undertook a review of all the key assumptions and estimates in relation to the measurement of the Future Restoration liability recorded in Note 7 of the Financial Statements. The Authority engaged Golder Associates Pty Ltd to complete the independent assessment of the liability. As a result of work completed, Golder Associates estimated the liability to be \$1.471 million as at 30 June 2018. The Authority has applied an additional 10% contingency estimate on the Post Closure liability estimate for risk mitigating purposes which resulted in a total reduction in the liability of \$2.555 million reducing the balance of the provision for future restoration costs to \$1.605 million (2017: \$4.159 million).

As a result of the reduction in the liability, a non-cash income amount totalling \$0.886 million was recognised in the Statement of Comprehensive Income.

During the 2018/19 financial year, all other landfill capping liability estimates and assumptions will be reviewed and updated accordingly. Any changes to key assumptions or estimates will be applied in the 2018/19 financial year once the review has been completed.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 2 - INCOME

	Notes	2018 \$'000	2017 \$'000
<b>USER CHARGES</b>			
Landfill Operations		11,713	11,617
		<u>11,713</u>	<u>11,617</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		444	488
Banks & other		24	22
Investment property rental income		152	42
		<u>620</u>	<u>552</u>
<b>OTHER INCOME</b>			
Movement in Landfill Liabilities	1.14	886	-
Other Income		48	88
Southern Recycling Centre		267	156
		<u>1,201</u>	<u>244</u>

### Note 3 - EXPENSES

<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,092	1,042
Employee leave expense		(42)	26
Superannuation		87	90
Workers' Compensation Insurance		52	50
Less: Capitalised and distributed costs		-	(14)
<b>Total Operating Employee Costs</b>		<u>1,189</u>	<u>1,194</u>
<b>Total Number of Employees</b>		<b>11</b>	<b>11</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		18	16
Board Expenses		38	37
Operating Lease Rentals - cancellable leases		-	-
Subtotal - Prescribed Expenses		<u>56</u>	<u>53</u>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		143	238
Fuel		113	135
Equipment Hire		68	19
Maintenance		299	299
Legal Expenses		21	14
Levies paid- EPA Levy		8,547	8,018
Professional services		28	20
Southern Recycling Centre		187	60
Sundry		315	384
Subtotal - Other Materials, Contracts & Expenses		<u>9,721</u>	<u>9,187</u>
		<u>9,777</u>	<u>9,240</u>

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 3 - EXPENSES (cont)

	Notes	2018 \$'000	2017 \$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Landfill Construction		394	488
Buildings & Waste Facility		140	99
Plant & Equipment		374	362
Impairment	6	-	-
		<u>908</u>	<u>949</u>
<b>OTHER EXPENSES</b>			
Transfer to Provision of Cell 3-1 & 3-2 Capping		80	78
		<u>80</u>	<u>78</u>

### Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

<b>PROPERTY, PLANT &amp; EQUIPMENT</b>			
Proceeds from disposal		33	163
Less: Carrying amount of assets sold		(12)	(145)
<b>Gain (Loss) on disposal</b>		<u>21</u>	<u>18</u>
<b>NET GAIN (LOSS) ON DISPOSAL OF ASSETS</b>		<u>21</u>	<u>18</u>

### Note 5 - CURRENT ASSETS

<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		2,013	3,787
Short Term Deposits & Bills, etc		14,330	16,153
		<u>16,343</u>	<u>19,940</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Accrued Revenues		22	19
Debtors - general		1,813	1,994
Prepayments		4	12
		<u>1,839</u>	<u>2,025</u>
<b>INVENTORIES</b>			
Stores & Materials		-	-
		<u>-</u>	<u>-</u>

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 6 - PROPERTY, PLANT & EQUIPMENT

	2017				2018			
	\$'000				\$'000			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	1,427	400	-	1,827	1,427	2,556	-	3,983
Buildings	560	3,825	(351)	4,034	560	4,042	(491)	4,111
Plant & Equipment	-	4,150	(2,358)	1,792	-	4,393	(2,651)	1,742
Office Equipment	-	132	(102)	30	-	148	(113)	35
<b>Landfill Construction:</b>								
Landfill Cell 3-1 & 3-2	-	-	-	-	-	-	-	-
Landfill Cell's 3-1 & 3-2 Capping	-	-	-	-	-	-	-	-
Cell 3-3 & 3-4 (Lower)	-	-	-	-	-	-	-	-
Cell 3-3 & 3-4 (Lower) Capping	-	-	-	-	-	-	-	-
Cell 4	-	-	-	-	-	-	-	-
Cell 4 (Capping)	-	-	-	-	-	-	-	-
Super Cell		7,436	(4,867)	2,569		7,511	(5,042)	2,469
Super Cell Capping		4,737	(1,777)	2,960		4,887	(1,982)	2,905
Post Closure Rehabilitation	-	5,851	(5,740)	111	-	5,974	(5,756)	218
Future Restoration Costs	-	4,159	(2,495)	1,664	-	4,159	(4,159)	-
Work in Progress	-	94	-	94	-	117	-	117
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	1,987	30,784	(17,690)	15,081	1,987	33,787	(20,194)	15,580
<b>Comparatives</b>	1,987	36,085	(23,611)	14,461	1,987	30,784	(17,690)	15,081

This Note continues on the following pages.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 6 - PROPERTY, PLANT & EQUIPMENT

	2017 \$'000	CARRYING AMOUNT MOVEMENTS DURING YEAR							2018 \$'000
		\$'000							
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Adjustments	Transfer	CARRYING AMOUNT
		Capital	Renewals						
Land	1,827	2,156	-	-	-	-	-	-	3,983
Buildings	4,034	217	-	-	(140)	-	-	-	4,111
Plant, Equipment & Motor Vehicles	1,792	-	326	(12)	(364)	-	-	-	1,742
Office Equipment	30	-	15	-	(10)	-	-	-	35
Landfill Construction:									
Landfill Cell 3-1 & 3-2	-	-	-	-	-	-	-	-	-
Landfill Cell's 3-1 & 3-2 Capping	-	-	-	-	-	-	-	-	-
Cell 3-3 & 3-4 (Lower)	-	-	-	-	-	-	-	-	-
Cell 3-3 & 3-4 (Lower) Capping	-	-	-	-	-	-	-	-	-
Cell 4	-	-	-	-	-	-	-	-	-
Cell 4 (Capping)	-	-	-	-	-	-	-	-	-
Super Cell	2,569	74	-	-	(174)	-	-	-	2,469
Super Cell Capping	2,960	150	-	-	(205)	-	-	-	2,905
Post Closure Rehabilitation	111	122	-	-	(15)	-	-	-	218
Future Restoration Costs	1,664	-	-	-	-	-	(1,664)	-	-
Work in Progress	94	23	-	-	-	-	-	-	117
TOTAL PROPERTY, PLANT & EQUIPMENT	15,081	2,742	341	(12)	(908)	-	(1,664)	-	15,580
Comparatives	14,461	1,343	755	(145)	(949)	-	-	(384)	15,081

This Note continues on the following pages.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2018

### Note 7 - LIABILITIES

	Notes	2018 \$'000		2017 \$'000	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		2,371	-	2,469	-
Accrued expenses - other		65	-	60	-
		<b>2,436</b>	<b>-</b>	<b>2,529</b>	<b>-</b>
<b>PROVISIONS</b>					
Annual Leave		63	-	78	-
Long Service Leave		38	39	71	32
Post Closure Rehabilitation		-	3,895	-	3,772
Cell Capping - 3-1 & 3-2		-	2,554	-	2,474
Cell Capping - 3-3 & 3-4 (Lower)		-	2,937	-	2,845
Cell 4 Capping		-	1,950	-	1,892
Future Restoration Costs		-	1,605	-	4,159
		<b>101</b>	<b>12,980</b>	<b>149</b>	<b>15,174</b>

### Movements in Provisions - 2018 year only (current & non-current)

	Opening Balance	Additional Amounts Recognised/ (Derecognised)	Payments	Closing Balance
Post Closure Rehabilitation	3,772	123	-	3,895
Cell Capping -3-1 & 3-2	2,474	80	-	2,554
Cell Capping - 3-3 & 3-4 (Lower)	2,845	92	-	2,937
Cell 4 Capping	1,892	58	-	1,950
Future Restoration Costs	4,159	(2,554)	-	1,605
<b>Total</b>	<b>15,142</b>	<b>(2,201)</b>	<b>-</b>	<b>12,941</b>

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 8 - RECONCILIATION OF CASH FLOW STATEMENT

#### (a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	Notes	2018 \$'000	2017 \$'000
Total cash & equivalent assets	5	16,343	19,940
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>16,343</u>	<u>19,940</u>

#### (b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)	1,777	1,375
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	908	949
Net (Gain) loss in Equity Movement Joint Venture	(176)	(265)
Movement in Landfill Provisions	(886)	-
Net (Gain) Loss on Disposals	(21)	(45)
	<u>1,602</u>	<u>2,014</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	186	(1,018)
Net (increase) decrease in inventories	-	48
Net (increase) decrease in other current assets	-	-
Net increase (decrease) in trade & other payables	(93)	1,166
Net increase (decrease) in other provisions	45	(10)
<b>Net Cash provided by (or used in) operations</b>	<u>1,740</u>	<u>2,200</u>

#### (c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge
- Non-cash grants & contributions

*Amounts recognised in Income Statement*

- Finance Leases

-	-
-	-
-	-
-	-

#### (d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Corporate Credit Cards	18	18
------------------------	----	----

The Authority has no bank overdraft facility.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 9 - FINANCIAL INSTRUMENTS

##### Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.	
<b>Deposits</b>	<p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates of 1.25 - 2.5% (2017: 1.25 - 2.5%). Short term deposits have an average maturity of 90 days (2017: 90 days).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Gate Fees &amp; Associated Charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>

##### Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

##### Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and the ANZ Bank. There is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 9 (cont) - FINANCIAL INSTRUMENTS

#### Liquidity Analysis

2018	Floating Interest Rate \$'000	Fixed interest maturing in			Non- interest bearing \$'000	Total \$'000
		≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000		
<b>Financial Assets</b>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	2,013	14,330	-	-	-	16,343
<b>Loans &amp; Receivables</b>						
Receivables	-	-	-	-	1,839	1,839
<b>Total</b>	<b>2,013</b>	<b>14,330</b>	<b>-</b>	<b>-</b>	<b>1,839</b>	<b>18,182</b>
<i>Weighted Average Interest Rate</i>	<b>1.25%</b>	<b>2.50%</b>				
<b>Financial Liabilities</b>						
Payables	-	-	-	-	2,436	2,436
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,436</b>	<b>2,436</b>
<b>EXCESS OF FINANCIAL ASSETS OVER LIABILITIES</b>	<b>2,013</b>	<b>14,330</b>	<b>-</b>	<b>-</b>	<b>(597)</b>	<b>15,746</b>
<b>2017</b>						
	Floating Interest Rate \$'000	Fixed interest maturing in			Non- interest bearing \$'000	Total \$'000
		≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000		
<b>Financial Assets</b>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	3,787	16,153	-	-	-	19,940
<b>Loans &amp; Receivables</b>						
Receivables	-	-	-	-	2,025	2,025
<b>Total</b>	<b>3,787</b>	<b>16,153</b>	<b>-</b>	<b>-</b>	<b>2,025</b>	<b>21,965</b>
<i>Weighted Average Interest Rate</i>	<b>1.50%</b>	<b>2.80%</b>				
<b>Financial Liabilities</b>						
Payables	-	-	-	-	2,529	2,529
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,529</b>	<b>2,529</b>
<b>EXCESS OF FINANCIAL ASSETS OVER LIABILITIES</b>	<b>3,787</b>	<b>16,153</b>	<b>-</b>	<b>-</b>	<b>(504)</b>	<b>19,436</b>

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2018

### Note 10 - COMMITMENTS FOR EXPENDITURE

	2018 \$'000	2017 \$'000
	<u>Notes</u>	
<b>Capital Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Committed Projects	-	-
	<u>-</u>	<u>-</u>
As at 30 June 2018, the Authority has entered into no capital commitments that are not already recorded on the Statement of Financial Position.		
<b>Other Expenditure Commitments</b>		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	37	55
	<u>37</u>	<u>55</u>
These expenditures are payable:		
Not later than one year	18	18
Later than one year and not later than 5 years	19	37
Later than 5 years	-	-
	<u>37</u>	<u>55</u>

### Note 11 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to users of the financial report in making and evaluating decisions about the allocation of scarce resources.

#### 1. Potential Insurance Losses

The Authority insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", the amount of which varies according to the class of insurance.

#### 2. Legal Expenses

All known costs have been recognised.

### Note 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2018 that need to be disclosed in the financial statements.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 13 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a uniform and consistent basis. The uniform presentation represents a simplified version of reporting under the Government Finance Statistics (GFS) framework of the Australian Bureau of Statistics.

	2018 \$'000	2017 \$'000
Income	13,710	12,678
<i>less</i> Expenses	(11,954)	(11,461)
Operating Surplus / (Deficit)	<u>1,756</u>	<u>1,217</u>
<i>less</i> <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	341	754
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	(988)	(1,027)
Proceeds from Sale of Replaced Assets	-	-
	<u>(647)</u>	<u>(273)</u>
<i>less</i> <b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	2,479	863
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	(33)	(163)
	<u>2,446</u>	<u>700</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<u><u>(43)</u></u>	<u><u>790</u></u>

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 14 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under Section 112 of the *Local Government Act 1999*. The following payments were made to Key Management Personnel during the year:

	2018 \$'000
Salaries, allowances & other short term benefits	380
Post-employment benefits	-
Long term benefits	26
Termination Benefits	7
<b>TOTAL</b>	<b>413</b>

#### Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Onkaparinga	4,509	382	Provision of waste disposal services
City of Holdfast Bay	825	84	Provision of waste disposal services
City of Marion	2,026	248	Provision of waste disposal services
Southern Recycling Centre	4,523	508	Provision of waste disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2018

### Note 15 - EQUITY ACCOUNTED JOINT VENTURE

#### Southern Recycling Centre (SRC)

The Authority has entered into a joint venture arrangement with Integrated Waste Services Pty Ltd to operate the Southern Recycling Centre located on the Authority's landfill site.

	2018 \$'000	2017 \$'000
<b>The Authority's respective interests are:</b>		
- interest in operating result:	49.99%	49.99%
- ownership of equity	49.99%	49.99%
the proportion of voting power	50.00%	50.00%
<u>Movement in Investment in Joint Operation:</u>		
Opening Balance	709	164
New Capital Contributions	-	405
Share in Operating Result	176	71
Equity Adjustment	-	194
Distributions Received	-	(125)
<b>Share in Equity of Joint Operation</b>	<b>885</b>	<b>709</b>

#### Expenditure Commitments

There were no expenditure commitments at reporting date that required to be recognised in the financial statements.

#### Contingent Liabilities

There were no contingent liabilities at reporting date that required to be recognised in the financial statements.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 16 - FAIR VALUE MEASUREMENTS

The Authority measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Land assets.

The Authority does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) **Fair value hierarchy**

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

*Valuation techniques*

The Authority selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- *Market approach*: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach*: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- *Cost approach*: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Authority gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 16 - FAIR VALUE MEASUREMENTS (Cont.)

The following tables provide the fair values of the Authority's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2018</b>					
Recurring fair value measurements					
<b>Infrastructure, Property, Plant &amp; Equipment</b>					
- Land	6	-	1,427	-	1,427
- Buildings	6	-	560	-	560
<b>Total financial assets recognised at fair value</b>		-	<b>1,987</b>	-	<b>1,987</b>

<b>2017</b>					
Recurring fair value measurements					
<b>Infrastructure, Property, Plant &amp; Equipment</b>					
- Land	6	-	1,427	-	1,427
- Buildings	6	-	560	-	560
<b>Total financial assets recognised at fair value</b>		-	<b>1,987</b>	-	<b>1,987</b>

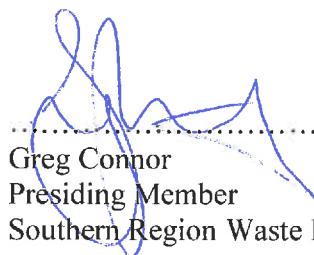
(b) **Disclosed fair value measurements**

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	2	Market Value	Observable sales of similar properties – both vacant land and land with improvements

**Presiding Member Southern Region Waste Resource Authority  
Audit Committee – Auditor Independence**

I, Greg Connor the person occupying the position of Presiding Member of the Southern Region Waste Resource Authority's Audit Committee, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the Southern Region Waste Resource Authority, Galpins, has not been engaged by the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside of the scope of the audit functions under the Local Government Act 1999.

  
.....  
Greg Connor  
Presiding Member  
Southern Region Waste Resource Authority Audit Committee

28 / 8 / 18  
.....  
Dated

# Galpins

Accountants, Auditors  
& Business Consultants

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renae Nicholson CA  
Tim Muhlhausler CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
Daniel Moon CA



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under Professional Standards Legislation

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2018

#### Statement by Auditor

I confirm that, for the audit of the financial statements of the Southern Region Waste Resource Authority for the year ended 30 June 2018, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulation 2011*.

#### GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

**Simon Smith** FCPA, Registered Company Auditor

Partner

13/09/2018

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renaë Nicholson CA  
Tim Muhlhausler CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
Daniel Moon CA



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTHERN REGION WASTE RESOURCE AUTHORITY

### INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE SOUTHERN REGION WASTE RESOURCE AUTHORITY

We have audited the compliance of the Southern Region Waste Resource Authority ("the Authority") with the requirements of *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2017 to 30 June 2018 have been conducted properly and in accordance with law.

#### The Authority's Responsibility for Internal controls

The Authority is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, with acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

#### Auditor's responsibility

Our responsibility is to express an opinion on the Authority's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with the law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the Local Government Act 1999 in relation only to the internal controls specified above for the period 1 July 2017 to 30 June 2018. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design of controls on a sample basis based on the assess risk.

#### Limitation of Use

This report has been prepared for the members of the Authority in Accordance with *Section 129 of the Local Government Act 1999* in relation to the Internal Controls Specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Authority, or for any purpose other than which it was prepared.

**Inherent Limitation.**

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not to be detected. An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

**Independence**

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

**Opinion**

In our opinion, the Authority has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal controls established by the Authority relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the authority have been conducted properly and in accordance with law for the year ended 30 June 2018.

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**


**Simon Smith** FCPA, Registered Company Auditor

Partner

13/09/2018

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renaë Nicholson CA  
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## INDEPENDENT AUDITOR'S REPORT

### To the members of the Southern Region Waste Resource Authority

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of the Southern Region Waste Resource Authority ("the Authority"), which comprises the balance sheet as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Executive Officer and the Chairman.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibility for the Financial Report

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 and for such internal control as the Authority determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

### Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



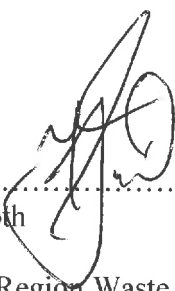
**Simon Smith** FCPA, Registered Company Auditor

Partner

13/09/2018

**Southern Region Waste Resource Authority  
Board Chair – Auditor Independence**

I, Mark Booth, the person occupying the position of Chair of the Southern Region Waste Resource Authority's Board, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the Southern Region Waste Resource Authority, Galpins, has not been engaged by the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside of the scope of the audit functions under the Local Government Act 1999.

  
.....  
Mark Booth  
Chair  
Southern Region Waste Resource Authority Board

28 / 8 / 2018  
.....  
Dated

**Chief Executive Officer's Certificate of Compliance - Auditor Independence  
Southern Region Waste Resource Authority**

I, Mark Dowd the person for the time being occupying the position of Chief Executive Officer of the City of Onkaparinga, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the Local Government Act 1999.



Mark Dowd  
Chief Executive Officer  
City of Onkaparinga  
23 August 2018



City of Onkaparinga  
PO Box 1  
Noarlunga Centre  
South Australia 5168  
[www.onkaparingacity.com](http://www.onkaparingacity.com)

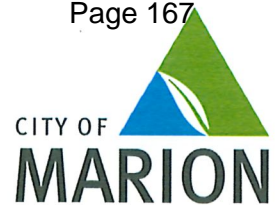
Noarlunga office  
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Aberfoyle Park office  
The Hub  
Aberfoyle Park  
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Willunga office  
St Peters Terrace  
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Page 127 of 127  
Morphett Vale office  
175 Bains Road  
Morphett Vale  
Telephone (08) 8384 0666  
Facsimile (08) 8382 8744

17 August 2018



Henny Redden  
Southern Region Waste Resource Authority  
PO Box 2414  
McLaren Vale SA 5171

PO Box 21, Oaklands Park  
South Australia 5046

245 Sturt Road, Sturt  
South Australia 5047

T (08) 8375 6600

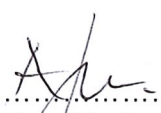
F (08) 8375 6699

E [council@marion.sa.gov.au](mailto:council@marion.sa.gov.au)

Dear Henny,

**Chief Executive Officer's Certificate of Compliance – Auditor Independence  
Southern Region Waste Resource Authority**

I, Adrian Skull, the person for the time being occupying the position of Chief Executive Officer of the City of Marion, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the Local Government Act 1999.

  
.....  
Adrian Skull  
Chief Executive Officer  
City of Marion

15.8.18  
.....  
Dated



[holdfast.sa.gov.au](http://holdfast.sa.gov.au)

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Glenelg Customer Service Centre and Library

2 Colley Terrace, Glenelg SA 5045

### Chief Executive Officer's Certificate of Compliance – Auditor Independence Southern Region Waste Resource Authority

I, Justin Lynch, the person for the time being occupying the position of Chief Executive Officer of the City of Holdfast Bay, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the Local Government Act 1999.

  
Justin Lynch  
Chief Executive Officer  
City of Holdfast Bay

17/8/18  
Dated



## Attendance at Board Meetings

July 2017 – June 2018

BOARD MEETINGS	A	B
<b>BOARD MEMBERS</b>		
Chairman Mark Booth	7	7
Trish Aukett (resigned April 2018)	5	3
Roberto Bria (appointed May 2018)	2	2
Kirk Richardson	7	7
Vincent Mifsud	7	6
Alison Hancock (appointed October 2017)	5	5
Lynda Yates	7	6
Ian Crossland	7	5
<b>DEPUTY BOARD MEMBERS</b>		
Please Note: Deputy Board Members are only required to attend a Board Meeting when the Board Member is an apology.		
Nick Kerry		
John Smedley		2
Heidi Greaves		

A = Number of meetings held 1 July 2017 to 30 June 2018 at which time the Board Member or the Deputy Board Member was a member of the Board.

B = Number of meetings attended by the Board Member or Deputy Board Member from 1 July 2017 to 30 June 2018.

## Attendance at Audit Committee Meetings

AUDIT COMMITTEE MEETINGS	A	B
Chairman Greg Connor	4	4
Vicki Brown	4	4
David Powell	4	3
Mark Booth	4	3
Lynda Yates (Deputy SRWRA Representative)	3	3

A = Number of meetings held 1 July 2017 to 30 June 2018 at which time the Audit Committee Member was a member of the Committee.

B = Number of meetings attended by the Audit Committee Board Member from 1 July 2017 to 30 June 2018



## Performance Against Business Plan

Each year SRWRA prepares an Annual Business Plan that is submitted to the Constituent Councils detailing its aims and objectives.

Aims and objectives	
Operating Surplus is maintained	Achieved
Meet all legislative requirements (WHS, EPA, Zero Waste)	Achieved
Asset Management plans are in place	Achieved
Grow the revenue (to offset a reduction in the forecast SRWRA revenue)	Achieved
Capital works program is planned and funded i.e. cell construction (link to LTFP).	Achieved
Development of a Bio-Pad, Bailing field and Hard-Stand/Capped operational area	In Progress





**SRWRA Constituent Councils**



# ANNUAL REPORT

2017/18

Council Solutions is a joint initiative of the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully that make up the Constituent Councils.

Established in 2012 as a Regional Authority in accordance with Section 43 of the *Local Government Act 1999*, Council Solutions provides a collaborative and strategic approach to the procurement of goods and services on behalf of its Constituent Councils, including negotiating and managing contracts, and investigating the provision of other shared functions.

This collaborative approach to procurement not only provides significant purchasing power to attain the best value for the community, but it also optimises the financial sustainability of each of the Constituent Councils by reducing administrative costs, the number of tender processes and replicated contract management activities.

The goal of Council Solutions is to improve community prosperity and wellbeing by undertaking local government procurement and collaborative services that:

- ❖ Deliver best value for money
- ❖ Explore innovative ways of delivering infrastructure and services
- ❖ Value partnership between councils and suppliers

## BACKGROUND

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Council Solutions provides the legal structure to the G6 Procurement Group formed in 1994 by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully to address the combined \$415 million annual spend on infrastructure and services by these Constituent Councils.

Ministerial approval was given for the Council Solutions Regional Authority to be established by notice in the SA Government Gazette on 20 December 2012. The Gazette states the purpose of the Authority as "*promoting procurement and service delivery amongst the constituent councils.*"

As a South Australian local government body, it is governed by the:

- ❖ *Local Government Act 1999*
- ❖ *Local Government (Financial Management) Regulations 2011*
- ❖ *Council Solutions Regional Authority Charter 2012*

### Council Solutions Regional Authority

25 Pirie St, Adelaide SA 5000  
[councilsolutions.sa.gov.au](http://councilsolutions.sa.gov.au)

ABN 92 168 067 160

*Date prepared: 30 September 2018*

## FOREWORD FROM THE CHAIR

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Council Solutions continues to optimise the financial sustainability of Constituent Councils through the benefits of collaborative strategic procurement and contract management.

The Regional Forward Procurement Plan (RFPP) saw the establishment of 12 new contract arrangements in 2017/18. The benefits of aligning and managing contracts under the regional subsidiary are significant and resulted in estimated savings of \$6.48M for the Constituent Councils. It also is pleasing to note that Council Solutions was able to negotiate Mount Barker District Council, City of Victor Harbour and City of Unley's accession to two of the current contracts this financial year.

There have been several high level strategic undertakings by Council Solutions, including:

- ❖ Finalisation of Unified Communications as a Service, which provides Councils with a solution that gives them the freedom to manage their technological communication requirements without the need to own and manage the infrastructure;
- ❖ Piloting a Council Cost and Service Optimisation Review that provides the participating Councils with options on how they can provide improved and effective services to their communities;
- ❖ Finalisation of a Procurement Review Project which saw the introduction of a new Governance Framework and Key Performance Indicators for the operations of Council Solutions; and
- ❖ Significant work on the Waste Management Project with Applications for Authorisation being submitted to the ACCC for three separate Waste Services Packages, being Kerbside Waste Collection, Waste Processing Services and Waste Ancillary Collection Services.

Council Solutions achieved favourable performance against budget and maintains a strong equity position. I thank our Audit Committee who supports us in achieving the highest standards of accountability, transparency and governance.

I would also like to acknowledge Chief Executive Officer Oliver Barry, his team and the Board of Management for their commitment, dedication and support.



Catherine Cooper  
Chair of the Board, Council Solutions Regional Authority

## REPORT FROM THE CHIEF EXECUTIVE OFFICER

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The past year has seen Council Solutions continue to work in partnership with our Constituent Councils to deliver optimum value for money from collaborative strategic procurement and contract management.

A new strategic procurement for the provision of Unified Communications as a Service was completed and a total of 12 collaborative contract arrangements across 34 suppliers with a combined total value of over \$7.3 million per annum were re-tendered or re-negotiated.



The Board of Management approved a new Governance Framework and Key Performance Indicators for the operations of Council Solutions and the Constituent Councils further enhancing the effectiveness and efficiency of collaborative procurement operations.

I thank the Board for their support and the Council Solutions team comprising Audrey Rangel, Bruce Wright, Clare Coupar, Tammy Sheridan, Tim Dawson and previous team member Taryn Alderdice.

A stylized, handwritten signature in dark ink, appearing to read 'O. Barry'.

Oliver Barry  
Chief Executive Officer, Council Solutions Regional Authority

## BOARD OF MANAGEMENT 2018

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**Ms Catherine Cooper**  
Independent Chairperson



**Mr Mark Goldstone**  
City of Adelaide



**Mr Paul Sutton**  
City of Charles Sturt



**Mr Adrian Skull**  
City of Marion



**Mr Mark Dowd**  
City of Onkaparinga



**Mr John Harry**  
City of Salisbury



**Mr John Moyle**  
City of Tea Tree Gully

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## BOARD OF MANAGEMENT 2018

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Council Solutions is a body corporate governed by a Board of Management of seven members being the Chief Executive Officer from each Constituent Council - the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully, and one person who is not a member or officer of a Constituent Council who holds the position of Independent Chair.

The Board held three formal meetings during the year to consider the strategic direction and financial integrity of the organisation. Attendance at meetings was as follows:

Board Position	Board Member	Meetings Attended
Independent Chairperson	Ms Catherine Cooper	3
City of Adelaide	Mr Mark Goldstone, CEO	2
City of Charles Sturt	Mr Paul Sutton, CEO	3
City of Marion	Mr Adrian Skull, CEO	2
City of Onkaparinga	Mr Mark Dowd, CEO	2
City of Salisbury	Mr John Harry, CEO	3
City of Tea Tree Gully	Mr John Moyle, CEO	3

## AUDIT COMMITTEE

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The Council Solutions Board is supported by one designated committee being the Audit Committee which is formally appointed pursuant to the requirements under the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2013.

The function of the Audit Committee includes reviewing annual financial statements to ensure that they present fairly the state of affairs of the Authority and reviewing the adequacy of financial management systems and practices. The Audit Committee is governed by Terms of Reference with the work flow controlled by an Audit Committee Work Program. The Audit Committee Work Program is updated after each meeting to reflect Committee achievements and actions arising from the meeting as well as from Board Meetings.

Please refer to Appendix B for a report on the activities undertaken by the Audit Committee throughout the 2017/18 financial year.

## GOVERNANCE AND OPERATING FRAMEWORK

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Led by the Chief Executive Officer, Council Solutions works in partnership with its Constituent Councils to deliver value outcomes.

A review of the operating management framework was undertaken, and the Board of Management approved a new Governance Framework and a set of Key Performance Indicators for the operations of Council Solutions and the Constituent Council.

Three critical success factors were identified that underpin the optimal effectiveness and value provided by collaborative partnership with Council Solutions and its Constituent Councils. These are:

- ❖ *Shared accountability and responsibility for achievement of goals and outcomes;*
- ❖ *Evidence-based opportunity identification, analysis and performance measurement via shared data and information; and*
- ❖ *Effective communication with key stakeholders to ensure clear understanding of goals, roles and responsibilities.*

The updated Governance Framework assists in enhancing the effectiveness and efficiency of collaborative procurement by having the appropriate decision-making structure that ensures key staff have ownership in the management and success of the operations. It also plays the key role of developing and maintaining a strong partnership and collaborative culture and is underpinned by seven inter-related elements:

- ❖ **Direction** - *shared understanding of our purpose and priorities through collaboration and effective planning and resource allocation;*
- ❖ **Expectations** – *agreed performance expectations through effective communication;*
- ❖ **Delivery** – *quality customer-focused service delivery through effective resource management, monitoring, review and reporting;*
- ❖ **Improvement** – *enhance our performance through review, intervention, capability-building and internal control mechanisms;*
- ❖ **Risk Management** - *regularly assess and respond to risk and opportunities;*
- ❖ **Responsibilities** – *accountability and transparency for decisions through information management, evaluation and Audit Committee and Board reporting; and*
- ❖ **Alignment** – *functions, structures and a culture that supports the success of Council Solutions through quality leadership, role clarity and empowered staff.*

Key Performance Indicators provide the Board of Management oversight of the effectiveness and value that Council Solutions provide to its Constituent Councils.

The Key Performance Indicators are:

### **Savings and Benefits**

Expected outcomes of the procurement activity are achieved. These will be detailed as part of the procurement activity initiation and will be reported on upon the conclusion of the activity.

### **Timeliness**

Procurements are undertaken within the agreed timeframes nominated as part of the procurement activity initiation and will be reported on upon conclusion of the activity.

### **Value and Scope of collaborative procurement arrangements**

Total value of Council procurement expenditure made via collaborative procurement arrangements compared to the previous 12 months to compare and assess any changes in scope/breadth of goods, services, works covered by collaborative procurement arrangements (i.e. number of contracts established for new categories/services).

Reporting of performance against the Key Performance Indicators are provided to the Board of Management bi-annually.

## **STRUCTURE AND STAFFING**

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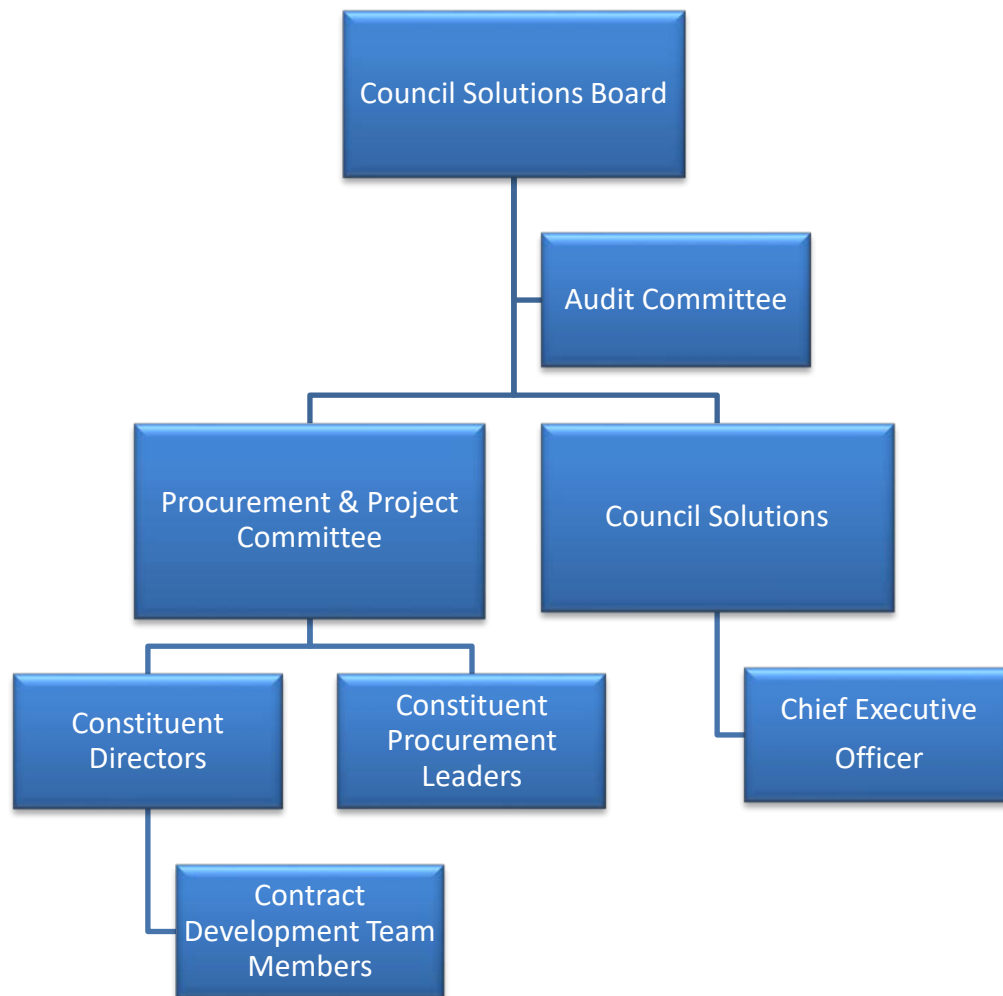
As at 30 June 2018, Council Solutions comprised six staff (5.4 FTE) delivering expertise in management, procurement, contract management, governance, policy, data analysis and administration skills. In addition, support has also been provided to the team by Rex Mooney, Financial Consultant.

The Council Solutions team comprises:

- ❖ Chief Executive Officer – Oliver Barry
- ❖ Senior Procurement Officers – Bruce Wright, Clare Coupar, Tammy Sheridan, Tim Dawson
- ❖ Support Officer– Audrey Rangel

GOVERNANCE AND ORGANISATION STRUCTURE

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## ACHIEVEMENTS 2017-2018

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### **Completion of Procurement Review Project**

A Procurement Review Project was undertaken with three of the Constituent Councils – the Cities of Charles Sturt, Marion and Onkaparinga. A senior manager from the City of Charles Sturt was seconded to undertake the review over a six-month period.

The objective of the project was to look for opportunities for the three Councils and Council Solutions to work together to maximise the benefits of collaborative procurement by further enhancing processes, with the aim of increasing the collaborative spend and developing the capacity of resources across the organisations. Several recommendations were made and endorsed by the Board of Management which included:

- a revised Governance Framework;
- the introduction Key Performance Indicators; and
- a review of the current Regional Forward Plan.

### **Waste Management Services Project**

The collaborative procurement of four Participating Councils will see alignment of waste management services across three service streams. Significant work has been undertaken seeking authorisation from the Australian Competition and Consumer Commission (ACCC) and draft determinations are expected in the first quarter of FY2018/19. If positive determinations are received from the ACCC, tenders for the three service streams will be called for contract terms of up to a maximum of 10 years. The scale and value of the contracts is in the order of \$20 million per annum and this will encourage industry competition and innovation.

### **Management Fee Audit Project**

Council Solutions contracts that qualify for recovery of a management fee from the suppliers is collected based on expenditure and data provided by the suppliers. As part of Council Solutions' governance and compliance processes, an audit of a randomly selected sample of contracts and invoices was undertaken to examine the accuracy of contract expenditure data being supplied by the suppliers to determine if the management fee is being calculated and collected in accordance with the terms and conditions of the contracts.

A total of thirteen suppliers were audited. The data that has been gathered is currently being evaluated with early indications that there are no significant problems.

A final report will be circulated to the Board in due course and will be considered by the Audit Committee as part of their meeting activities.

## Finance

Council Solutions achieved a favourable performance against budget and maintains a strong equity position. Council Solutions has reported a deficit operating result of \$71,000 for the financial year ending 30 June 2018. An original deficit of \$235,000 was budgeted for with the intention of funding this deficit from cash reserves that were generated from prior period surpluses. The final result is significantly better than originally budgeted. Management fee revenue was \$69,000 less than originally budgeted. This reflects a decrease in usage by the Constituent Councils of Council Solutions contracts. Management Fees are a variable source of revenue determined by the level of usage by the Constituent Councils of the numerous Council Solution negotiated contracts.

Operating expenditure varies from year to year based on the level of consultancy and legal services required to deliver the various projects agreed to in the Regional Forward Procurement Plan.

As net financial assets have only reduced by \$71,000 the Authority has maintained its high level of cash reserves. Net financial assets were originally budgeted to be \$367,000, however given the better than forecast operating result net financial assets as at 30 June 2018 are \$455,000.

## VendorPanel Software

VendorPanel continues to be an efficient procurement tool used by Constituent Councils when purchasing from Council Solutions collaborative contracts. VendorPanel is a software application that help to increase value and reduce risk whilst providing Constituent Councils streamlined Request for Quote (RFQ) processes. In FY2017/18 over ninety requests for quotation were issued and the uptake continues towards a steady incline. Webinars are scheduled for Constituent Councils in the next financial year to further promote its use.

## PROCUREMENT AND CONTRACT MANAGEMENT

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The total combined procurement expenditure by Constituent Councils is approximately \$427 million per annum, providing a compelling opportunity for collaboration to drive best value for the Constituent Councils.

During 2017/18 approximately \$60 million of Council expenditure was undertaken utilising Council Solutions collaborative contract arrangements. This represents a decrease of 6% on the previous year.

Our suite of contracts cover a diverse and comprehensive range of goods and services utilised by Councils including Finance & Professional Services, Human Resources, Roads Infrastructure, Facilities Management and Parks & Gardens. Our strong focus on contract management is key to extracting value from the contracts for both Councils and suppliers.

Other Council Solutions' achievements in this space include:

### Contract Extensions

Over the past 12 months Councils Solutions has facilitated the extensions of 6 existing collaborative contract arrangements with a combined total value of approximately \$5.9 million per annum.

## **Contracts Re-tendered**

### **Printing & Distribution Service for Rates and Dog Registration Notices**

Through establishing the new printing and distribution service for rates and dog registration notices, Council Solutions was able to introduce a semi-automated 'Customer Job Tracking System'. This system provides timely status updates via email or telephone including the notification of any process delays and notifications of lodgement of Notices with Australia Post. Participating Councils can also access stock quantities of stored pre-printed material such as envelopes and brochures. Participating Councils also have access to 'Ezybill', an additional electronic billing presentment option to BPayView and the Australia Post Digital Mailbox, which is badged as a Council service.

### **Irrigation Services (including Irrigation Works, Irrigation Design and the Supply of Irrigation Parts)**

The Irrigation Services tender ensured Council Solutions provided a holistic irrigation service by increasing the service scope of the Irrigation Works and Design Services to include the supply of irrigation parts. Irrigations services quotes are now able to be sought using VendorPanel thereby building in efficiencies.

### **Fencing Supply, Installation and Repairs**

A refresh process was undertaken to appoint additional suppliers to the fencing panel. Council Solutions established a northern and southern region to ensure that all Participating Councils had suitably experienced suppliers with the capacity to deliver on the requirements of the contract. In addition, Council Solutions incorporated service levels for all suppliers for the monitoring of timeliness and responsiveness.

### **Arboriculture Services (Tree Works and Consultancy)**

Council Solutions established panel arrangements for the provision of Tree Works and Arboriculture Consultancy. The panel contract has identified organisations with the capability and expertise to meet the needs of the Participating Councils, in addition to ensuring full contractual compliance whilst providing a competitive rate structure and a streamlined engagement process.

## Other Contract Achievements

### Bituminous Works

The Bituminous Works contract in conjunction with Participating Councils (the Cities of Charles Sturt, Marion, Onkaparinga, Salisbury, Tea Tree Gully and Mount Barker District Council) lowered their carbon footprint by adopting sustainably manufactured asphalt products and reducing impacts on the environment. Through the use of Recycled Asphalt Pavement (RAP) the Councils have re-used product that would potentially have ended up as landfill. Collectively this is a total saving of 730 tonnes of CO<sub>2</sub> emissions which is the equivalent of removing 289 cars from our road network per year.

### Crack Sealing

Participating Councils' (the Cities of Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully) crack sealing program resulted in approximately 2 million m<sup>2</sup> of our combined road network. In addition to extending pavement life, this preventative maintenance saw the use of 1200 recycled tyres, the equivalent to a reduction of 100 household rubbish bins not going to landfill.

## COUNCIL SOLUTIONS CONTRACT MANAGEMENT LIST AS AT 30 JUNE 2018

<b>Contract</b>	<b>Contract Value \$ (2017-18 expenditure)</b>
Bituminous Works	22,450,000
Temporary Labour Hire	17,000,000
Legal Services	3,620,000
Cleaning Services	3,440,000
Supply or Supply & Install of Segmental Pavers	2,470,000
Arboriculture Tree Works	1,700,000
Leasing Finance of IT Equipment	1,600,000
Manufacture, Supply & Delivery of Concrete	1,300,000
Debt Collection Services	1,300,000
Supply, Supply & Delivery of Quarry Materials	1,200,000
Postal Services	820,000
Roadworks – Crack Sealing	610,000
Supply, Installation and Repair of Fencing	510,000
Irrigation Works	490,000
Architectural Services (various disciplines)	220,000
Printing and Mailing Service for Rate & Dog Notices	200,000
Arboriculture Consultancy Advice Services	150,000
Irrigation Design	130,000
Engineering Consultancy Services (various disciplines)	127,000
Provision of Pest Control Services - European Wasps	20,000
Transactional Banking Services	Not Applicable

## FINANCIAL SUMMARY REPORT AS AT 30 JUNE 2018

<b>Statement of Comprehensive Income</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Income	1,699	1,234
Less: Operating expenses	1,770	1,310
Operating Surplus (Deficit) for the year	(71)	(76)
Total other comprehensive income	-	-
<b>Comprehensive result for the year</b>	<b>(71)</b>	<b>(76)</b>

<b>Balance Sheet</b>		
Current assets	174	334
Non-current assets	563	469
<b>Total current assets</b>	<b>737</b>	<b>803</b>
Current liabilities	124	222
Non-current liabilities	158	55
<b>Total liabilities</b>	<b>282</b>	<b>277</b>
<b>Net assets</b>	<b>455</b>	<b>526</b>
Accumulated surplus	312	383
Share Capital	143	143
<b>Total Equity</b>	<b>455</b>	<b>526</b>

**Council Solutions Regional Authority  
General Purpose Financial Reports  
for the year ending 30 June 2018**

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**Council Solutions Regional Authority**  
**Certification Of Financial Statements**  
**for the year ending 30 June 2018**

I have been authorised by the Council Solutions Regional Authority Board to certify the financial statements of the Council Solutions Regional Authority in their final form. In my opinion:

- The accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- The financial statements present a true and fair view of the Council Solutions Regional Authority's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year.
- Internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Council Solutions Regional Authority's accounting and other records.



Catherine Cooper  
**Chair Of The Board**

Date: 5/9/18

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2018

		2018	2017
	Notes	\$'000	\$'000
<b>INCOME</b>			
Investment Income	2	4	6
Management Fees	2	1,054	1,167
Other Income	2	641	61
<b>Total Income</b>		<u>1,699</u>	<u>1,234</u>
<b>EXPENSES</b>			
Materials, contracts & other expenses	3	1,770	1,310
<b>Total Expenses</b>		<u>1,770</u>	<u>1,310</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u>(71)</u>	<u>(76)</u>
<b>NET SURPLUS / (DEFICIT)</b>		<u>(71)</u>	<u>(76)</u>
<b>Total Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>(71)</u>	<u>(76)</u>

This Statement is to be read in conjunction with the attached Notes.

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		174	334
Receivables		563	469
<b>Total Current Assets</b>	4,7	<b>737</b>	<b>803</b>
<b>Total Assets</b>		<b>737</b>	<b>803</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables		124	222
Other Current Liabilities		158	55
<b>Total Current Liabilities</b>	5,7	<b>282</b>	<b>277</b>
<b>Total Liabilities</b>	5,7	<b>282</b>	<b>277</b>
<b>NET ASSETS</b>		<b>455</b>	<b>526</b>
<b>EQUITY</b>			
Accumulated Surplus		312	383
Share Capital		143	143
<b>TOTAL EQUITY</b>		<b>455</b>	<b>526</b>

This Statement is to be read in conjunction with the attached Notes.

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2018

	Initial Contribution by Owners	Accumulated Surplus	Total
2018	\$'000	\$'000	\$'000
Opening Balance	143	383	526
Net Surplus for Year	-	(71)	(71)
Balance at end of period	143	312	455

	Initial Contribution by Owners	Accumulated Surplus	Total
2017	\$'000	\$'000	\$'000
Opening Balance	143	459	602
Net Surplus for Year	-	(76)	(76)
Balance at end of period	143	383	526

**STATEMENT OF CASH FLOW**  
for the year ended 30 June 2018

	2018	2017
Notes	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<u>Receipts</u>		
Operating receipts	1,600	1,150
Investment Income	4	6
<u>Payments</u>		
Operating payments to suppliers & employees	(1,764)	(1,089)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>(160)</b>	<b>67</b>
<b>Net Increase (Decrease) in cash held</b>	<b>(160)</b>	<b>67</b>
Cash & cash equivalents at beginning of period	334	267
<b>Cash &amp; cash equivalents at end of period</b>	<b>174</b>	<b>334</b>

This Statement is to be read in conjunction with the attached Notes

## Council Solutions Regional Authority

### Notes to and forming part of the Financial Statements for the year ending 30 June 2018

#### **Note 1 - Significant Accounting Policies**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

Council Solutions Regional Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective share of equity are as follows:

<b>Constituent Council</b>	<b>Equity Share</b>
Adelaide City Council	16.67%
City of Charles Sturt	16.67%
City of Marion	16.67%
City of Onkaparinga	16.67%
City of Salisbury	16.67%
City of Tea Tree Gully	16.67%

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

#### **1 Basis of Preparation**

The financial report has been prepared on an accruals basis and is based on historical costs. All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

#### **2 Income recognition**

Management Fee Income is recognised when the Constituent Councils enter into the purchase of a good or service from a Supplier contracted to provide the Authority (or in the case of some prior contracts that were created jointly between the six constituent Council) with a Management Fee.

#### **3 Cash, Cash Equivalents and other Financial Instruments**

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition.

#### **4 Infrastructure, Property, Plant & Equipment**

The Authority did not procure any non-current assets during the reporting period and does not hold any non-current assets as at the reporting date.

#### **5 Employee Benefits**

All employees are employed through Adelaide City Council, one of the Constituent Councils. Those employees are then contracted to the Authority.

## **Council Solutions Regional Authority**

### **Notes to and forming part of the Financial Statements**

#### **for the year ending 30 June 2018**

#### **6 GST Implications**

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax":

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

#### **7 Comparative Information**

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

#### **8 Critical Accounting Estimates and Judgements**

The Authority evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the authority.

Accounts receivable are reviewed at each reporting date to establish the collectability.

#### **9 Pending Accounting Standards**

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

The Authority is of the view that other than AASB 16 and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2018

**Note 2 - INCOME**

	2018 \$'000	2017 \$'000
<b>INVESTMENTS</b>		
Interest Income	4	6
	<u>4</u>	<u>6</u>
<b>REBATES</b>		
Management Fees	1,054	1,167
	<u>1,054</u>	<u>1,167</u>
<b>OTHER INCOME</b>		
Reimbursements	641	61
	<u>641</u>	<u>61</u>

**Note 3 - EXPENSES**

	2018 \$'000	2017 \$'000
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>		
Advertising	1	2
Audit Fees	4	4
Catering	1	2
Contractors	45	73
Consultant Fees	532	253
Insurance	27	32
IT Expenses	34	20
Legal Fees	63	48
Membership Fees & Subscriptions	4	12
Motor Vehicle	2	1
Reimbursements - Salary & Wages	982	775
Rent	26	30
Sitting Fees	32	39
Sundry	13	14
Telephone	2	1
Training and Development	2	4
	<u>1,770</u>	<u>1,310</u>

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2018

**Note 4 - CURRENT ASSETS**

	2018 \$'000	2017 \$'000
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash at Bank	174	334
	<u>174</u>	<u>334</u>
<b>RECEIVABLES</b>		
Accounts Receivables	418	271
Accrued Income	143	196
Prepaid Expenses	2	2
	<u>563</u>	<u>469</u>
<b>TOTAL CURRENT ASSETS</b>	<u>737</u>	<u>803</u>

**Note 5 - LIABILITIES**

	2018 \$'000	2017 \$'000
<b>TRADE &amp; OTHER PAYABLES</b>		
Creditors	120	218
Expenses Accrued	4	4
	<u>124</u>	<u>222</u>
<b>OTHER CURRENT LIABILITIES</b>		
Payable to Adelaide City Council	158	55
	<u>158</u>	<u>55</u>
<b>TOTAL LIABILITIES</b>	<u>282</u>	<u>277</u>

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2018**

**Note 6 - RECONCILIATION TO CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet.

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at Bank	174	334
<b>Balances per Cash Flow Statement</b>	<b>174</b>	<b>334</b>

**(b) Reconciliation of Change in Net Assets to Cash**  
**from Operating Activities**

Net Surplus	(71)	(76)
Net (increase)/decrease in Receivables	(95)	(79)
Net increase/(decrease) in Current Liabilities	6	222
<b>Net Cash provided by (or used in) operations</b>	<b>(160)</b>	<b>67</b>

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2018**

**Note 7 - FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The Authority's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those applicable financial assets and liabilities is as follows;

**2017-18**

	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instruments	Fair Value of Fixed Interest rate instruments maturing within One Year	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs	Fair Value of Non-Interest Bearing Instruments
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets:</b>						
Cash	1.9%	174	-	-	-	173
Receivables	0.0%	-	-	-	-	564
<b>Total Financial Assets</b>		<b>174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>737</b>
<b>Financial Liabilities:</b>						
Creditors and Provisions	0.0%	-	-	-	-	282
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>282</b>

**2016-17**

	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instruments	Fair Value of Fixed Interest rate instruments maturing within One Year	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs	Fair Value of Non-Interest Bearing Instruments
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets:</b>						
Cash	1.8%	334	-	-	-	334
Receivables	0.0%	-	-	-	-	469
<b>Total Financial Assets</b>		<b>334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>469</b>
<b>Financial Liabilities:</b>						
Creditors and Provisions	0.0%	-	-	-	-	277
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277</b>

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2018**

**(b) Credit Risk**

Credit Risk represents the loss that would be recognised if other entities failed to perform as contracted. The Authority's exposure to credit risk is summarised as follows;

Receivables - the Authority's maximum exposure is disclosed in the financial statements net of any provision for doubtful debts

**(c) Net Fair Value**

The net fair value of a financial instrument is defined as its value net of all costs to settle the asset and liability. The financial assets and liabilities as stated or referred to in notes (a) and (b) above, are stated at their face value (less provision for doubtful debts if applicable).

Due to the nature of financial instruments held in the Authority, the cost associated with their settlement would not be material, and hence, have not been considered.

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2018**

**Note 8 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

The Key Management Personnel of the Council include the Chair of the Board, the Board and the CEO.

Salaries, allowances & other short term benefits paid by Council Solutions to KMP were \$259k (2017-18) and \$261k (2016-17)

The following qualifying related party disclosures have been identified in relation to the 2017-18 financial year

<b>Related Party Entity</b>	<b>Amounts received from related parties during 2017-18 FY</b>	<b>Amounts outstanding from related parties as at 30 June 2018</b>	<b>Amounts outstanding to related parties as at 30 June 2018</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
City of Adelaide	109	53	100
City of Charles Sturt	128	57	-
City of Marion	203	48	-
City of Salisbury	35	3	-
City of Tea Tree Gully	23	3	-
City of Onkaparinga	45	3	-


The above amounts received represent reimbursements of designated project costs paid by the above listed Constituent Councils to Council Solutions at various times throughout the year. These amounts have been approved by the Board and reported on as part of the ongoing annual budget setting and budget review process.

Council Solutions provides procurement services to the above listed entities.

**Council Solutions Regional Authority**  
**Certification Of Auditor Independence**  
**for the year ending 30 June 2018**

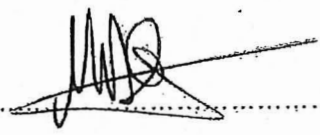
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Council Solutions Regional Authority for the year ended 30 June 2018, the Council's Auditor, Ian G McDonald FCA, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

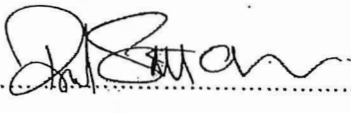
This statement is prepared in accordance with the requirements of Regulation 22(3) (b) Local Government (Financial Management) Regulations 2011.

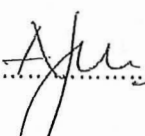
  
 Catherine Cooper  
 CHAIR  
 Date: 5/9/18


  
 Mark Dowd  
 CHIEF EXECUTIVE OFFICER  
 City of Onkaparinga  
 Date: 5 September 2018

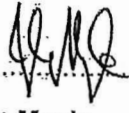
  
 Tanya Johnston  
 PRESIDING MEMBER OF AUDIT COMMITTEE  
 Date: 05/09/18

  
 Mark Goldstone  
 CHIEF EXECUTIVE OFFICER  
 City of Adelaide  
 Date: 10/9/18

  
 Paul Sutton  
 CHIEF EXECUTIVE OFFICER  
 City of Charles Sturt  
 Date: 6.9.18.

  
 Adrian Skull  
 CHIEF EXECUTIVE OFFICER  
 City of Marion  
 Date: 6.9.18

  
 John Harry  
 CHIEF EXECUTIVE OFFICER  
 City of Salisbury  
 Date: 7/9/2018.

  
 John Moyle  
 CHIEF EXECUTIVE OFFICER  
 Tea Tree Gully  
 Date: 7/9/18

Ian G McDonald FCA



## Council Solutions Regional Authority

### ANNUAL FINANCIAL STATEMENTS For the year ended 30 June 2018

#### STATEMENT BY AUDITOR

We confirm that, for the audit of the financial statements of the Council Solutions Regional Authority for the year ended 30 June 2018, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

A handwritten signature in blue ink that reads 'Ian G McDonald'.

**Ian G McDonald FCA**

Dated this 17<sup>th</sup> day of August 2018



# Ian G McDonald FCA

## Council Solutions Regional Authority Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of Council Solutions Regional Authority for the year ended 30 June 2018.

### Opinion

In our opinion, the financial statements of the Authority are properly drawn up:

- a) to present fairly the financial position of the Authority as at the 30 June 2018 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

### Basis for Opinion

For the audit of the Authority we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the authority to meet the requirements of Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

### Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011) and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A handwritten signature in blue ink that reads 'Ian McDonald'.

Ian G McDonald FCA  
Registered Company Auditor

Dated at Grange this 12<sup>th</sup> day of September 2018

## **Appendix B:**

### **Audit Committee Annual Report to the Board for the Year Ending 30 June 2018**

#### **Audit Committee**

The Council Solutions Board is supported by one designated committee being the Audit Committee which is formally appointed pursuant to the requirements under the Local Government Act 1999 (the Act) and the Local Government (Financial Management) Regulations 2013.

The function of the Audit Committee includes reviewing annual financial statements to ensure that they present fairly the state of affairs of the Authority and reviewing the adequacy of financial management systems and practices.

This report provides a summary of activities undertaken by the Audit Committee during the Year Ending 30 June 2018.

#### **Committee Membership and Meetings Attended**

The Audit Committee met on four occasions during the financial year.

<b>Member</b>	<b>Meetings Attended</b>
Ms Tanya Johnston (Chair) Independent Member	4
Mr David Papa, Independent Member	4
Mr John Moyle, Board member	3
Mr Adrian Skull, Proxy Board Member	1

#### **Activities**

The Audit Committee is governed by a terms of reference with the work flow controlled by an Audit Committee Work Program. The Audit Committee Work program is updated after each meeting to reflect Committee achievements as well as to include actions arising from the meeting as well as from Board meetings.

The table that follows represents the completed work program for the meetings held in the year ending 30 June 2018.

**Completed Work Program 2017/18**

ACTIVITY	MEETING DATE
<b>1. Financial Reporting</b>	
<p>Monitor the integrity of the financial statement reports referred to below to review any significant financial reporting issues and judgements which they may contain.</p> <p>Specifically - review and challenge where necessary:</p> <ul style="list-style-type: none"> <li>the consistency in application of, and/or any changes to, accounting policies;</li> <li>the method used to account for significant or unusual transactions where different approaches are possible;</li> <li>whether the Authority has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;</li> <li>the clarity of disclosure in the Authority's financial reports and the context in which statements are made;</li> <li>all information presented with the financial statements, such as the operating and financial review and the corporate governance statement (in so far as it relates to the audit and risk management); and significant adjustments to the financial report (if any) arising from the audit process.</li> </ul>	
1.1 Budget Review #2 – 2017-18	Mar 2018
1.2 Medium Term Business Plan – 2018-20	Jun 2018
1.3 Annual Budget – 2018-19	Mar 2018
	Jun 2018
1.4 Budget Review #3 – 2017-18	Jun 2018
1.5 Annual Financial Statements – 2017-18	Sep 2018
1.6 Financial Performance Report – 2017-18	Sep 2018
1.7 Budget Review #1 2018-19	Dec 2017
<b>2. Internal Controls and Risk Management Systems</b>	
2.1 Review and comment on internal control policy & operational framework.	Mar 2018
	Dec 2017
2.2 Review & comment on updated risk register including the risk assessment framework used when completed.	Mar 2018 Sep 2017
2.3 Review & comment on the disaster recovery plan as well as a business continuity plan when completed.	Jun 2018

ACTIVITY	MEETING DATE
<b>3. External Audit</b>	
3.1 Liaise with the Authority's external auditor on the scope and planning of annual audits, including any issues arising from audits and the resolution of such matters.	Sep 2018
3.2 Review the findings of any external audit report that raises significant issues relating to risk management, accounting, internal controls, financial reporting and other accountability or governance issues and make recommendations to the Board where appropriate.	Sep 2018
3.3 All correspondence between the Auditor & Council is to be tabled for consideration. The audit committee will review and comment on the Authority's response to, and actions taken following issues raised from any external audit.	Ongoing
3.4 Ensure compliance with Clause 22 of the Local Government (Financial Management) Regulations 1999 regarding the prohibition of auditors providing additional non-audit services.	Sep 2018
3.5 Chair of Audit Committee to meet with the Chair of the Board to discuss on-going matters with the parties would help identify risks from a governance perspective	Sep 2018
3.6 Chair of Audit Committee to meet with the external Auditors to discuss on-going matters with the parties would help identify risks from a governance perspective	Sep 2018
<b>4. Reporting Requirements of the Audit Committee</b>	
4.1 Ensure that significant, urgent matters identified through the work program are formally and promptly reported to the Board.	Ongoing
4.2 Table the minutes of Audit Committee meetings held as part of the agenda of the next Board meeting, ensuring recommendations are considered and adopted as required.	Ongoing
4.3 Prepare annually a report to the Board on the Audit Committees performance over the past year and include the report in the Annual Report of Council Solutions.	Sep 2018
4.4 Review its own performance and Terms of Reference on an annual basis.	Dec 2017
<b>5. Other</b>	
5.1 Set Audit Committee work program and Confirm meeting dates for 2018.	Dec 2017
5.2 Audit Committee Chairperson Appointment	Jun 2018

ACTIVITY	MEETING DATE
5.3 Management Fee Audit. Update Report.	Ongoing
5.4 Review and comment on the following policies: <ul style="list-style-type: none"> <li>• Petty cash / credit cards</li> <li>• Financial delegations</li> </ul>	Dec 2017



## 1st Budget Review 2018/19

<b>Originating Officer</b>	Unit Manager - Finance Partnering & Rates - Heath Harding
<b>Corporate Manager</b>	Manager Finance - Ray Barnwell
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R03

### REPORT OBJECTIVE

The purpose of this report is to provide the financial results for the 1st Budget Review for 2018/19. The budget review is a revised forecast of the original 2018/19 budget and as such any savings identified during the budget reviews will not be confirmed until the financial statements are prepared and audited at the end of the financial year.

This report also provides details of the 2017/18 identified once off net cash savings following the completion of the independent audit of the 2017/18 Annual Financial Statements. These savings, subject to Council approval, will be quarantined in the Asset Sustainability Reserve for future purposes resolved by Council.

### EXECUTIVE SUMMARY

The completion of the 1st Budget Review has identified a favourable Cash adjustment of \$0.011m. After adjusting for expenditure allocated through Council Resolutions in 2018/19 of \$0.097m, the net movement is an unfavourable cash adjustment of \$0.086m.

Deducting this from the Original Budget Cash Surplus of \$0.668m leaves a revised full year cash surplus forecast of \$0.582m. This budget review's adjustments are attributable to the following adjustments to the original 2018/19 adopted budget:

#### Cash Position

Original Budget Cash Surplus	(668,152)
------------------------------	-----------

#### **1st Budget Review Adjustments**

Development Services income (favourable)	(52,000)
Parking fine income (favourable)	(50,000)
Other various net adjustments (unfavourable)	<u>90,519</u> (11,481)
Revised 2018/19 Cash Surplus before Council Resolutions	(679,633)
Less Council Resolutions funded from rates	<u>97,000</u>
<b>Revised 2018/19 Cash Surplus</b>	<b><u>(582,633)</u></b>

#### 2017/18 Year End Identified Savings

Our independent audit of the financial statements for the year ended 30th June 2018 has been completed and savings of \$2.973m have been identified. These savings are proposed to be quarantined in the Asset Sustainability Reserve for future purposes as resolved by Council.

## RECOMMENDATION

### That Council:

- 1. Adopt the revised budgeted statements including the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows**
- 2. Approves the identified once-off cash savings following the completion of the 2017/18 audited Annual Financial Statements of \$2.973m to be transferred to the Asset Sustainability Reserve**
- 3. Approves the transfer of \$105,458 from the identified once-off cash savings from 2017/18 in the Asset Sustainability Reserve to fund the following Council Resolutions:**
  - **GC180612R02 - Hallett Cove Sea Pool** **\$25,000**
  - **GC180828R07 - Morphetville Park Sports Quinn Street Closure** **\$73,000**
  - **GC180612R07 - Concert at the Cove** **\$7,458**

## GENERAL ANALYSIS

### BACKGROUND

Council is required to reconsider the approved budget three times during the year in accordance with Section 123 (13) of the Local Government Act 1999 and Section 7 of the Local Government Regulations.

The original 2018/19 budget was developed within the context of a long term framework to achieve a balance between meeting the objectives of the Strategic Plan and attaining financial sustainability in the long term.

### FRAMEWORK

This budget review continues the focus on achieving the framework set by Council when developing the 2018/19 budget, this being:

- Support the achievement of the City of Marion's Strategic Directions;
- Address issues arising and opportunities identified from internal audit reviews, service reviews and business excellence assessments;
- Maintain, on average, a break-even or positive funding (cash) position over the Long Term Financial Plan;
- Continue to improve the maintenance of assets in accordance with Council's Asset Management Plans, with a priority on maintenance before renewal, and renewal before new where it is cost effective to do so;
- Review existing services and assets to ensure they meet prioritised community needs;
- Council only approves new Major Projects where it has identified funding capacity to do so;
- Maintain Council's position for an average residential rate which remains among the lower rating metropolitan councils

## DISCUSSION

Appendix 1 contains the 1st Budget Review analysis including the detailed adjustments made during the 1st Budget Review.

Appendix 2 contains the financial statements following the 1st Budget Review including comparatives to the original adopted budget for 2018/19 as well as comparatives to the actual results from 2017/18.

**Attachment**

#	Attachment	Type
1	1st Budget Review 2018-19 - Appendix 1	PDF File
2	1st Budget Review 2018-19 - Appendix 2	PDF File

## 1<sup>st</sup> Budget Review 2018/19

### Cash Position

The completion of the 1<sup>st</sup> Budget Review has identified a favourable Cash adjustment of **\$0.011m** (refer Appendix 2 Budgeted Funding Statement – “Movement in levels of Cash/ Accruals”). After adjusting for expenditure allocated through Council Resolutions in 2018/19 of \$0.097m, the net movement is an unfavourable cash adjustment of \$0.086m. Deducting this from the Original Budget Cash Surplus of \$0.668m leaves a revised full year cash surplus forecast of \$0.582m.

This budget review’s favourable adjustment is attributable to the following adjustments to the original 2018/19 adopted budget:

<b>Cash Statement Reconciliation</b>		<b>\$</b>
Original Budget Cash (Surplus)/Deficit		(668,152)
<b>1st Budget Review Adjustments</b>		
Development Services income (favourable)	(52,000)	
Parking fine income (favourable)	(50,000)	
Other various net adjustments (unfavourable)	90,519	<b>(11,481)</b>
<b>Revised 2018/19 Cash (Surplus)/Deficit before Council Resolutions</b>		<b>(679,633)</b>
<b>Less Council Resolutions funded from rates</b>		97,000
<b>Revised 2018/19 Cash (Surplus)/Deficit</b>		<b>(582,633)</b>

The cash result:

- Identifies the cash difference between total revenues and expenditures of Council after allowing for funding from loans, investments, cash draw-downs and reserves.
- Includes capital expenditures, which are excluded from the operating result.
- Provides information of changes in uncommitted financial resources available to Council.
- Returns a cash surplus where savings arise from the original budget, representing an increase in uncommitted financial resources or returns a cash deficit when costs are greater than the original budget, representing a decrease in available financial resources.

The 1<sup>st</sup> Budget review is based upon actual results to the end of September 2018 and forecast to June 2019. In accordance with the Local Government (Financial Management) Regulations 1999 a revised budgeted income statement, balance sheet, statement of changes in equity and statement of cash flows are provided in the Attachments to Appendix 2.

## Operating Position

The 1<sup>st</sup> Budget Review forecasts a full year operating budget surplus for 2018/19 of \$2.866m, a decrease of \$1.526m from the original budget surplus of \$4.392m. This decrease is mainly attributed to a revision of grants and subsidies due to the Grants Commission Financial Assistance Grant for 2018/19 being partly received in advance in June 2018 (\$1.521m) and the inclusion of 2017/18 operating carryovers (\$1.643m). This is partially offset by a decrease in Depreciation (\$2.049m), following the 2017/18 comprehensive asset revaluation leading to a decrease in depreciation rates applied predominantly to buildings and fleet vehicles, and an increase in forecast parking fine revenue (\$0.050m) & forecast Development Services revenue (\$0.052m).

<b>Operating Statement Reconciliation</b>		<b>\$</b>
Original Budget Operating (Surplus)/Deficit		(4,392,496)
Adjusted for 2018/19 Financial Assistance Grant received in advance in 2017/18		1,521,392
Adjusted for Operating Carryovers (including grants)		1,642,630
Adjusted Original Budget Operating (Surplus)/Deficit		(1,228,474)
<b>1st Budget Review Adjustments</b>		
Reduction in Depreciation (favourable)	(2,049,163)	
Development Services income (favourable)	(52,000)	
Parking fine income (favourable)	(50,000)	
Reclassification from Capital to Operating (unfavourable)	613,205	
Other various net adjustments (favourable)	(302,493)	(1,840,451)
<b>Revised 2018/19 Operating (Surplus)/Deficit before Council Resolutions</b>		<b>(3,068,925)</b>
<b>Less Operating Council Resolutions</b>		<b>202,458</b>
<b>Revised 2018/19 Operating (Surplus)/Deficit</b>		<b>(2,866,467)</b>

The 1<sup>st</sup> Budget Review operating budget surplus of \$2.866m (3.1%) currently meets the target set in the Annual Business Plan of \$0 - \$4.630m (0 – 5%).

## Council Resolutions

The following Council Resolutions have been included in the 1<sup>st</sup> Budget Review for 2018/19:

<b>Council Resolutions included in 1st Budget Review</b>		
<b>Funded from Rates:</b>		
GC180814R02	Seaview High School Tennis Court Design	37,000
GC180710R05	Cove Sports Club Facility Management	60,000
		<b>97,000</b>
<b>Funded from 2017/18 Savings:</b>		
GC180612R02	Hallett Cove Sea Pool	25,000
GC180828R07	Morphettville Park Sports - Quinn Street Closure	73,000
GC180612R07	Concert at the Cove	7,458
		<b>105,458</b>
<b>Total Operating Resolutions</b>		<b>202,458</b>
<b>Funded from Reserves:</b>		
GC171010R02	Marion Basketball Stadium Floorboards (CFPP)	85,000
<b>Total Capital Resolutions</b>		<b>85,000</b>
<b>Total Council Resolutions included in 1st Budget Review</b>		<b>287,458</b>

## Capital Budget

The 1<sup>st</sup> Budget Review forecasts expenditure on capital assets increasing by \$8.850m from \$31.088 to \$39.938m (Renewal \$21.794m, New \$18.144m).

The net increase in forecast capital expenditure includes the following:

• Capital works carry overs from 2017/18 (excluding grant funded)	\$3.054m
• Capital works carry overs from 2017/18 (grant funded)	\$5.048m
• Vietnam Veterans Building Relocation (externally funded)	\$0.418m
• Marion Outdoor Pool Upgrade	\$0.320m
• Marion Basketball Stadium Floorboards (GC171010R02)	\$0.230m
• Tennis Club capital works program (GC170328R09)	\$0.215m
• Morphettville Park Sporting Club Redevelopment (GC180828R15)	\$0.498m
• Reclassification of Capital Expenditure to Operating	(\$0.613m)
• Other minor capital adjustments	(\$0.320m)

The Capital Budget is linked to one of Council's key financial indicators, the Asset Sustainability Ratio, which indicates that Council is on track to exceed its performance indicator target of 95 – 100% in 2018/19.

## Borrowings

Council's Treasury Management Policy indicates that in the management of its finances, any funds that are not required to meet approved expenditure can be used to reduce the level of borrowings that would otherwise be required.

The current Long Term Financial Plan incorporates a modest borrowing program and it is considered good Treasury Management to offset some future borrowing requirements where possible. In addition, the guidelines of Council's Annual Savings Initiative have the objective to ensure continued improvement in financial performance. One of the three focus areas is to reduce the borrowing program to assist with Long Term Financial Planning.

The 1<sup>st</sup> Budget Review forecasts no change to the original budget level of required loan funding or loan principal repayments.

Council also currently has substantial cash backed reserves and further consideration of the timing of taking out future borrowings will be reviewed as part of the 2019/20 Annual Business Planning process. Interest charged on borrowings is generally higher than that earned through investments. Therefore, it is not prudent to borrow money when Council has cash reserves available to meet immediate and foreseeable funding needs. In everyday terms this could be compared to paying a minimum credit card payment, and incurring large interest charges, while sitting on money in the bank for a rainy day.

## Reserves

The 1<sup>st</sup> Budget Review reports an increase in the use of Reserves of \$11.423m, inclusive of \$10.767m from the 2017/18 carryover budgets.

The balances held in the Reserves prior to the budget review, excluding Grants & Carryovers Reserve, were as follows:

	<u>30 June 2018</u>
Open Space Reserve	\$ 1.218m
Asset Sustainability Reserve – CFPP	\$ 6.672m
Asset Sustainability Reserve	<u>\$14.985m</u>
Total ASR	<u>\$21.657m</u>

Of the \$21.657m Council has quarantined \$15.8m for projects in 2018/19 and 2019/20 leaving \$3.8m available for Council's consideration for other projects. This excludes the \$2m set aside in the ASR to respond to major infrastructure failure.

### Employee Costs

No adjustment is forecast for employee costs, remaining constant at \$34.896m which includes an allowance for vacancy management of \$0.465m.

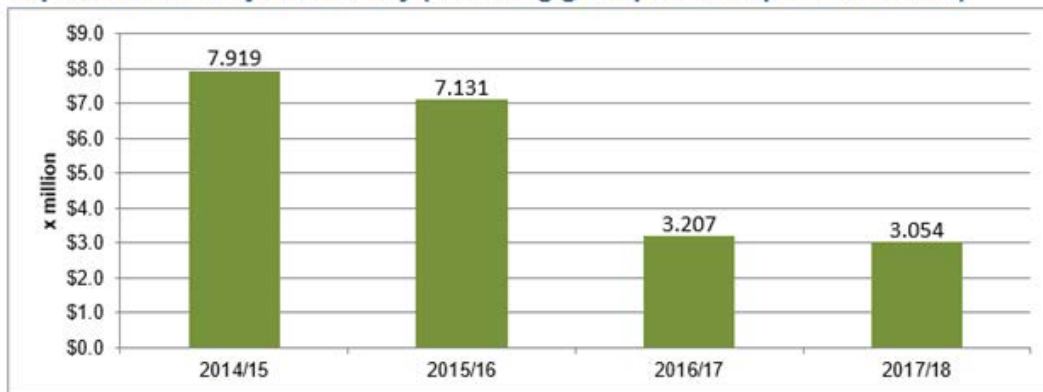
### Carryovers and Unexpended Grants

As part of the finalisation of the 2017/18 Financial Statements, designated unspent budgets were quarantined to the Grants & Carryovers Reserve for specific use in 2018/19 and future years against the works programs and projects they relate to. These budgets were classified as Capital Works, Grant Funded Projects and Other (including Operating).

The total of carryovers and unexpended grants was \$10.768m, with a breakdown as follows:

<b>Carryover Analysis 2017/18</b>	
<b>Capital Works</b>	<b>3,054,748</b>
Fleet Replacement Program Realignment	641,075
Vehicle Replacement - Street Sweeper	313,000
Marion Sports Club Car Park	332,882
Administration Foyer Refurbishment	320,277
Streetscape Works (Finniss St, Heron Way, Railway Tce)	221,374
Drainage Works (Mitchell St, Barramindi Dr, Glammis Ave)	183,819
Woodforde Reserve Courts Redevelopment	173,989
Other capital works	868,332
<b>Grants - Capital Works</b>	<b>5,047,846</b>
BMX Track Development	2,731,322
Heron Way Reserve Stage 4	525,313
Youth Plaza Oaklands Wetlands	422,374
Sturt Linear Park Bridge	360,411
Hendrie Street inclusive Playspace	219,042
Other various minor capital grants	789,384
<b>Grants - Operating</b>	<b>1,959,504</b>
Grants commission received in advance	1,521,392
Southern Adelaide Economic Development Board	200,000
Other various minor operating grants	238,112
<b>Other carryovers (incl Operating)</b>	<b>705,684</b>
Urban Activation Project	149,335
Streetscape Tree Planting	97,820
On Line Booking System	62,919
Other Carryovers (incl operating)	395,610
<b>Total Carryovers to 2018/19</b>	<b>10,767,782</b>

**Capital Works Carryover History (excluding grant/partnership funded works)**



The current status of the capital works budgets carried over from 2017/18 (\$3.054m) as at the 31<sup>st</sup> October 2018 are as follows:

	Carry Over Budget	Completed	Budget Remaining
Infrastructure	\$ 503,439	\$ 317,444	\$ 185,995
Land & Property	\$ 1,398,723	\$ 544,452	\$ 854,271
Open Space Planning	\$ 56,730	\$ 1,500	\$ 55,230
Other	\$ 1,095,856	\$ 883,502	\$ 212,354
<b>Total</b>	<b>\$ 3,054,748</b>	<b>\$ 1,746,898</b>	<b>\$ 1,307,850</b>

### **2017/18 Year End Identified Cash Savings**

Section 7 (2) of the Local Government (Financial Management) Regulations requires that the first reconsideration of a budget in a particular financial year must include a review which takes account of the financial outcomes of the council, council subsidiary or regional subsidiary for the previous financial year.

Our independent audit of the financial statements for the year ended 30<sup>th</sup> June 2018 has now been completed and savings of \$2.973m have been identified over and above those embedded in the original 2017/18 budget.

Council in adopting the 2017/18 Annual Budget in June 2017 embedded forecast efficiency and effectiveness savings across the organisation resulting in a forecast operating surplus of \$5.008m. A commitment was given to making a concerted effort and having a strong focus throughout the year on achieving these savings, without impacting on service delivery outcomes. This forecast operating surplus also enabled Council to quarantine \$2.138m in the Asset Sustainability Reserve for future major community projects and quarantine \$2.142m in the CFPP reserve and provide funding of \$1.197m to meet existing borrowing commitments (i.e to service existing loans). These savings of \$2.973m have now been realised and delivered to the community with the completion and adoption of the audited 2017/18 Annual Financial Statements.

**2017/18 Year End Identified Cash Savings**

	<b>Savings \$000s</b>	<b>Commentary</b>
<b>Operating Revenue</b>		
Rates	(32)	
Statutory Charges	493	Extra revenue from Parking Fines (\$351k), Dog Fines & Registrations (\$75k) and Development Fees (\$52k)
User Charges	494	Increase in Marion Outdoor Pool admission charges (\$138k), user contributions towards HACC services (\$150k), sale of ASR (Oaklands Wetland) Water (\$79k) and rental income (\$35k)
Investment Income	358	Extra interest based on favourable cash position throughout the year
Reimbursements	(27)	
Other Revenues	(394)	BMX Development contribution not received from City of Onkaparinga (\$750k) offset by a number of contributions received from various sporting clubs towards jointly funded works on facilities
Net gain - Equity Accounted Investments	765	SRWRA Cash distribution received
<b>Total Operating Income Savings</b>	<b>1,657</b>	
<b>Operating Expenses</b>		
Employee Costs	707	Includes savings due to vacancies as part of the organisation restructure and temporary vacant positions
Contractual Services	(462)	Increase expenditure in grant funded programs including CHSP and HACC (\$342k)(offset with increased income) and increase in infrastructure maintenance expenditure (\$157k)(including roads, footpaths, walking trails and reserves)
Materials	129	Water savings (\$209k)
Finance Charges	4	
Other Expenses	148	Includes savings from insurance premiums (\$122k)
<b>Total Operating Expenditure Savings</b>	<b>526</b>	
<b>Net Operating Savings</b>	<b>2,183</b>	
Capital Expenditure	790	Savings due to fleet replacement program realignment (\$570k) and street litter truck not replaced (\$220k)
<b>Total Identified Savings</b>	<b>2,973</b>	

## Budgeted Funding Statement

The following report details the proposed budget changes for the 1<sup>st</sup> Budget Review.

CITY OF MARION				
Budgeted Funding Statement				
	Budget		1st	Revised
	Original	Carryovers	Review	Budget
	\$000's	\$000's	\$000's	\$000's
<b>OPERATING REVENUE</b>				
Rates				
General	75,230	-	-	75,230
Other - NRM	1,942	-	-	1,942
Statutory Charges	2,121	-	102	2,223
User Charges	2,175	-	19	2,194
Operating Grants and Subsidies	8,658	(1,522)	(40)	7,096
Investment Income	704	-	4	708
Reimbursements	540	-	5	545
Other Revenues	878	-	384	1,262
Share of Profit - Equity Accounted Investments	344	-	-	344
	<b>92,592</b>	<b>(1,522)</b>	<b>474</b>	<b>91,544</b>
<b>OPERATING EXPENSES</b>				
Employee Costs	34,896	-	-	34,896
Contractual Services	20,518	1,643	525	22,686
Materials	4,533	-	177	4,710
Finance Charges	467	-	0	467
Depreciation	17,106	-	(2,049)	15,057
Other	10,680	-	182	10,862
	<b>88,200</b>	<b>1,643</b>	<b>(1,165)</b>	<b>88,678</b>
<b>Operating Surplus/(Deficit) before Capital rev's</b>	<b>4,392</b>	<b>(3,165)</b>	<b>1,639</b>	<b>2,866</b>
<i>Add</i>				
<i>(a) Capital Revenue</i>				
Capital Grants and Contributions	-	-	917	917
Physical Resources received free of charge	-	-	-	-
Gain/(Loss) on disposal of assets	-	-	(1,052)	(1,052)
<i>Equals Net Surplus/(Deficit) resulting from operations</i>	<b>4,392</b>	<b>(3,165)</b>	<b>1,504</b>	<b>2,731</b>
<i>Add</i>				
Depreciation	17,106	-	(2,049)	15,057
(Gain)/Loss on disposal of assets	-	-	1,052	1,052
<i>Less</i> Share of Profit - Equity Accounted Investments	(344)	-	-	(344)
<i>Equals Funding available for Capital Investment exp</i>	<b>21,154</b>	<b>(3,165)</b>	<b>507</b>	<b>18,496</b>
<b>Capital</b>				
<i>Less</i> Capital Expenditure - Renewal	18,394	3,095	306	21,794
<i>Less</i> Capital Expenditure - New	12,694	4,509	942	18,144
<i>Less</i> Capital - contributed assets	-	-	-	-
<i>Equals Net Overall funding Surplus/(Deficit)</i>	<b>(9,933)</b>	<b>(10,769)</b>	<b>(740)</b>	<b>(21,442)</b>

CITY OF MARION				
Budgeted Funding Statement				
	Original Budget \$000's	Carryovers	1st Review \$000's	Revised Budget \$000's
<b>Funding transactions associated with accomodating the above net overall funding deficit (or applying the net overall funding surplus) are as follows:</b>				
<b>LOANS</b>				
Loan Principal Receipts (Net)	-	-	-	-
Loan Receipts from Sporting Clubs (Net)	-	-	-	-
Less Loan Principal Payments	1,100	-	-	1,100
<b>Loan funding (Net)</b>	<b>(1,100)</b>	<b>-</b>	<b>-</b>	<b>(1,100)</b>
<b>Movement in level of cash &amp; accruals</b>				
(b) Cash Surplus/(Deficit) funding requirements	668	-	(86)	582
Less Reserves (Net)	11,701	10,769	654	23,124
<b>Cash/Investments/Accruals Funding</b>	<b>(11,033)</b>	<b>(10,769)</b>	<b>(740)</b>	<b>(22,542)</b>
<b>Equals Funding Transactions</b>	<b>9,933</b>	<b>10,769</b>	<b>740</b>	<b>21,442</b>

(a) Capital Revenue excludes book gains/loss on sale of assets

(b) Relates to use of cash to fund major projects

### Analysis of Budgeted Funding Statement

This section of the 1<sup>st</sup> Budget Review provides an analysis of the movements in the Budgeted Funding Statement (revenues, expenditures, capital, loans and reserves).

The 1<sup>st</sup> Budget Review reports a funding (cash) surplus of \$0.582m.

### Financial Indicators

To assist Council in meeting its objective of financial sustainability a series of financial indicators endorsed by the Local Government Association are provided. Where a Council target has not been adopted, the recommended Local Government Association (LGA) target has been provided. The following table provides a matrix of indicators of the 1<sup>st</sup> Budget Review 2018/2019 and whether the target has been achieved.

Key Financial Indicator	2018/19	Target	Result 5 Yr Avge
Operating Surplus/(Deficit)	\$2.866m	\$0 - \$4.577m	↑
Operating Surplus Ratio	3.1%	0 - 5%	↑
Net Financial Liabilities Ratio	(11.6%)	0 - 50%	✓
Debt Servicing Ratio	1.7%	0 - 5%	✓
Asset Sustainability Ratio	145%	95 - 100%	↓
Asset Consumption Ratio	79.8%	80 - 100%	✓

In most instances the 1<sup>st</sup> Budget Review 2017/2018 is meeting or exceeding the required targets or is within range of Council meeting its objective of financial sustainability.

Further detail is provided below which explains the basis of each indicator:

Operating surplus – being the operating surplus (deficit) before capital amounts

Operating Surplus Ratio – This ratio expresses the operating surplus (deficit) as a percentage of general and other rates, net of rebates.

Net Financial Liabilities Ratio – indicates the extent to which net financial liabilities of Council can be met by Council's total operating revenue

Debt Servicing Ratio – indicates the extent to which Council's borrowing expenses (principal and interest) are met by total operating revenues excluding investment income

Asset Sustainability Ratio – indicates whether Council is renewing or replacing existing assets at the rate of consumption.

Asset Consumption Ratio – indicates the remaining useful life of Council's assets or the asset stock at a point in time.

**Attachments to Appendix 2**

- Attachment 1 – Budgeted Income Statement
- Attachment 2 – Budgeted Balance Sheet
- Attachment 3 – Budgeted Statement of Changes in Equity
- Attachment 4 – Budgeted Statement of Cash Flows
- Attachment 5 – Consultants

**APPENDIX 2****ATTACHMENT 1**

<b>CITY OF MARION</b>		
<b>Budgeted Income Statement</b>		
	<b>Actual</b>	<b>1st</b>
	<b>2018</b>	<b>Review</b>
	<b>\$000's</b>	<b>2019</b>
		<b>\$000's</b>
<b>OPERATING REVENUE</b>		
Rates		
General	73,063	75,230
Other	1,801	1,942
Statutory Charges	2,305	2,223
User Charges	2,250	2,194
Operating Grants and Subsidies	9,954	7,096
Investment Income	1,112	708
Reimbursements	654	545
Other Revenue	894	1,262
Net Gain - Equity Accounted Council Businesses	533	344
<b>TOTAL OPERATING REVENUE</b>	<b>92,566</b>	<b>91,544</b>
<b>OPERATING EXPENSES</b>		
Employee Costs	33,274	34,896
Contractual Services	19,143	22,686
Materials	4,898	4,710
Finance Charges	541	467
Depreciation	16,991	15,057
Other Expenses	6,803	10,862
Net Loss - Equity Accounted Council Business	12	-
<b>TOTAL OPERATING EXPENSES</b>	<b>81,662</b>	<b>88,678</b>
<b>Operating Surplus/(Deficit) before Capital Revenues</b>	<b>10,904</b>	<b>2,866</b>
<b>CAPITAL REVENUES</b>		
Capital Grants, Subsidies and Monetary Contributions	1,522	917
Physical resources received free of charge	131	-
Gain/(Loss) on disposal of assets	(1,311)	(1,052)
<b>Net Surplus/(Deficit) resulting from Operations</b>	<b>11,246</b>	<b>2,731</b>

**APPENDIX 2****ATTACHMENT 2**

<b>CITY OF MARION</b>		
<b>Budgeted Statement of Financial Position</b>		
	<b>Actual</b>	<b>1st</b>
	<b>2018</b>	<b>Review</b>
	<b>\$000's</b>	<b>2019</b>
		<b>\$000's</b>
<b><u>CURRENT ASSETS</u></b>		
Cash & Cash Equivalents	48,959	26,417
Receivables	5,878	5,878
Inventory	227	227
<b>TOTAL CURRENT ASSETS</b>	<b>55,064</b>	<b>32,522</b>
<b><u>CURRENT LIABILITIES</u></b>		
Creditors	10,339	10,339
Provisions	5,422	5,422
Borrowings	1,100	1,170
<b>TOTAL CURRENT LIABILITIES</b>	<b>16,861</b>	<b>16,931</b>
<b>Net Current Assets/(Liabilities)</b>	<b>38,203</b>	<b>15,591</b>
<b><u>NON-CURRENT ASSETS</u></b>		
Investment in SRWRA & Council Solutions	5,815	6,159
Infrastructure, Property, Plant & Equipment	1,132,532	1,156,361
Other Non-Current Assets	6,826	6,826
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,145,173</b>	<b>1,169,346</b>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Provisions	700	700
Borrowings	6,805	5,635
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>7,505</b>	<b>6,335</b>
<b>NET ASSETS</b>	<b>1,175,871</b>	<b>1,178,602</b>
<b><u>EQUITY</u></b>		
Accumulated surplus	380,504	406,359
Asset Revaluation Reserves	760,237	760,237
Other Reserves	35,130	12,006
<b>TOTAL EQUITY</b>	<b>1,175,871</b>	<b>1,178,602</b>

**APPENDIX 2****ATTACHMENT 3**

<b>CITY OF MARION</b>		
<b>Budgeted Statement of Changes in Equity</b>		
	<b>Actual</b>	<b>1st</b>
	<b>2018</b>	<b>Review</b>
	<b>\$000's</b>	<b>2019</b>
		<b>\$000's</b>
<b>ACCUMULATED SURPLUS</b>		
Balance at beginning of period	373,871	380,504
Net Surplus/(Deficit)	11,246	2,731
Transfers from Reserves	14,615	23,483
Transfers to Reserves	(19,228)	(359)
<b>Balance at end of period</b>	<b>380,504</b>	<b>406,359</b>
<b>ASSET REVALUATION RESERVE</b>		
Balance at beginning of period	765,159	760,237
Net change this year	(4,922)	-
<b>Balance at end of period</b>	<b>760,237</b>	<b>760,237</b>
<b>OTHER RESERVES</b>		
Balance at beginning of period	30,517	35,130
Net change this year	4,613	(23,124)
<b>Balance at end of period</b>	<b>35,130</b>	<b>12,006</b>
<b>Total Reserves</b>	<b>795,367</b>	<b>772,243</b>
<b>TOTAL EQUITY</b>	<b>1,175,871</b>	<b>1,178,602</b>

**APPENDIX 2****ATTACHMENT 4**

<b>CITY OF MARION</b>		
<b>Budgeted Statement of Cash Flows</b>		
	<b>Actual</b>	<b>1st</b>
	<b>2018</b>	<b>Review</b>
	<b>\$000's</b>	<b>2019</b>
		<b>\$000's</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Receipts</i>	97,122	91,200
<i>Payments</i>	(69,980)	(73,621)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>27,142</b>	<b>17,579</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<i>Receipts</i>		
Loans Received	-	-
Proceeds from Bonds & Deposits	-	-
<i>Payments</i>		
Principal	(1,197)	(1,100)
Repayment of Bonds & Deposits	(23)	0
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>(1,220)</b>	<b>(1,100)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<i>Receipts</i>		
Capital Grants/Subsidies & Contributions/Investments	1,522	917
Sale of Equipment	847	979
Distributions from Equity Accounted Investments	765	-
<i>Payments</i>		
Purchase of IPP&E	(21,910)	(40,917)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(18,776)</b>	<b>(39,021)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>7,146</b>	<b>(22,542)</b>
<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>41,813</b>	<b>48,959</b>
<b>CASH AT END OF REPORTING PERIOD</b>	<b>48,959</b>	<b>26,417</b>

**APPENDIX 2****ATTACHMENT 5****CONSULTANTS**

Council resolved at the Council meeting held 8 December 1998 that future budget reviews include an Executive Summary with reference to consultants.

Consultants are defined as an expert called on to provide professional or technical advice not currently available within the organisation. An analysis of Council's accounts reveals the following information of actual + committed year to date (20/11/18) expenditure versus full year actuals for 2018/19 relating to expenditure on Consultants of an operating nature:

**Legal Consultants**

*As at 20th November 2018 1<sup>st</sup> Budget review*

	<b>Full Year Actual 2017/18</b>	<b>Actual YTD 2018/19</b>
Human Resources ( <i>Employment advice</i> )	81,805	54,753
Environmental Health	3,761	336
General Inspection ( <i>Dog/Cat &amp; Parking Control</i> )	3,975	3,056
Governance	14,910	10,000
Financial Services	566	-
City Activation	18,130	-
Asset & Property Management	15,960	10,441
Development Assessment	92,103	21,717
Infra Mgt (Engineering)	1,000	2,518
Civil Services	3,048	27
Open Space Services	5,477	882
Community Development	-	4,268
Communications & Public Relations	-	1,234
Information Mgt & Technology	-	624
Process Improvement	114	1,571
Cultural Development	8,094	163
	<b>248,943</b>	<b>111,590</b>
Full Year Budget		<b>259,052</b>

## Other Consultants (not including legal)

As at 20th November 2018 1<sup>st</sup> Budget review

	Actual Full Year 2017/18	Actual YTD 2018/19
Strategic Development	37,155	4,900
Human Resources	68,666	13,092
Community Facilities Development	(a) 127,215	(a) 31,425
Information Mgt & Technology	(b) 32,550	(b) 2,100
Governance	27,926	3,459
City Activation	(c) 51,790	(c) -
Asset & Property Management	16,736	-
Strategy, Performance & Innovation	29,119	5,000
Development Assessment	108,761	14,150
Infrastructure Management (Engineering)	(d) 232,517	(d) 19,698
Civil Services	34,222	13,178
Open Space Services	(e) 198,343	(e) 32,177
Process Improvement	(f) 81,217	(f) 22,000
Recruitment	156,777	27,440
	<b>1,202,995</b>	<b>188,620</b>
Full Year Budget		<b>1,620,904</b>
(a) BMX Track Development	104,997	23,945
Other expenditure	22,218	7,480
	<u>127,215</u>	<u>31,425</u>
(b) On-Line Booking System Implementation	28,050	2,100
Other expenditure	4,500	-
	<u>32,550</u>	<u>2,100</u>
(c) Flinders Tonsley Precinct Transport study	14,998	-
Other expenditure	36,792	-
	<u>51,790</u>	<u>-</u>
(d) Infrastructure Management	117,830	-
Road – Pavement Testing	63,551	-
Other expenditure	51,136	19,698
	<u>232,517</u>	<u>19,698</u>
(e) Heron Way Reserve Development (stage 4 & 5)	24,801	-
Oakland's Estate Reserve	48,120	-
Open Space Reporting & Project Management	87,805	27,577
Other expenditure	37,617	4,600
	<u>198,343</u>	<u>32,177</u>
(f) Optimisation Review	65,655	19,500
Other expenditure	15,562	2,500
	<u>81,217</u>	<u>22,000</u>

## Re-establishment of the Infrastructure and Strategy Committee

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R04

### REPORT OBJECTIVE

The purpose of this report is to recommend to Council to re-establish the Infrastructure and Strategy Committee in accordance with Section 41 of the *Local Government Act 1999*.

### EXECUTIVE SUMMARY

The City of Marion's Infrastructure and Strategy Committee was established in November 2016, commencing in January 2017 to fulfil the requirements of a strategic planning, monitoring of major capital projects and alignment of assets and infrastructure for the long term.

The structure of the Committee comprises of the Mayor, five Elected Members, one of which is appointed as the Presiding Member and one Independent Expert Member with experience in strategic management covering areas such as business strategy/planning and integration/alignment of strategic directions, asset/facilities management, project management and/or civil/structural engineering.

A sitting fee for each scheduled meeting will be paid to the Independent Expert Member of the Committee and is currently set at \$1,000 per meeting. In accordance with 3.8 of the Committee's Terms of Reference (ToR), Council is required to review the remuneration sitting fee payable to expert members within 12 months of a Council (periodic) election. Mr Christian Reynolds is currently appointed to the Committee for a term commencing 1 January 2018 expiring in December 2019.

The Committee meets on a monthly basis and it is suggested that this continue to be the first Tuesday of the month as included in the proposed *Schedule of Meetings 2019* for adoption by Council.

A draft ToR for the Infrastructure and Strategy Committee is attached as Appendix 1. There have been some minor edits made to the ToR (identified in blue) in the attached document. These edits are based on feedback received during the year.

### RECOMMENDATION

**That Council:**

- 1. Re-establishes the City of Marion Infrastructure and Strategy Committee in accordance with the Infrastructure and Strategy Committee Terms of Reference, as set out in Appendix 1 of this report.**
- 2. The sitting fees payable to the Independent Member of the Infrastructure and Strategy Committee are \$1,000 per scheduled meeting.**

### Attachment

#	Attachment	Type
1	Infrastructure-and-Strategy-Committee-Terms-of-Reference-as at Nov 18	PDF File

# INFRASTRUCTURE & STRATEGY COMMITTEE TERMS OF REFERENCE



## 1. ESTABLISHMENT

- 1.1 Pursuant to section 41 of the *Local Government Act 1999* (The Act) the Council has established an Infrastructure and Strategy Committee.

## 2. OBJECTIVES

- 2.1 The Committee is established for the purposes of:
- Providing advice to Council regarding matters of strategic importance.
  - The development and monitoring of Council's strategic management plans as defined under section 122 of the Act.
  - Providing advice to Council on the changing and emerging nature of the community, region and area in which it operates, and specifically the public policy objectives of other councils, State and Commonwealth governments.
  - Providing advice to council on the extent or levels of service required to be provided by the Council to achieve its long-term objectives.
  - Providing advice and recommendations to Council regarding the strategic management of council assets.
  - Monitoring of major Council Projects that are in excess of \$4 million and / or are of a nature which pose significant risk or high community impact.
  - Aligning Council's management of assets and infrastructure to its long term strategic objectives.
  - Providing advice to Council on opportunities for innovation aligned with its long term strategic objectives.

## 3. MEMBERSHIP

- 3.1 The membership of the Committee will comprise of:
- The Mayor
  - Five Elected Members
  - One expert member who is independent of Council
- 3.2 The Membership, term of appointment and the presiding member will be determined by resolution of the Council.

### Elected Member Representatives

- 3.3 An Elected Member will be the presiding member of the Committee.
- 3.4 The Elected Member Representatives will change during the term of Council however Council may resolve to re-appoint an Elected Member representative for consecutive terms if this provides continuity for the Committee.

### Expert Member

- 3.5 The expert member will have experience in strategic management covering areas such as business strategy/planning and integration/alignment of strategic directions, asset/facilities management, project management and/or civil/structural engineering.
- 3.6 The appointment of the expert member will be made by the Council for a term to be determined by the Council. Council may resolve to re-appoint an expert member for consecutive terms.
- 3.7 If Council proposes to remove an expert member from the Committee, it must give written notice to the expert member of its intention to do so and provide the expert member with the opportunity to be heard at a council meeting which is open to the public, if the expert member so requests.
- 3.8 A sitting fee for each scheduled meeting will be paid to the expert member of the Committee and will be set by Council. At a minimum, the remuneration sitting fee paid to expert members will be reviewed within 12 months of a Council (periodic) election.
- 3.9 Any fees for additional workshops and/or meetings outside the meeting schedule must be negotiated separately before the meeting occurs.

### Process to source Expert Members

- 3.10 The Council will determine the process for appointing an expert member. This will be through resolution if not defined by another Committee's Terms of Reference.

## **4. BASIS FOR OPERATION**

- 4.1 The Committee does not have any delegated powers of Council, and all decision of the Committee will constitute recommendations to the Council.
- 4.2 For the purposes of section 41(8) of the Act, the Council does not impose any reporting and accountability requirements on the basis that all decisions of the Committee constitute recommendations to Council.
- 4.3 The Committee will meet as resolved by Council between February and December each year.
- 4.4 A quorum for a meeting of the Committee shall be four Members of the Committee.
- 4.5 Each member present at a Committee meeting must, subject to the provision of the Act, vote on a question arising for decision at that meeting.
- 4.6 Where the Act, the Local Government (Procedures at meetings) Regulations 2000 and these Terms of Reference do not prescribe procedures to be observed in relation to the conduct of a meeting of the Committee, the Committee may determine its own procedures.
- 4.7 Administrative support will be provided to the Committee as requested.
- 4.8 The Committee will review its Performance on a bi-annual (every two years) basis using performance indicators developed for that purpose.

## 5. TERMS OF REFERENCE

- 5.1 Within the parameters of the Act, and having regard to the powers, functions and responsibilities of the Chief Executive Officer, the Committee is charged with providing advice and recommendations to Council regarding:
- 5.1.1 To advise Council regarding the development, implementation and review of its strategic management plans.
  - 5.1.2 To ensure that Council policy and strategies provide and promote Community 'wellbeing' through enhancing and sustaining economic, environmental and community development of the City of Marion.
  - 5.1.3 To review strategic topics (not included within any other Committees Terms of Reference) prior to Council consideration and adoption.
  - 5.1.4 The development and implementation of Council policy relating to the management and utilisation of Council assets and infrastructure.
  - 5.1.5 The monitoring and potential implementation strategies for the sporting facilities priorities of the City of Marion.
  - 5.1.6 The monitoring, development and implementation of Council's Strategic Asset Management Plans in accordance with Council's Asset Management Policy.
  - 5.1.7 Opportunities to either acquire new assets or dispose of assets in accordance with Council's Disposal of Land and Assets Policy.
  - 5.1.8 Monitoring of major projects of the City of Marion or within the City of Marion.
  - 5.1.9 The opportunities to further develop strategic transport and integration of transport needs of the Community.
  - 5.1.10 The opportunities to further pursue Council's strategic objectives using innovative solutions.

Adopted by Council:	27 November 2018
Next Review:	November 2020
Previous Version:	28 February 2017 (GC280217R04)
Owner:	Manager Corporate Governance Manager Innovation and Strategy Manager Strategic Projects
Applicable Legislation:	Local Government Act 1999 Local Government (Procedures at Meetings) Regulations 2013 Development Act 1993

## Re-establishment of the Finance & Audit Committee

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R05

### REPORT OBJECTIVE

The purpose of this report is to recommend to Council to re-establish the Finance and Audit Committee (FAC). The FAC is a formally constituted Committee of Council pursuant to Section 41 of the *Local Government Act 1999* (the Act) and is responsible to Council.

### EXECUTIVE SUMMARY

The City of Marion's FAC was last reviewed in November 2016. The FAC adds value and improves the Council's operations by providing an independent and systematic and disciplined approach to evaluating and improving the effectiveness of risk management, internal control, financial management and governance processes.

Pursuant to section 126 of the Act, the Council must establish an Audit Committee. The function of an audit committee prescribed by the Act include:

- reviewing annual financial statements to ensure that they present fairly the state of affairs of the council;
- proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan;
- proposing, and reviewing, the exercise of powers under section 130A of the Act (efficiency and economy reviews);
- liaising with the council's auditor;
- if the council has exempted a subsidiary from the requirement to have an audit committee, the functions that would, apart from the exemption, have been performed by the subsidiary's audit committee;
- reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.

The structure of the committee comprises of five members, two Elected Members (who are not the Mayor) and three expert independent members.

Ideally, the Elected Member representative will have experience in business, legal, audit or financial management / reporting knowledge and experience.

Appointment of the Elected Member representative will be made by Council for a term of 12 months. Council may resolve to re-appoint an Elected Member representative for consecutive terms.

The current independent members are:

- Mr Greg Connor (Chairperson) – current term expires November 2019
- Ms Natalie Johnston – current term expires November 2020
- Ms Emma Hinchey – current term expires November 2021

Current sitting fees for independent members are \$1200 per meeting for the Chairperson; and \$1000 per meeting for the independent members. Elected Members are not entitled to an additional payment above their Elected Member allowance.

In accordance with the Terms of Reference (ToR) the FAC will meet at least quarterly. An annual schedule of meetings will be developed and agreed to by the Committee members. This schedule of meetings will include at least one joint workshop with the Council and the Committee.

A draft ToR for the Finance and Audit Committee is attached as Appendix 1. Some minor edits have been made.

Re-establishing the City of Marion Audit Committee as outlined in this report demonstrates best practice governance and compliance with Section 126 of the *Local Government Act 1999*.

## RECOMMENDATION

**That Council:**

- 1. Re-establishes the City of Marion Finance and Audit Committee in accordance with the Finance and Audit Committee Terms of Reference, as set out in Appendix 1 of this report.**
- 2. Adopts the sitting fees payable to the Independent Members of the Finance and Audit Committee are \$1200 for the Chairperson and \$1000 for Independent Members per scheduled meeting.**

## Attachment

#	Attachment	Type
1	Finance-and-Audit-Committee-Terms-of-Reference at Nov 18	PDF File

# FINANCE AND AUDIT COMMITTEE TERMS OF REFERENCE



## 1. ESTABLISHMENT

- 1.1 The Finance and Audit Committee is a formally constituted Committee of Council pursuant to *Section 41 and 126 of the Local Government Act 1999* and is responsible to Council. It operates as an independent and objective advisory Committee to Council and does not have any delegated decision making or authority to implement actions in areas over which the Chief Executive Officer.

## 2. OBJECTIVES

- 2.1 The primary objective of the Finance and Audit Committee is to add value through the provision of advice to ensure that the resources of the City of Marion are being used efficiently and effectively. It will assist Council accomplish its objectives by contributing to a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.
- 2.2 As part of Council's governance obligations to the community, Council has constituted the Finance and Audit Committee to facilitate:
- 2.2.1 Oversight of relevant activities to facilitate achieving the City of Marion's objectives in an efficient and orderly manner.
  - 2.2.2 Enhancing the credibility and objectivity of internal and external financial reporting.
  - 2.2.3 Effective management of risk and the protection of Council assets.
  - 2.2.4 Compliance with laws and regulations as well as use of best practice guidelines.
  - 2.2.5 The effectiveness of the service reviews function and maintaining a reliable system of internal control.
  - 2.2.6 The provision of an effective means of communication between the external auditor, service reviews provider, management and Council.
  - 2.2.7 The City of Marion's ethical development.

## 3. MEMBERSHIP

- 3.1 The Finance and Audit Committee will comprise five members:
- (i) Two Elected Members (who are not the Mayor)
  - (ii) Three external expert members.

### Elected Member Representative

- 3.2 Ideally, the Elected Members on this Committee will have experience in business, legal, audit or financial management / reporting knowledge and experience.
- 3.3 Appointment of the Elected Members to this Committee will be made by Council on a rotational basis, as resolved from time to time. Council may resolve to re-appoint the Elected Members on this Committee for consecutive terms.
- 3.4 No additional allowance will be paid to the Elected Member representative over and above the allowance already received by the Elected Member.

- 3.2 If required, training and development will be sourced and provided to the Elected Member Representatives on matters/subjects within the Finance and Audit Committee Terms of Referenced
- 3.3 The Elected Member representatives will raise matters (within the scope of the Finance and Audit Committee Terms of Reference) with the Committee, on behalf of Council and act as a conduit of information between Council and the Committee, and the Committee and Council
- 3.4 The Elected Members representatives will provide a verbal report to Council on the key matters and recommendations within the Committee meeting, when the minutes and / or Committee recommendation reports, are presented to Council for adoption.
- 3.5 The Elected Member representative will provide a report to the Committee on any Council decisions or discussions that are relevant to the Committee's Terms of Reference.

#### External Expert Members

- 3.6 External expert members will have senior business, legal, audit knowledge and experience, and be conversant with the local government environment.
- 3.7 At least one external expert member will have expertise and knowledge in financial management/reporting.
- 3.8 The Council will determine the process for appointing an expert member.
- 3.9 Appointment of external representatives will be made by Council for a term to be determined by Council. To ensure succession planning for the Committee, the terms of appointment should be arranged on a rotational basis and continuity of membership despite changes to Council's elected representatives. Council may resolve to re-appoint an external expert member for consecutive terms.
- 3.10 If Council proposes to remove an expert member from the Committee, it must give written notice to the expert member of its intention to do so and provide that expert member with the opportunity to be heard at a Council meeting which is open to the public, if that expert member so requests.
- 3.11 Remuneration will be paid to each expert member of the Committee to be set by Council from time to time. At a minimum, the remuneration paid to expert member will be reviewed within 12 months from the date of a Council (periodic) election. The basis will be a set fee per meeting, with an additional amount paid to the Chairperson.

#### **4. BASIS FOR OPERATION**

- 4.1 The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to the Committee's Terms of Reference in order to facilitate decision-making by Council in relation to the discharge of its responsibilities.
- 4.2 The City of Marion considers that the ability of the Finance and Audit Committee to operate in a manner that adds value and also maintain independent judgement is vital. As such, the City of Marion has based the Committee's Terms of Reference on the ASX Principles of Good Corporate Governance and the Australian Standard AS 8000-2003 Good Governance Principles.
- 4.3 Council or the Chief Executive may refer any matter to the Finance and Audit Committee within its Terms of Reference.
- 4.4 The Chairperson of the Committee shall be appointed from the external representatives of the Committee by the Finance and Audit Committee. In the absence of the appointed Chairperson from a meeting, the meeting will appoint an acting Chairperson from the external members present.

- 4.5 A quorum shall be three members – 1 Elected Member and 2 expert members.
- 4.6 The Finance and Audit Committee, through the Chief Executive Officer, may seek information or obtain expert advice on matters of concern within the scope of its responsibilities.
- 4.7 The Chief Executive Officer will attend all meetings on an ex-officio basis, except when the Committee chooses otherwise. Other Elected Members or staff may be invited to attend at the discretion of the Committee to advise and provide information when required.
- 4.8 The Finance and Audit Committee will review its performance on a bi-annual basis to ensure the continual improvement to its performance.
- 4.9 Representatives of the external auditor will be invited to attend meetings at the discretion of the Committee, but must attend meetings at which there will be consideration of the annual financial report and results of the external audit.
- 4.10 The Finance and Audit Committee will meet with both the external auditor and internal auditor without management present at least once a year.
- 4.11 The Chief Executive Officer will ensure appropriate support is provided to Committee.

#### Meetings

- 4.12 The Committee shall meet at least quarterly.
- 4.13 The time and place for the conduct of meetings will be determined by the Committee provided that all meetings will be held in a public environment within a City of Marion building.
- 4.14 The Committee will consider and determine its own meeting practice, processes and procedures within the parameters of the Local Government Act 1999 and the Local Government (Procedures at Meetings) Regulations 2000.
- 4.15 An annual schedule of meetings will be developed and agreed to by the Committee members. This schedule of meetings will include at least one joint workshop with the Council and the Committee.
- 4.16 Additional meetings shall be convened at the discretion of the Chairperson, or at the written request of Council or any member of the Committee, service review provider or external auditor.

#### Reporting

- 4.17 A copy of all agenda and reports forwarded to the Finance and Audit Committee will also be forwarded to Elected Members for information prior to the conduct of the Finance and Audit Committee meeting.
- 4.18 The minutes of each Finance and Audit Committee Meeting, shall be forwarded (as soon as practicable after the meeting) to a General Council meeting.
- 4.19 Where the Finance and Audit Committee makes a recommendation to Council on a matter within the scope of its Terms of Reference, the matter will be listed as a separate agenda item for consideration by Council at the next General Council meeting that is not being held on the same day as the Audit Committee meeting. An Elected Member Representative on the Committee will inform the Council during the Council meeting of the recommendation and any provide any relevant context.
- 4.20 Where the Council makes a decision relevant to the Committee's Terms of Reference, an Elected Member Representative will report the decision to the Committee at the next Committee meeting and provide any relevant context.

- 4.21 The Committee shall report annually to the Council summarising the activities of the Committee during the previous year.

#### Authority

- 4.22 The Committee is authorised to seek any information it requires from any employee of the Council (after advising the CEO) in order to perform its duties.
- 4.23 The Committee is authorised, at the Council's expense, (after consultation with the CEO) to obtain outside legal or other professional advice on any matter within its terms of reference

### **5. FUNCTIONS:**

The primary functions of the Finance and Audit Committee is to add value through the provision of advice to ensure that the resources of the City of Marion are used efficiently and effectively. It will assist Council to accomplish its objectives by contributing to a systematic and disciplined approach to evaluating and improving the effectiveness of financial management, risk management, internal controls, and governance processes through the following activities:

#### **5.1 External Audit**

- 5.1.1 Review and recommend for endorsement by Council the engagement of the City of Marion's external auditor. The review should look to satisfy Council that the provider of external audit services can demonstrate adequate independence from the operations of the City of Marion.
- 5.1.2 Critically analyse and follow up any external audit report that raises significant issues relating to risk management, accounting, internal controls, financial reporting and other accountability or governance issues. Review management's response to, and actions taken as a result of, issues raised.
- 5.1.3 Liaise with the City of Marion's external auditor including discussion on:
- 5.1.4 The scope and planning of annual audits.
- 5.1.5 Any issues arising from audits, including any management letter issued by the auditor and the resolution of such matters.
- 5.1.6 Recommend to Council, if considered appropriate, that the external auditor, or some other person suitably qualified in the circumstances, examine and report on any matter related to financial management, or the efficiency and economy with which the City of Marion manages or uses its resources to achieve its objectives, that would not otherwise be addressed or included as part of the annual audit (under Div. 4 of Part 3 of Ch. 8 of the Act).

#### **5.2 Internal Audit and Service Reviews**

- 5.2.1 Review and recommend for endorsement by Council the engagement of the City of Marion's internal audit provider. The review should look to satisfy Council that the provider of the services can demonstrate adequate independence from the operations of the City of Marion.
- 5.2.2 Review, and provide information relevant to, the scope of the internal audit and service review programs, including whether the program systematically addresses:
- Internal controls over significant risk, including non-financial management control systems.
  - Internal controls over revenue, expenditure, assets and liability processes.

- The efficiency, effectiveness and economy of significant Council programs and activities.
- Compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements,
- Whether employees have sufficient competencies (facilitated by up to date training) to enable them to fulfil their roles.
- A review of the City of Marion's strategic management plans and annual business plans to ensure appropriate allocation of resources necessary to achieve the objectives of the plans.

5.2.3 Critically analyse and follow up any internal audit or service reviews report that raises significant issues and review management's response to, and actions taken as a result of issues raised.

5.2.4 Review the appropriateness of special assignments undertaken by the internal audit and service reviews provider at the request of the Chief Executive.

5.2.5 Review the level of resources allocated to service review and the scope of its services and authority.

5.2.6 Facilitate liaison between the internal audit/service review provider, and external auditor to promote compatibility, to the extent appropriate, between their programs.

### 5.3 Service Reviews

5.3.1 Review and provide advice on service reviews, and in particular:

- a) the scope of the review before it is commenced
- b) input into the questions to be asked and the data to be collected and analysed
- c) comment on all draft service review reports before the final report is presented to Council.

### 5.4 Financial Reporting and Prudential Requirements

5.4.1 Review Council's annual financial statements to ensure that they present fairly the state of affairs of the City of Marion, including focus on:

- Accounting policies and practices and any changes to them.
- The process used in making significant accounting estimates.
- Significant adjustments to the financial report (if any) arising from the audit process.
- Compliance with accounting standards and other reporting requirements.
- Significant variances from prior years.

5.4.2 Provide comment on the assumptions underpinning Council's Strategic Management Plans (Strategic Plan, Annual Business Plan, Budget and Long Term Financial Plan), the consistency between plans, and the adequacy of Council's plans in the context of maintaining financial sustainability.

5.4.3 Recommend adoption of the annual financial statements to Council. Review any significant changes that may arise subsequent to any such recommendation but before the financial report is signed.

5.4.4 Review the recommendations of business cases developed by Management in association with significant activities or major projects. Such reviews should have

regard to the requirements of Section 41 of the Local Government Act 1999 which relates to prudential requirements for certain activities.

## 5.5 Internal Controls and Risk Management Systems

- 5.5.1 Review the City of Marion's annual Risk Profile and monitor the risk exposure of Council. Review risk management processes and management information systems.
- 5.5.2 Review the adequacy of the accounting, internal control, reporting and other resource and financial management systems and practices of the City of Marion on a regular basis.

## 5.6 Other

- 5.6.1 Where Council has exempted a subsidiary from the requirement to have an audit committee, undertake the functions that would have been performed by the subsidiary's audit committee.
- 5.6.2 Monitor ethical standards and conflicts of interest by determining whether the systems of control are adequate.
- 5.6.3 Address issues brought to the attention of the Committee, including responding to requests from Council or the Chief Executive for advice that are within the parameters of this Terms of Reference.
- 5.6.4 Make recommendations to the Council to amend these Terms of Reference if the Committee forms the opinion that such amendments are necessary to improve its performance.
- 5.6.5 Review the Committee's performance on a bi-annual basis using performance indicators developed for that purpose.

Adopted by Council: **27 November 2018**

Next Review: **November 2022**

Previous Version: 1 November 2016  
 22 September 2015 – separate policy and terms of reference (GC250915R07)  
 25 November 2014 (GC251114R06)  
 27 September 2011 (GC270911R09)  
 9 December 2008 (GC091208R18)  
 28 November 2006 (GC281106R05)

Owner: Manager Corporate Governance

Applicable Legislation: Local Government Act 199

Other related References: City of Marion Risk Management Policy (GC120313R01)  
 Australian Standard AS 8000-2003 Good Governance Principles

## Re-establishment of the Urban Planning Committee

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R06

### REPORT OBJECTIVE

The purpose of this report is to recommend to Council to re-establish the Urban Planning Committee in accordance with Section 41 of the Local Government Act 1999 and Section 101A of the Development Act.

### EXECUTIVE SUMMARY

The City of Marion's Urban Planning Committee was established in November 2016, commencing in January 2017 to fulfil the requirements of a strategic planning and development committee under Section 101A of the Development Act 1993 and to add value and provide advice to Council regarding orderly and efficient urban planning and development within the City of Marion including:

- Reviewing the Development Plan for the City of Marion
- Addressing aggregated planning matters or concerns raised by the community,
- Fulfilling Council's responsibilities pursuant to section 101A of the *Development Act 1993* regarding strategic planning and development policy for the City of Marion.

The current structure of the Committee comprises of four Elected Members, one of which is appointed as the Presiding Member. There is no Independent Expert Member included in the membership of this Committee.

In accordance with 4.3 of the Terms of Reference (ToR), the Committee meets as resolved by Council, between February and December each year. It is suggested that the Committee meet on the first Tuesday of the month in February, June and October 2019 as included in the proposed *Schedule of Meetings 2019* for adoption by Council.

A draft ToR for the Urban Planning Committee is attached as Appendix 1. There have been no suggested edits to this document.

### RECOMMENDATION

**That Council:**

- 1. Re-establishes the City of Marion Urban Planning Committee in accordance with the Terms of Reference attached as Appendix 1.**

### Attachment

#	Attachment	Type
1	Urban-Planning-Committee-Terms-of-Reference-as-at-Nov 18	PDF File

# URBAN PLANNING COMMITTEE TERMS OF REFERENCE



## 1. ESTABLISHMENT

- 1.1 Pursuant to section 41 of the *Local Government Act 1999* (The Act) and Section 101A of the Development Act, the Council has established an Urban Planning Committee.

## 2. OBJECTIVES

- 2.1 The Committee is established for the purposes of:
- Reviewing the Development Plan for the City of Marion,
  - Addressing aggregated planning matters or concerns raised by the community,
  - Fulfilling Council's responsibilities pursuant to section 101A of the *Development Act 1993* regarding strategic planning and development policy for the City of Marion.

## 3. MEMBERSHIP

- 3.1 The membership of the Committee will comprise of:
- The Mayor
  - Four other elected members
- 3.2 The Membership, term of appointment and the presiding member will be determined by resolution of the Council.

### Elected Member Representatives

- 3.3 The Presiding Member will be one of the Elected Member Representatives. This member will receive the allowance prescribed in accordance with the Local Government Remuneration Tribunal determination.
- 3.4 The Elected Member Representatives will change during the term of Council however, Council may resolve to re-appoint an Elected Member representative for consecutive terms if this provides continuity for the Committee.

## 4. BASIS FOR OPERATION.

- 4.1 The Committee does not have any delegated powers of Council, and all decision of the Committee will constitute recommendations to the Council.
- 4.2 For the purposes of section 41(8) of the Local Government Act 1999, the Council does not impose any reporting and accountability requirements on the basis that all decisions of the Committee constitute recommendations to Council.
- 4.3 The Committee will meet as resolved by Council, between February and December each year.

- 4.4 A quorum for a meeting of the Committee shall be three members of the Committee.
- 4.5 In the absence of the presiding member from a meeting, the members present will determine who will preside at the meeting.
- 4.6 Each member present at a Committee meeting must, subject to the provision of the Local Government Act 1999, vote on a question arising for decision at that meeting.
- 4.7 Where the Local Government Act 1999, the Local Government (Procedures at meetings) Regulations 2000 and these Terms of Reference do not prescribe procedures to be observed in relation to the conduct of a meeting of the Committee, the Committee may determine its own procedures.
- 4.8 Administrative support will be provided to the Committee as requested.

## **5. TERMS OF REFERENCE**

- 5.1 Within the parameters of the Local Government Act 1999, and having regard to the powers, functions and responsibilities of the Chief Executive Officer, the Committee is charged with undertaking the following:
  - 5.1.1 To provide advice to the Council in relation to the extent to which the Council's strategic planning and development policies accord with the Planning Strategy;
  - 5.1.2 To develop and recommend to Council a revised Development Plan for the City of Marion that takes into consideration:
    - Orderly and efficient development within the area of the council;
    - High levels of integration of transport and land use planning;
    - Relevant targets set out in the Planning Strategy within the City of Marion;
    - The implementation of affordable housing policies set out in the Planning Strategy for the City of Marion.
  - 5.1.3 Broad resident planning matters causing problems within the community such as multiple complaints about the one subject matter unless that matter relates to a development application which must be delegated by the Council to the Development Assessment Panel or to staff;
  - 5.1.4 The consideration and recommendation to Council of any Development Plan Amendments
  - 5.1.5 To provide advice to the Council in relation to strategic planning and development policy issues where the council is preparing:
    - (i) A Strategic Directions Report;
    - (ii) A Development Plan Amendment proposal either by the Council or by the Minister
  - 5.1.6 To conduct public meetings pursuant to Section 25 of the Development Act 1993 in relation to a Development Plan Amendment and to consider any representations made in relation to that DPA.
  - 5.1.7 The on-going review and monitoring of Council's Strategic Directions report.

Review Committee's Performance

- 5.1.8 Review the Committee's Performance on a bi-annual (every two years) basis using performance indicators developed for that purpose.

Adopted by Council:	27 November 2018
Next Review:	November 2020
Previous Version:	1 November 2016 (amended 24 October 2017 - GC241017R19)
Owner:	22 September 2015 (GC220915R07) Manager Corporate Governance Manager Development and Regulatory Services
Applicable Legislation:	Local Government Act 1999 Development Act 1993

## Re-establishment of the Review and Selection Committee

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R07

### REPORT OBJECTIVE

The purpose of this report is to review the Terms of Reference (ToR) of the Review and Selection Committee (RSC) in accordance with Section 41 of the Local Government Act 1999.

### EXECUTIVE SUMMARY

The establishment of a Chief Executive Review Committee is a contractual requirement of Council in accordance with the Chief Executive Officer's Employment Agreement. The City of Marion currently has the RSC to fulfill this obligation.

The Committee was established for the purposes of:

- Sourcing and recommending to Council the appointment of expert members to Committees.
- Reviewing the performance of the Chief Executive Officer
- Recommending a process to Council for the recruitment of the Chief Executive Officer (as required).

The current structure of the Committee comprises of the Mayor and three Elected Members. The Presiding Member is the Mayor.

In accordance with 4.4 of the ToR, the Committee will meet on an ad-hoc basis with a meeting occurring at least every six months. Meetings will be convened at the request of the Presiding Member or the Elected Members on the Committee.

Council may choose to amend the ToR, broadening the scope to maximise the functionality of the Committee. The objectives may include some of those detailed in the previous Committee known as the People and Culture Committee (PCC).

Responsibilities of the PCC included:

- Reviewing, monitoring and recommending to Council relevant strategies regarding the organisation's culture and performance associated with the conduct of Elected Members, employees and volunteers.
- Monitor the organisations direction regarding the efficient and effective delivery of strategic and operational human resource functions
- Ensure the organisation has appropriate employee well-being strategies.

If Council choose to incorporate any of the above or additional objectives, into the current RSC ToR, these amendments will be incorporated into the recommendation below.

A draft ToR for the Review and Selection Committee with its existing functions is attached as Appendix 1.

## RECOMMENDATION

That Council:

1. Re-establishes the City of Marion Review and Selection Committee in accordance with the Terms of Reference attached as Appendix 1.

Or

1. Re-establishes the City of Marion Review and Selection Committee in accordance with the Terms of Reference attached as Appendix 1 including the following amendments:

- 

## Attachment

#	Attachment	Type
1	Review and Selection Committee -Terms of Reference as at Nov 18	PDF File

# REVIEW AND SELECTION COMMITTEE TERMS OF REFERENCE



## 1. Establishment

- 1.1 Pursuant to section 41 of the *Local Government Act 1999* (the Act) the Council has established a Chief Executive Officer Performance Review and Selection Committee.

## 2. Objectives

- 2.1 The Committee is established for the purpose of:
- 2.1.1 Sourcing and recommending to Council the appointment of expert members to Committees.
  - 2.1.2 Reviewing the performance of the Chief Executive Officer
  - 2.1.3 Recommending a process to Council for the recruitment of the Chief Executive Officer (as required).

## 3. Membership

- 3.1 Membership of the Committee will comprise:

- (i) the Mayor
- (ii) Three Elected Members

The Membership for the three Elected Members of the Committee continues for the term as resolved by Council.

### Elected Member Representatives

- 3.2 The Presiding Member will be the Mayor.
- 3.3 Appointment of the Elected Member representative will be made by Council on a rotational basis as resolved from time to time. Council may resolve to re-appoint an Elected Member representative for consecutive terms.
- 3.4 No additional allowance will be paid to the Mayor or Elected Member representatives over and above the allowance already received by the Elected Member.
- 3.5 If required, training and development will be sourced and provided to the Elected Member Representative on matters/subjects within the Committee's Terms of Reference.

## 4. Basis of Operation

- 4.1 The Committee does not have any delegated powers of Council, and all decisions of the Committee will constitute recommendations to Council.
- 4.2 For the purposes of Section 41(8) of the Local Government Act 1999, the Council does not impose any reporting and accountability requirements on the basis that all decisions of the Committee constitute recommendations to Council.
- 4.3 Committee meetings will take place at the City of Marion Administration Centre as required to undertake the responsibilities identified in these Terms of Reference

- 4.4 The Committee will meet on an ad-hoc basis with a meeting occurring at least every 6 months. Meetings will be convened at the request of the presiding member or the elected members on the Committee.
- 4.5 A quorum for a meeting of the Committee shall be three members of the Committee.
- 4.6 In the absence of the Presiding Member from a meeting, the Deputy Mayor will chair the meeting.
- 4.7 Each member present at a Committee meeting must, subject to a provision of the Local Government Act 1999 to the contrary, vote on a question arising for decision at that meeting.
- 4.8 Where the Local Government Act 1999, the Local Government (Procedures at Meetings) Regulations 2000 and these Terms of Reference do not prescribe procedures to be observed in relation to the conduct of a meeting of the Committee, the Committee may determine its own procedures.
- 4.9 Administrative support will be provided to the Committee as required.

## **5. Terms of Reference**

Within the parameters of the Local Government Act 1999, and having regard to the powers, functions and responsibilities of the Chief Executive Officer, the Committee is charged with undertaking the following functions:

### **5.1 CEO Employment Agreement and Performance Review**

- 5.1.1 Arranging for the conduct of the Chief Executive Officer's six month (informal) and annual performance review within the parameters of the Chief Executive Officer's Employment Agreement.
- 5.1.2 Reviewing the Chief Executive Officer's performance criteria within the parameters of the Chief Executive Officer's Employment Agreement.
- 5.1.3 Reviewing the Chief Executive Officer's remuneration package within the parameters of the Chief Executive Officer's Employment Agreement.
- 5.1.4 Reviewing any aspect of the Chief Executive Officer's Employment Agreement within the parameters of the Chief Executive Officer's Employment Agreement.
- 5.1.5 Recommending to Council the outcomes of the Chief Executive Officer's annual performance review.
- 5.1.6 Recommending to Council the Chief Executive Officer's remuneration package and performance criteria to be applied for the ensuing year.
- 5.1.7 Providing feedback to the Chief Executive Officer on outcomes of the performance review, and in conjunction with the Chief Executive Officer, determining appropriate courses of action as required.
- 5.1.8 Recommending to Council any changes to the Chief Executive Officer's Employment Agreement to be further negotiated with the CEO.

### **5.2 Vacancy of the Office of the Chief Executive Officer**

- 5.2.1 The Council will appoint a Chief Executive Officer.
- 5.2.2 In the event a vacancy in the office of the Chief Executive Officer, the Committee will develop and recommend to Council the necessary steps to fill the vacancy in accordance with the requirements the Local Government Act 1999.

- 5.2.3 The Committee will act as the selection group and make recommendations to the Council in accordance with the process developed and adopted in accordance with section 5.2.2.

### 5.3 Process to Source Appointment of Expert Members to section 41 Committees

- 5.3.1 This Committee and the Chief Executive Officer will act as the selection panel for all expert members to section 41 Committees.
- 5.3.2 This panel will be supported by the manager with the relevant expertise required for the operations of the Committee.
- 5.3.3 The process to be followed by the Committee is:
- Identification of potential candidates via an executive search rather than general advertisement.
  - Short list candidates for interviews/discussion.
  - Interviews with candidates to determine suitability for selection.
  - Determine a preferred candidate and confirm their preparedness to be nominated for appointment.
  - Make recommendation to Council on a preferred candidate.

### 5.4 Process to Source Appointment of Expert Members to the Development Assessment Panel (DAP)

- 5.4.1 This Committee and the Chief Executive Officer will act as the selection panel for all expert members to the Development Assessment Panel.
- 5.4.2 This panel will be supported by the Manager Development Services and any other manager with the relevant expertise required for the operations of the Committee.
- 5.4.3 The process to be followed by the Committee is:
- Identification of potential candidates via general advertisement.
  - Short list candidates for interviews/discussion.
  - Interviews with candidates to determine suitability for selection.
  - Determine a preferred candidate and confirm their preparedness to be nominated for appointment.
  - Make recommendation to Council on a preferred candidate.

### 5.5 Review Committee's Performance

Review the Committee's Performance on a bi-annual (every two years) basis using performance indicators developed for that purpose.

Adopted by Council:	27 November 2018
Next Review:	November 2020
Previous Version:	1 November 2016
Owner:	Manager Corporate Governance Manager Human Resources
Applicable Legislation:	Local Government Act 1999

## Appointment of Deputy Mayor

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R08

### REPORT OBJECTIVE

To provide the newly constituted Council with relevant information and a process to enable the appointment of a Deputy Mayor in accordance with legislative requirements.

### EXECUTIVE SUMMARY

The City of Marion Council is constituted on the basis that the Mayor is “*elected as a representative of the area as a whole*”. Sections 51(3) and (4) of the *Local Government Act 1999* (SA) (the Act) provide that if a council has a Mayor, the council may also resolve to have a Deputy Mayor. Such a position is chosen amongst the council at their discretion for a period of time not exceeding four years.

The position of a Deputy Mayor ensures that there is an Elected Member available to officially represent the Mayor when they are unavailable to conduct their duties. It also provides a significant developmental role for Elected Members and opportunities for strengthened relationship building between the Mayor and Deputy. These opportunities may give rise to a decision for the Council to appoint the Deputy Mayor for a term that allows a number of Elected Members this opportunity.

### RECOMMENDATION

**That Council:**

- 1. Appoints Councillor .....as the Deputy Mayor from 27 November 2018 until 27 November 2019.**

### GENERAL ANALYSIS

The immediate past Council appointed a Deputy Mayor each year, with four Elected Members successfully undertaking the role during the Council’s four year term including:

<b>Year</b>	<b>Council Meeting Reference</b>	<b>Deputy Mayor</b>
2015	GC251114R03	Cr Luke Hutchinson
2016	GC131015R09	Cr Jason Veliskou
2017	GC221116R14	Cr Ian Crossland
2018	GC171024R18	Cr Janet Byram

## DISCUSSION

### Role

The role of a Deputy Mayor is to support the Mayor in their official capacity and be able to undertake the Mayoral role to preside at Council meetings in the event that the Mayor is absent. Additional duties may involve acting as principal spokesperson, representing Council at civic and ceremonial functions and at key meetings on major projects with State Ministers, Federal Members and major business and community leaders.

### Term of Office

Whilst the Act provides that the term of the Deputy Mayor must not exceed 4 years, it is at the discretion of Council to specify the term should Council desire to resolve a term of less than 4 years. For example, Council may resolve to appoint one member as the Deputy Mayor for four years, or two members for an equal term of two years, or four members for an equal term of 12 months each.

The immediate past Council approach was to appoint a Deputy Mayor for a 12 month period, throughout the term. This resulted in four members serving as Deputy Mayor to cover the full term of the Council. This strategy was established to use the “deputy” role as a learning and development opportunity for as many Elected Members as possible.

### Process for Appointing a Deputy Mayor

If there is more than one nomination received, a secret ballot will be held to ascertain Council’s preference for Deputy Mayor. This will occur by preferential voting method. Following this, a resolution would be passed to appoint the Deputy Mayor for the next 12 months.

### Financial Implications

Allowances paid to Elected Members have been set by the Remuneration Tribunal of South Australia (the Tribunal) in accordance with the Act. The Tribunal has reviewed the allowances and has published its report dated 30 August 2018 on the LGA website.

In its August 2018 report, the Tribunal classified the City of Marion to be a Group 1B Council resulting in the following allowance schedule per annum;

Mayor \$82,520 (four times the Councillor allowance)

Deputy Mayor \$25,787.50 (one and a quarter times the Councillor allowance)

Councillor \$20,630

Provision has been made in Council’s budget for the payment of allowances.

### Conclusion

The Act provides that a Deputy Mayor may be chosen amongst the Council. This report facilitates the discussion and potential endorsement of a Deputy Mayor that provides invaluable support and assistance to the Mayor of the City of Marion.

## Elected Member Representatives for various positions 2018 - 2019

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R09

### REPORT OBJECTIVE

The objective of this report is for Council to appoint Elected Members to various positions of Council and Council Committees for the 2019 calendar year. The appointment of Elected Members to these positions is required to fulfil Council's governance and legislative obligations.

### EXECUTIVE SUMMARY

Nominations will be sought during the meeting and a ballot will be held if more nominations than vacancies occur. The process for the ballot is provided in **Appendix 1**. The following provides a summary of the positions available.

#### Council Assessment Panel (1 position)

The current Elected Members appointed to the Council Assessment Panel (CAP) are due to expire on 1 July 2019. Council is required to appoint one (1) Elected Member and one (1) Deputy Elected Member to the CAP. Janet Byram is the current member and Luke Hutchinson is the current Deputy. To remain in these positions, you must be a current Elected Member. Therefore the Elected Member position held by Janet Byram is now vacant and Council is required to appoint one member to the CAP for the remainder of the term until 1 July 2019 when all positions will be reviewed. A sitting fee of \$200 per meeting is paid to Elected Members on the CAP.

#### Finance and Audit Committee (2 positions)

The current Elected Members appointed to the Finance and Audit Committee (FAC) expired on the 10 November 2018. Council is required to appoint two (2) Elected Members to the FAC. It is recommended that the new term be 27/11/2018 to 30/11/2019. No sitting fee is payable to Elected Members on the Finance and Audit Committee.

#### Reconciliation Action Plan Working Group

The Reconciliation Act Plan (RAP) Working Group currently has two elected member appointed. Janet Byram and Bruce Hull were appointed to the RAP Working Group in June 2016. There was no time specified for the term of appointm therefore it is timely that these appointments be reviewed.

#### Section 41 Committees

The Mayor is ex-officio on all of the Committees and Presiding Member of the Review and Selection Committee. In addition, Council is required to appoint the following positions:

- 3 x Elected Members to the Urban Planning Committee
- 1 x Elected Member as the Presiding Member to the Urban Planning Committee
- 3 x Elected Members to the Review and Selection Committee
- 4 x Elected Members to the Infrastructure and Strategy Committee
- 1 x Elected Member as the Presiding Member to the Infrastructure and Strategy Committee

Christian Reynolds was re-appointed as the expert independent member on the Infrastructure and Strategy Committee for two years for a term 1 January 2018 - December 2019.

The Presiding Member of a Committee (except where the Mayor presides) is entitled to an additional 25% loading above their annual allowance.

## RECOMMENDATION

### That Council:

1. Appoints Councillor .....to the Council Assessment panel as member of the Council Assessment Panel for a period of November 2018 to 1 July 2019
2. Councillor Hutchinson remains appointed as Deputy Member to the Council Assessment Panel for a period of November 2018 to 1 July 2019
3. Appoints Councillor ..... and Councillor ..... to the Finance and Audit Committee for a term commencing on 27 November 2018 and concluding on 27 November 2019.
4. Appoints Councillor XX and Councillor XX to the Reconciliation Act Plan Working Group for a term commencing 27 November 2018 and concluding 27 November 2020 (two years).
5. Appoints Councillor ....., Councillor ....., and Councillor ....., to the Urban Planning Committee for a term commencing on 27 November 2018 and concluding on 27 November 2019.
6. Appoints Councillor ..... as the Presiding Member of the Urban Planning Committee for a term commencing on 27 November 2018 and concluding on 27 November 2019.
7. Appoints Councillor ....., Councillor ..... and Councillor ....., to the Review and Selection Committee for a term commencing on 27 November 2018 and concluding on 27 November 2019.
8. Appoints Councillor ....., Councillor ....., Councillor ....., and Councillor .....to the Infrastructure and Strategy Committee for a term commencing on 27 November 2018 and concluding on 27 November 2019.
9. Appoints Councillor ..... as the Presiding Member of the Infrastructure and Strategy Committee for a term 27 November to 27 November 2019.

## Attachment

#	Attachment	Type
1	Appendix 1 - Process for Ballot	PDF File

## Appendix 1 - Process for meeting ballot

At its meeting of 8 September 2015 (GC080915R05), Council resolved to adopt preferential voting as the method to apply when conducting ballots for positions selected by Council.

The process to apply will be as follows:

- Nominations will be sought.
- If more nominations than positions are received, a secret ballot will be held.
- Council members will be provided with ballot papers and requested to indicate their first preference by placing the name of the candidate next to number one of the ballot paper.
- Council members may place the name of the second preference next to number two and continue this process until all candidates are named on the ballot paper.
- As a minimum, Council members must vote for candidates equal to the number of positions. For example, the DAP has three positions. If there are six candidates, members must vote for at least three. If members fail to vote for the minimum number, the vote will be declared invalid.

### Counting

- The first candidate to reach quota will be elected.
- The quota is calculated as follows:

$$\frac{\text{Total number of formal ballots papers}}{\text{Number of vacancies} + 1} + 1$$

If a fraction occurs, it will be rounded up. This formula is the same applied to the calculations of quotas within Local Government Elections.

- The ballot papers will be sorted by first preference votes.
- The candidate with the least votes is excluded.
- The excluded candidate's votes are distributed to the next candidate on the ballot paper.
- In the case where there are equal votes at the conclusion of re-distribution of votes, they will both be excluded.
- This process will continue until there is a clear winner.
- In the event that there is a tie at the conclusion of the process, Council will be requested to vote again for one of the two final candidates.

Once a nominee is identified, this will then be voted upon as a formal council resolution under the Local Government (Procedures) Regulations at meetings.

## Appointment of Council representatives to SRWRA

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	Chief Executive Officer - Adrian Skull
<b>Report Reference</b>	GC181127R10

### REPORT OBJECTIVE

To appoint suitable person(s) to represent the City of Marion on the Board of the Southern Region Waste Resource Authority (SRWRA).

### EXECUTIVE SUMMARY

The SRWRA is a regional subsidiary jointly established in 1998 by the Cities of Onkaparinga, Holdfast Bay and Marion under Section 43 of the *Local Government Act 1999* (the Act). It provides and operates services for the management of waste by/on behalf of the constituent Councils and has the power to enter into contracts, purchase, lease or otherwise acquire equipment, land or interest in land in accordance with its Charter (Appendix 1).

SRWRA is governed by a Charter and is overseen by a seven member Board comprising of two appointees from each of the constituent councils and an independent expert in business and/or waste management as chairperson. Constituent councils may also appoint a deputy member who may attend board meetings and engage in discussion but can only vote on a motion if one or both members are absent.

The Authority also has an Audit Committee in accordance with Schedule 2, clause 30 of the Act. Membership is determined and approved by the constituent Councils. Mr Greg Connor (Chairman and independent member of the City of Marion's Finance & Audit Committee) is the City of Marion's standing representative.

### RECOMMENDATION

#### That Council:

- 1. Appoints .....as Council's representative on the Board of the Southern Region Waste Authority.**
- 2. Appoints ..... as Council's representative on the Board of the Southern Region Waste Authority.**
- 3. Appoints .....as Deputy for a term consistent with the provisions of the Southern Region Waste Authority Charter (currently four years).**

### DISCUSSION

#### Membership

With the conduct of the Local Government Elections, the term for each of Council's representatives on the Board has now concluded. As such, it is necessary to resolve appropriate re-appointments and in this regard the following is highlighted to assist Council's deliberations:

The City of Marion's immediate past representatives were:

- Councillor Ian Crossland contributing experience in waste management after four years being involved with the Authority.
- Mr Vincent Mifsud (General Manager Corporate Services) contributing very high level governance and financial management skills and experience to the operations of the Board.
- Councillor Nick Kerry (Deputy Representative)

### Appointment of City of Marion Representatives

There are a number of options available to Council regarding appointments to SRWRA.

- Option 1 – 2 Elected Members
- Option 2 – 1 Elected Member and 1 Senior Staff Member
- Option 3 – 2 Senior Staff Members

On the basis of past experience, Option 2 is recommended to ensure a balance of skills and representation is maintained on the Board. It is further recommended that a deputy be appointed, drawn either from Council or from Administration. Alternatively, 2 deputies may be appointed. If Council wishes to appoint a suitably experienced person as a Deputy from Administration, the Manager Environmental Sustainability would be available to undertake this role.

### Functions of the Board

The Board has the authority and responsibility to manage the business affairs of the Authority in accordance with its legislative requirements. Functions of the Board therefore include:

- Formulating strategic and business plans and strategies to improve the business of the Authority
- Provide professional input to policy direction
- Monitoring the performance of the Executive Officer of the Authority
- Ensuring that a code of ethical behaviour and integrity is established and implemented
- Exercising due care, diligence and skill of a prudent business professional in contributing to Board meetings
- Ensure all information regarding the Board is accurate and furnished to the constituent councils accurately
- Ensure the constituent councils are advised of any material financial developments that affect the authority as soon as practical.

The Board generally meets on the first Monday of each month. Meetings commence at or after 5.00pm and generally last for 2-3 hours. Additional meetings are also held on a regular basis for planning purposes. In addition to time spent by Members attending Board meetings, approximately 4-6 hours per month are required for meeting preparation.

In considering Board nominations, a balance between continuity and renewal is beneficial if possible.

No fees are paid to Council representatives on the Board of the Authority. As such, there are no financial implications associated with Council's appointment.

The next meeting of the Board is scheduled to take place on 3 December 2018.

### **Attachment**

#	Attachment	Type
1	Appendix 1 - SRWRA Charter	PDF File

## LOCAL GOVERNMENT ACT 1999

### SOUTHERN REGION WASTE RESOURCE AUTHORITY REGIONAL SUBSIDIARY

#### *Charter— 2015*

## 1. INTRODUCTION

### 1.1 Name

The name of the subsidiary is Southern Region Waste Resource Authority (referred to as 'the Authority' in this Charter).

### 1.2 Definitions

- 1.2.1 'absolute majority' means a majority of the whole number of the Board members or of the Constituent Councils as the case may be;
- 1.2.2 'Constituent Councils' means the Councils identified at Clause 1.3 of this Charter;
- 1.2.3 'Gazette' means the *South Australian Government Gazette*;
- 1.2.4 'net assets' means total assets (current and non-current) less total liabilities (current and non-current) as reported in the annual audited financial statements of the Authority together with the net present value of the projected future cash inflows net of cash outflows of the remaining useable airspace over the SRWRA Landfill Operation as licensed by the Environment Protection Authority;
- 1.2.5 'simple majority' means a majority of those present and entitled to vote;
- 1.2.6 'SRWRA Landfill Operation' means that land which is held by the Authority under certificates of title volume 5822, folio 967; volume 5822, folio 966; volume 5822, folio 965; volume 5299, folio 719; volume 5299, folio 720; volume 5479, folio 871 and volume 5696, folio 771;
- 1.2.7 'waste' means any or all waste as approved under the Environment Protection Act licence held by the Authority or its contractor.

### 1.3 Establishment

The Authority is a regional subsidiary established pursuant to section 43 of the Local Government Act 1999 by the:

- 1.3.1 City of Holdfast Bay;
- 1.3.2 City of Marion; and
- 1.3.3 City of Onkaparinga.

### 1.4 Local Government Act 1999

This Charter must be read in conjunction with Parts 2 and 3 of Schedule 2 to the Act. The Authority shall conduct its affairs in accordance with Schedule 2 to the Act except as modified by this Charter in a manner permitted by Schedule 2.

### 1.5 Objects and Purposes

- 1.5.1 The Authority is established to:
  - 1.5.1.1 provide and operate services at a place or places for the management of waste by or on behalf of the Constituent Councils and/or any other approved Councils;
  - 1.5.1.2 undertake anything relevant (including educational programmes and processes) to the management of waste;
  - 1.5.1.3 provide a forum for discussion and/or research for the ongoing improvement of management of waste;
  - 1.5.1.4 undertake management of waste on behalf of the Constituent Councils on a competitive basis;
  - 1.5.1.5 fulfil, on behalf of the Constituent Councils, any ongoing obligation in relation to rehabilitation and monitoring of waste management facilities under its control;
  - 1.5.1.6 develop or facilitate activities or enterprises that result in a beneficial use of waste;
  - 1.5.1.7 be financially self sufficient;
  - 1.5.1.8 develop or facilitate activities or enterprises that result in a beneficial use of the landfill site or infrastructure; and
  - 1.5.1.9 have regard in the performance of its functions to sustainable, environmentally efficient practices with regard to waste management
- 1.5.2 The Authority must in the performance of its role and functions and in all of its plans, policies, and activities operate in a sustainable manner by giving due weight to economic, social and environmental considerations.

### 1.6 Powers and Functions of the Authority

The powers and functions of the Authority are to be exercised in the performance of the Authority's Objects and Purposes. The Authority shall have those powers and functions delegated to it by the Constituent Councils from time to time which include but are not limited to:

- 1.6.1 accumulation of surplus funds for investment purposes;
- 1.6.2 investment of any of the funds of the Authority in any investment authorised by the Trustee Act 1936, or with the Local Government Finance Authority provided that:
  - 1.6.2.1 in exercising this power of investment the Authority must exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons; and
  - 1.6.2.2 the Authority must avoid investments that are speculative or hazardous in nature;

- 1.6.3 setting aside a reserve fund or funds clearly identified for the upkeep and/or replacement of fixed assets of the Authority or meeting any deferred liability of the Authority;
- 1.6.4 borrowing money and/or to incurring expenditure in accordance with Clause 1.7 of this Charter;
- 1.6.5 opening and operating bank accounts;
- 1.6.6 entering into contracts, purchasing, selling, leasing, hiring, renting or otherwise acquiring or disposing of any personal property or interests therein;
- 1.6.7 purchasing, selling, leasing, hiring, renting or otherwise acquiring or disposing of any real property or interests therein, provided that it shall be a condition precedent, that in any such transaction where the Authority will incur a singular or a total liability of \$500 000 or more that the prior written approval of two-thirds of the Constituent Councils is obtained;
- 1.6.8 appointing, managing, suspending and dismissing the Executive Officer of the Authority;
- 1.6.9 engaging retaining, and dispensing with the services of professional advisers to the Authority;
- 1.6.10 charging whatever fees the Authority considers appropriate for services rendered to any person, body or Council;
- 1.6.11 determining the types of waste which shall be received and the method of collection treatment, recycling and disposal of that waste;
- 1.6.12 undertaking all manner of things relating and incidental to the collection, treatment, recycling and disposal of waste;
- 1.6.13 pursuing the concept of co-operative regionalism in the collection, treatment, recycling and disposal of waste for which the Constituent Councils are or may become responsible
- 1.6.14 cause all waste collected by the Authority to be treated, recycled and disposed of in a sanitary and environmentally acceptable way;
- 1.6.15 providing a forum for the discussion and consideration of topics related to the Constituent Councils' obligations and responsibilities in respect of waste;
- 1.6.16 adopting and using a trading name provided that the Authority shall first register the trading name with the Office of Consumer and Business Affairs in accordance with the requirements of the Business Names Act 1996;
- 1.6.17 to commence legal proceedings provided that any legal proceedings seeking urgent relief be the subject of an urgent report to the Constituent Councils by the Executive Officer;
- 1.6.18 without limiting the Authority's powers and functions, to make submissions to and negotiate with the Federal Government, State Government and other sources of grant funding in relation to the provision and receipt of funding for the Authority; and
- 1.6.19 anything else necessary or convenient for or incidental to the exercise, performance or discharge of its powers and, functions.

## 1.7 Borrowings and Expenditure

- 1.7.1 The Authority has the power to incur expenditure and/or to borrow money:
  - (a) in accordance with the approved budget of the Authority; or
  - (b) for the purposes of unbudgeted expenditure in accordance with (c) and (d) below; or
  - (c) pursuant to the provisions of subclauses 1.6.7 and 1.7.4 of this Charter; or
  - (d) with the prior approval of two-thirds of the Constituent Councils for amounts which do not exceed 25% of the value of the net assets of the Authority and with the prior approval of all the Constituent Councils for other amounts, which approval must be evidenced by formal resolution of the Councils, or
  - (e) otherwise for genuine emergency or hardship as provided for in the Act.
- 1.7.2 For the purpose of exercising the powers at Clause 1.7.1 of this Charter the Authority may borrow money from the Local Government Finance Authority or from a registered bank or financial institution within Australia.
- 1.7.3 For the purposes of Clause 1.7.2 but subject to Clause 1.7.4 of this Charter borrowings of the Authority:
  - (a) must not be used for the purpose of funding operational costs;
  - and
  - (b) where the borrowings are undertaken with the prior approval of the Constituent Councils, must be drawn down within a period of 24 months from the date of approval.
- 1.7.4 The Authority may operate an overdraft facility or facilities as required provided that the overdrawn balance must not exceed \$100 000 in total without the prior approval of two-thirds of the Constituent Councils.

## 1.8 Delegation by the Authority

The Authority may by resolution delegate to the Executive Officer of the Authority any of its powers or functions under this Charter but may not delegate:

- 1.8.1 the power to impose charges;
- 1.8.2 the power to enter into transactions in excess of \$100 000
- 1.8.3 the power to borrow money or obtain any other form of financial accommodation;
- 1.8.4 the power to approve expenditure of money on the works, services or operations of the Authority not set out in a budget approved by the Authority or where required by this Charter approved by the Constituent Councils;
- 1.8.5 the power to approve the reimbursement of expenses or payment of allowances to members of the Board of Management;
- 1.8.6 the power to adopt or revise a budget or any financial estimates and reports; and
- 1.8.7 the power to make any application or recommendation to the Minister.

A delegation is revocable at will and does not prevent the Board from acting in a matter.

## 1.9 National Competition Policy

1.9.1 The Authority may, from time to time, be involved in commercial activities which constitute a significant business activity of the Authority.

1.9.2 Where the Authority is engaged in any activity which is a significant business activity it will, in relation to that business activity, undertake a risk/benefit analysis and, if necessary, implement principles of competitive neutrality to the extent that the benefits to be realised from the implementation of the principles of competitive neutrality outweigh the costs associated with implementation.

## 2. BOARD OF MANAGEMENT

The Authority is a body corporate and is governed by a Board of Management (referred to as 'the Board' in this Charter) which shall have the responsibility to manage the business and other affairs of the Authority ensuring that the Authority acts in accordance with this Charter.

### 2.1 Functions of the Board

- 2.1.1 The formulation of strategic plans and strategies aimed at improving the business of the Authority.
- 2.1.2 To provide professional input and policy direction to the Authority.
- 2.1.3 Monitoring, overseeing and measuring the performance of the Executive Officer of the Authority.
- 2.1.4 Ensuring that a code of ethical behaviour and integrity is established and implemented in all business dealing of the Authority.
- 2.1.5 Developing business plans.
- 2.1.6 Exercising the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons.
- 2.1.7 Observe all plans, targets, structures, systems and practices required or applied to the Authority by the Constituent Councils.
- 2.1.8 Ensure that all information furnished to a Constituent Council is accurate.
- 2.1.9 Ensure that the Constituent Councils are advised, as soon as practicable, of any material development that affects the financial or operating capacity of the Authority or gives rise to the expectation that the Authority may not be able to meet its debts as and when they fall due.

### 2.2 Membership of the Board

- 2.2.1 The Board shall consist of seven members appointed as follows:
  - 2.2.1.1 two persons appointed by each Constituent Council;
  - 2.2.1.2 one person appointed jointly by the Constituent Councils who is not a member or officer of a Constituent Council but who, in the opinion of the Constituent Councils, has expertise in waste management and/or business.  
This person will be chosen from a list of persons circulated to the Constituent Councils and appointed by a panel comprising the Chief Executive Officer (or nominee) and one other person from each Constituent Council.
- 2.2.2 With the exception of the person appointed pursuant to subclause 2.2.1.2, a Board Member shall, subject to this Charter, be appointed for a term not exceeding the term of the Constituent Council and specified in the instrument of appointment and at the expiration of the term of office will be eligible for re-appointment.
- 2.2.3 The Constituent Councils may appoint either a specific Deputy for each Board Member appointed pursuant to subclause 2.2.1.1 or, as an alternative, may appoint one non specific Deputy for both such Board Members and a second Deputy to that Deputy. In the absence of a Board Member the specific Deputy or the non specific Deputy will be deemed to be the Board Member for that time or, where a non specific Deputy and second Deputy have been appointed and both Board Members are absent then both Deputies will be deemed to be the Board Members for that time, exercising all of the rights and privileges and being subject to all of the obligations and liabilities of the Board Member(s) during the absence of the Board Member(s).
- 2.2.4 The office of a Board Member will become vacant upon:
  - 2.2.4.1 the death of the Board Member; or
  - 2.2.4.2 the Council providing written notice of termination to the Board Member and the Board; or
  - 2.2.4.3 if the Board Member is an elected member of a Constituent Council upon ceasing to be an elected member; or
  - 2.2.4.4 if the Board Member is an officer of a Constituent Council, upon ceasing to be employed by the Council which appointed him/her; or
  - 2.2.4.5 upon the Board Member providing his/her resignation in writing to one or more of the Constituent Councils; or
  - 2.2.4.6 upon the happening of any other event through which the Board Member would be ineligible to remain as a member of the Board; or
  - 2.2.4.7 upon the Board Member becoming a bankrupt or applying for the benefit of a law for the relief of insolvent debtors; or
  - 2.2.4.8 if the Board Member has been appointed pursuant to subclause 2.2.1.1, upon the Constituent Council withdrawing from the Authority.
- 2.2.5 The Board may by a two-thirds majority vote of the Board Members present (excluding the Board Member subject to this subclause 2.2.5) make a recommendation to the relevant Constituent Council requesting the Constituent Council to terminate the appointment of a Board Member that it has appointed under subclause 2.2.1.1 or to all of the Constituent Councils to terminate the appointment of the Board Member appointed under subclause 2.2.1.2 for:
  - 2.2.5.1 any behaviour of the Board Member which in the opinion of the Board amounts to impropriety;
  - 2.2.5.2 serious neglect of duty in attending to his/her responsibilities as a Board Member;
  - 2.2.5.3 breach of fiduciary duty to the Authority or the Constituent Council(s);
  - 2.2.5.4 breach of the duty of confidentiality to the Authority and/or the Constituent Council(s);
  - 2.2.5.5 breach of the conflict of interest provisions; or

- 2.2.5.6 any other behaviour which may discredit the Authority.
- 2.2.6 A Board Member may be removed from office as a Board Member prior to the expiration of a term of appointment only in accordance with the following:
- 2.2.6.1 a Board Member appointed by a Constituent Council pursuant to subclause 2.2.1.1, by resolution of the Constituent Council which originally appointed the Board Member; and
- 2.2.6.2 the Board Member appointed jointly by the Constituent Councils pursuant to subclause 2.2.1.2 by a joint resolution being a resolution passed by each of the Constituent Councils.
- 2.2.7 If any casual vacancy occurs in the membership of the Board it will be filled in the same manner as the original appointment. The person appointed to the Board to fill a casual vacancy will be appointed for the balance of the term of the original appointment.
- 2.2.8 The Board Member appointed pursuant to subclause 2.2.1.2 shall be eligible for such allowance from the funds of the Authority as the Board shall determine from time to time.
- 2.3 Propriety of Members of the Board**
- 2.3.1 The principles regarding conflict of interest prescribed in the Act apply to all Board Members in the same manner as if they were elected members of a Council.  
(See Chapter 5, Part 4, Division 3 of the Act for conflict of interest provisions)
- 2.3.2 Subject to clause 2.3.3, the Board Members are not required to comply with Division 2, Chapter 5 (Register of Interests) of the Act.
- 2.3.3 The Independent Chair is required to comply with Division 2, Chapter 5 (Register of Interests) of the Act.
- 2.3.4 The Board Members will at all times act in accordance with their duties of confidence and confidentiality and individual fiduciary duties including honesty and the exercise of reasonable care and diligence with respect to the performance and discharge of official functions and duties as required by Part 4, Division 1, Chapter 5 of the Act and Clause 23 of Part 2 of Schedule 2 to the Act.
- 2.4 Chair of the Board**
- 2.4.1 The Chair of the Board shall be the person appointed pursuant to subclause 2.2.1.2, who shall hold office for a term of three years, unless he/she resigns or is removed from office pursuant to subclause 2.2.5 or is otherwise no longer eligible to act as a Board Member.
- 2.4.2 The Chair is eligible for re-appointment at the expiration of the term of office.
- 2.4.3 In the event that the appointed Chair either resigns or is no longer eligible to act as a Board Member prior to the expiration of that person's term, the Board shall elect from amongst the other Board Members a new Chair who shall hold office until a further appointment is made pursuant to subclause 2.2.1.2 whereupon the person so appointed will hold office for the duration of the original appointment.
- 2.4.4 The Board may choose a person appointed pursuant to subclause 2.2.1.1 to be the Deputy Chair of the Board for a term determined by the Board.
- 2.4.5 The Chair shall preside at all meetings of the Board and, in the event of the Chair being absent from a meeting, the Deputy Chair shall preside and in the event of both the Chair and the Deputy Chair being absent from a meeting the Board Members present shall appoint a person from amongst them, who shall preside for that meeting or until the Chair or the Deputy Chair is present.
- 2.5 Meetings of the Board**
- 2.5.1 The provisions of Part 2 of the Local Government (Procedures at Meetings) Regulations 2013 shall, insofar as the same may be applicable and not inconsistent with this Charter, apply to the proceedings at and conduct of all meetings of the Board.
- 2.5.2 Ordinary meetings of the Board must take place at such times and places as may be fixed by the Board or the Executive Officer of the Authority from time to time. There shall be at least six ordinary meeting of the Board held in each financial year. Meetings shall not be held before 5 p.m. unless the Board resolves otherwise by resolution supported unanimously by all of the Board Members present at the meeting which determines the issue.
- 2.5.3 An ordinary meeting of the Board will constitute an ordinary meeting of the Authority. The Board shall administer the business of the ordinary meeting.
- 2.5.4 For the purposes of this subclause, the contemporary linking together by telephone, audio-visual or other instantaneous means ('telecommunications meeting') of a number of the Board Members provided that at least a quorum is present, is deemed to constitute a meeting of the Board. Each of the Board Members taking part in the meeting, must at all times during the telecommunications meeting be able to hear and be heard by each of the other Board Members present. At the commencement of the meeting, each Board Member must announce his/her presence to all other Board Members taking part in the meeting. A Board Member must not leave a telecommunications meeting by disconnecting his/her telephone, audio visual or other communication equipment, unless that Board Member has previously notified the Chair of the meeting.
- 2.5.5 A proposed resolution in writing and given to all Board Members in accordance with proceedings determined by the Board will be a valid decision of the Board where a majority of Board Members vote in favour of the resolution by signing and returning the resolution to the Executive Officer or otherwise giving written notice of their consent (and setting out the terms of the resolution) to the Executive Officer. The resolution shall thereupon be as valid and effectual as if it had been passed at a meeting of the Board duly convened. The Executive Officer will include confirmation of any decision which is made in accordance with this clause in the next Board meeting agenda and will otherwise deal with the decision in the same manner as would occur if the decision had been made at a Board meeting.
- 2.5.6 Notice of ordinary meetings of the Board must be given by the Executive Officer to each Board Member not less than three clear days prior to the holding of the meeting.
- 2.5.7 Notice of any meeting of the Board must:

- (a) be in writing; and
- (b) set out the date, time and place of the meeting; and
- (c) be signed by the Executive Officer; and
- (d) contain, or be accompanied by, the agenda for the meeting; and
- (e) be accompanied by a copy of any documents or reports that are to be considered at the meeting (so far as this is practicable).

All documents or reports delivered to Board Members in accordance with this subclause are confidential unless indicated otherwise.

2.5.8 The Executive Officer must maintain a record of all notices of meetings given under subclause 2.5.7 to Board Members.

2.5.9 Notice under subclause 2.5.7 may be given to a Board Member:

- (a) personally; or
- (b) by delivering the notice (whether by post or otherwise) to the usual place of residence of the Board Member or to another place authorised in writing by the Board Member; or
- (c) by leaving the notice for a Board Member appointed under subclause 2.2.1.1 at an appropriate place at the principal office of the Constituent Council which appointed the Board Member; or
- (d) by a means authorised in writing by the Board Member as being an available means of giving notice.
- (e) by electronic delivery to an email address that the Authority has established for the Board Member for the purposes of communications to and from the Authority and for the delivery of Authority documentation

2.5.10 A notice that is not given in accordance with subclause 2.5.9 will be taken to have been validly given if the Executive Officer considers it impracticable to give the notice in accordance with the subclause and takes action that the Executive Officer considers reasonably practicable in the circumstances to bring the notice to the Board Member's attention.

2.5.11 Any Constituent Council or Board Member may by delivering a written request to the Executive Officer of the Authority require a special meeting of the Board to be held. The request will only be valid if it is accompanied by the agenda for the special meeting. On receipt of the request the Executive Officer shall send a notice of the special meeting to all Board Members at least 24 hours prior to the commencement of the special meeting. Such notice shall comply with subclauses 2.5.7 and 2.5.9 of this Charter.

2.5.12 The quorum for any meeting of the Board is a simple majority of the number of members in office.

2.5.13 Every Board Member, including the Chair, shall have a deliberative vote. The Chair shall not in the event of an equality of votes have a casting vote.

2.5.14 All matters will be decided by a simple majority of votes of the Board Members present except where this Charter provides otherwise. In the event of an equality of votes the matter will lapse.

2.5.15 Subject to subclause 2.3.1, all Board Members present at a meeting shall vote.

2.5.16 Any meeting of the Board may be adjourned from time to time and from place to place.

2.5.17 Subject to Clause 2.6 and to the absolute discretion of the Board to conduct any meeting or part of any meeting in public, meetings of the Board will not be conducted in a place open to the public.

2.5.18 The Executive Officer must cause minutes to be kept of the proceedings at every meeting of the Board.

2.5.19 If the Executive Officer is excluded from attendance at a meeting of the Board, the person presiding at the meeting shall cause the minutes to be kept.

2.5.20 Each Board Member must be supplied with a copy of all minutes of the proceedings of a meeting within five days of the meeting.

2.5.21 All documents presented to, received at or derived from a Board Meeting, including but not limited to:

- (a) minutes of a Board Meeting;
  - (b) reports to the Board received at a meeting of the Board; and
  - (c) recommendations presented to the Board in writing and adopted by resolution of the Board.
- will remain confidential and not available for public inspection unless the Board otherwise resolves.

2.5.22 Prior to the conclusion of each meeting of the Board, the Board must identify which agenda items considered by the Board at that meeting will be the subject of an information report to the Constituent Councils.

2.5.23 Subject to this Charter and to any direction of the Constituent Councils the Board may determine its own procedures.

## 2.6 **Annual General Meeting**

2.6.1 An Annual General Meeting of the Board shall be held prior to November in each year at a place and time determined by a resolution of the Board.

2.6.2 In addition to the requirements of subclause 2.5.6 of this Charter, notice of the Annual General Meeting will also be given by:

- (a) placing a copy of the notice and agenda on public display at the principal office of the Authority and of each Constituent Council;
- (b) by giving notice in newspapers which circulate in the areas of the Constituent Councils;
- (c) in such other manner as the Executive Officer considers appropriate taking into account:
  - (i) the characteristics of the community and area of the Constituent Councils; and
  - (ii) the best ways to bring notice of the Annual General Meeting to the attention of the public; and
  - (iii) such other matters as the Executive Officer thinks fit.

2.6.3 The notice and agenda must be placed on public display at least 14 clear days before the Annual General Meeting and must be available to the public:

- (a) at the offices of the Authority for inspection, without charge; and
- (b) by way of a copy being provided upon request and, upon payment of a fee fixed by the Authority, and

- (c) by being placed on the website of the Authority and must be kept on public display until the completion of the Annual General Meeting.
- 2.6.4 A reasonable number of copies of the notice and agenda and any document or report supplied to Board Members for the Annual General Meeting must be available for members of the public at the meeting.
- 2.6.5 The Annual General Meeting will be conducted in a place open to the public and will consider and deal with business of a general nature aimed at reviewing the progress and direction of the Authority over the immediately preceding financial year and shall include the following:
  - (a) Chair's report;
  - (b) Executive Officer's report;
  - (c) the annual budget for the ensuing financial year;
  - (d) the audited financial statements for the previous financial year;
  - (e) any other general business determined by the Board to be considered at the Annual General Meeting.
- 2.6.6 The minutes of the Annual General Meeting must, in addition to the requirements of subclause 2.5.20 be available to the public within five days of the Meeting for inspection or by provision of a copy upon payment of a fee fixed by the Board.

### 3. STAFFING ISSUES

- 3.1 The Board must appoint an Executive Officer of the Authority to manage the business of the Board on terms agreed between the Executive Officer and the Board. The Executive Officer may be a natural person or a body corporate.
- 3.2 The Executive Officer shall cause records to be kept of the business and financial affairs of the Authority in accordance with this Charter, in addition to other duties provided for by this Charter and those specified in the terms and conditions of appointment.
- 3.3 In the absence or likely absence of the Executive Officer for any period exceeding two weeks a suitable person to act in the position of Executive Officer of the Authority must be appointed by the Board.
- 3.4 The Board shall delegate responsibility for the day to day management of the Authority to the Executive Officer, who will ensure that sound business and human resource management practices are applied in the efficient and effective management of the operations of the Authority.
- 3.5 The functions of the Executive Officer shall be specified in the terms and conditions of appointment and shall include but are not limited to:
  - 3.5.1 attending at all meetings of the Board unless excluded by resolution of the Board;
  - 3.5.2 ensuring that the decisions of the Board are implemented in a timely and efficient manner;
  - 3.5.3 providing information to assist the Board to assess the Authority's performance against its Strategic and Business Plans;
  - 3.5.4 appointing, managing, suspending and dismissing other employees of the Authority;
  - 3.5.5 determining the conditions of employment of employees of the Authority, within budgetary constraints set by the Board;
  - 3.5.6 providing advice and reports to the Board on the exercise and performance of its powers and functions under this Charter or any Act;
  - 3.5.7 ensuring that the Authority is at all times complying with Schedule 2 to the Act and all other relevant statutory obligations;
  - 3.5.8 co-ordinating and initiating proposals for consideration of the Board including but not limited to continuing improvement of the operations of the Authority;
  - 3.5.9 ensuring that the assets and resources of the Authority are properly managed and maintained;
  - 3.5.10 ensuring that records required under the Act or any other legislation are properly kept and maintained;
  - 3.5.11 exercising, performing or discharging other powers, functions or duties conferred on the Executive Officer by or under the Act or any other Act, and performing other functions lawfully directed by the Board;
  - 3.5.12 achieving financial outcomes in accordance with adopted plans and budgets of the Authority;
  - 3.5.13 inviting any person to attend at a meeting of the Board to act in an advisory capacity; and
  - 3.5.14 providing reports to the Constituent Councils in accordance with subclause 2.5.22.
- 3.6 The Executive Officer may delegate or sub-delegate to an employee of the Authority or a committee comprising employees of the Authority, any power or function vested in the Executive Officer. Such delegation or sub-delegation may be subject to any conditions or limitations as determined by the Executive Officer.
- 3.7 Where a power or function is delegated to an employee, the employee is responsible to the Executive Officer for the efficient and effective exercise or performance of that power or function.
- 3.8 A written record of all delegations and sub-delegations must be kept by the Executive Officer at all times.
- 3.9 The Executive Officer and any other officer declared by the Board to be subject to this provision is required to comply with Division 2 of Part 4 of Chapter 7 (Register of Interests) of the Act. Section 118 (Inspection of Register) of the Act and Section 119 (Restrictions on disclosure) of the Act will apply.

### 4. MANAGEMENT

- 4.1 **Financial Management**
  - 4.1.1 The Authority shall keep proper books of accounts in accordance with the requirements of the Local Government (Financial Management) Regulations 2011.
  - 4.1.2 The Authority's books of account must be available for inspection by any Board Member or authorised representative of any Constituent Council at any reasonable time on request.
  - 4.1.3 The Authority must establish and maintain a bank account with such banking facilities and at a bank to be determined by the Board.
  - 4.1.4 All cheques must be signed by two persons authorised by resolution of the Board.

4.1.5 Any payments made by Electronic Funds Transfer must be made in accordance with procedures which have received the prior written approval of the Board.

The Executive Officer must act prudently in the handling of all financial transactions for the Authority and must provide quarterly financial and corporate reports to the Board and if requested, the Constituent Councils.

#### 4.2 **Audit**

4.2.1 The Authority shall appoint an auditor in accordance with the Local Government (Financial Management) Regulations 2011, on terms and conditions set by the Board.

4.2.2 The Auditor will have the same powers and responsibilities as set out in the Local Government Act 1999, in relation to a council subsidiary.

4.2.3 The audit of Financial Statements of the Authority, together with the accompanying report from the Auditor, shall be submitted to both the Board and the Constituent Councils.

4.2.4 The books of account and financial statements shall be audited at least once per year.

4.2.5 The Authority is required to establish an audit committee.

#### 4.3 **Strategic Plan**

The Authority shall:

4.3.1 prepare a five year Strategic Plan linking the core business activities of the Authority to strategic, operational and organisational requirements with supporting financial projections setting out the estimates of revenue and expenditure as necessary for the period; and

4.3.2 review the Strategic Plan annually; and

4.3.3 consult with the Constituent Councils prior to adopting or amending the Strategic Plan.

#### 4.4 **Annual Business Plan and Budget**

4.4.1 The Authority shall, after 31 May but before the end of June in each financial year, prepare and adopt an annual business plan and budget for the ensuing financial year in accordance with the Local Government Act 1999.

4.4.2 The proposed annual business plan and budget must be referred to Constituent Councils at the same time as the Executive Officer submits it to the Board Members.

4.4.3 A Constituent Council may comment in writing to the Executive Officer on the business plan and budget at least three business days before the meeting at which it will be considered by the Board or, alternatively, may comment through its Board Member at the meeting of the Board.

4.4.4 The Authority must provide a copy of its annual business plan and budget to the Constituent Councils within five business days after adoption by the Board.

4.4.5 Reports summarising the financial position and performance of the Authority against the annual business plan and budget shall be prepared and presented to the Board every three calendar months and copies provided to the Constituent Councils within five days of the Board meeting to which they have been presented.

*(See Clause 24, Part 2, Schedule 2 to the Act for the contents of the Business Plan)*

*(See Clause 25, Part 2, Schedule 2 to the Act and Regulations 7, 8 & 9 to the Local Government (Financial Management) Regulations 2011 for the contents of the budget)*

#### 4.5 **Reporting**

4.5.1 The Authority must submit to the Constituent Councils by 30 September in each year in respect of the immediately preceding financial year, a report on the work and operations of the Authority detailing achievement of the aims and objectives of its Business Plan and incorporating the audited Financial Statements of the Authority and any other information or reports as required by the Constituent Councils.

4.5.2 The Board shall present a balance sheet and full financial report to the Constituent Councils at the end of each financial year.

4.5.3 The Board shall present audited financial statements to the Constituent Councils in accordance with the requirements of the Local Government (Financial Management) Regulations 2011.

### 5. **MISCELLANEOUS**

#### 5.1 **Equitable Interest**

5.1.1 Subject to subclause 5.1.2 the equitable interest of the Constituent Councils in the Authority is agreed as follows:

(a) City of Holdfast Bay: 15%.

(b) City of Marion: 30%.

(c) City of Onkaparinga: 55%.

5.1.2 The equitable interest of the Constituent Councils in the Authority as set out at subclause 5.1.1 may be varied by agreement of the Constituent Councils and will be varied where a new Constituent Council or Councils is admitted pursuant to Clause 5.3.

#### 5.2 **Withdrawal**

5.2.1 A Constituent Council may not withdraw from the Authority except with the approval of the Minister and subject to the Local Government Act and this Charter.

5.2.2 A Constituent Council which intends to withdraw from the Authority shall give to the Board and the other Constituent Councils written notice of such intention, specifying the date of intended withdrawal. The notice shall be a minimum of 24 months notice expiring on 30 June of the relevant financial year.

5.2.3 The withdrawal of any Constituent Council does not extinguish the liability of that Constituent Council for the payment of its contribution towards any actual or contingent deficiency in the net assets of the Authority at the end of the financial year in which such withdrawal occurs.

- 5.2.4 The withdrawal of any Constituent Council does not extinguish the liability of that Constituent Council to contribute to any loss or liability incurred by the Authority at any time before or after such withdrawal in respect of any act or omission by the Authority prior to such withdrawal. For the avoidance of doubt, any and all costs associated with closure processes (including but not limited to capping and post-closure monitoring and necessary actions) of a waste cell or the landfill site generally is a liability incurred before the withdrawal of a Constituent Council and is, therefore, a continuing liability for the purposes of this clause.
- 5.2.5 Payment by or to the withdrawing Constituent Council must be fully paid by 30 June of the financial year following 30 June of the year in which the withdrawal occurs unless there is common agreement of alternative payment arrangements by the Constituent Councils.
- 5.3 New Members**  
Subject to the provisions of the Act, this Charter may be amended by the unanimous agreement of the Constituent Councils to provide for the admission of a new Constituent Council or Councils, with or without conditions of membership.
- 5.4 Insurance Requirements**
- 5.4.1 The Authority shall register with the Local Government Mutual Liability Scheme and comply with the Rules of that Scheme.
- 5.4.2 The Authority shall advise Local Government Risk Management Services of its insurance requirements relating to Local Government Special Risks including buildings, structures, vehicles and equipment under the management, care and control of the Authority.
- 5.4.3 If the Authority employs any person it shall register with the Local Government Workers Compensation Scheme and comply with the Rules of that Scheme.
- 5.5 Winding Up and Statutory Guarantee**
- 5.5.1 The Authority may be wound up by unanimous resolution of the Constituent Councils and with the consent of the Minister.
- 5.5.2 On winding up of the Authority, the surplus assets or liabilities of the Authority, as the case may be, shall be distributed between or becomes the responsibility of the Constituent Councils in the same proportion as their equitable interest in the Authority in accordance with Clause 5.1.
- 5.5.3 If there are insufficient funds to pay all expenses due by the Authority on winding up (or at any other time there are unfunded liabilities which the Authority cannot meet), a call shall be made upon all of the Constituent Councils in proportion to their equity share for the purpose of satisfying their statutory guarantee of the liabilities of the Authority.
- 5.6 Direction by Constituent Councils**
- 5.6.1 The establishment of the Authority does not derogate from the power of any of the Constituent Councils to act independently in relation to a matter within the jurisdiction of the Authority.
- 5.6.2 Provided that all of the Constituent Councils have first agreed as to the action to be taken, the Constituent Councils may direct and control the Authority.
- 5.6.3 For the purpose of this Clause, any decision of the Constituent Councils under subclause 5.6.1 and/or direction given or control exercised by the Constituent Councils must be given in writing to the Executive Officer of the Authority.
- 5.7 Review of Charter**
- 5.7.1 This Charter will be reviewed by the Constituent Councils acting in concurrence at least once in every four years.
- 5.7.2 This Charter may be amended by unanimous agreement expressed by resolution of the Constituent Councils.
- 5.7.3 The Executive Officer must ensure that the amended Charter is published on a website (or websites) determined by the Chief Executive Officers of the Constituent Councils, that a notice of the fact of the amendment and a website address at which the Charter is available for inspection is published in the *Gazette* and a copy of the amended Charter provided to the Minister.
- 5.7.4 Before the Constituent Councils vote on a proposal to alter this Charter they must take into account any recommendation of the Board.
- 5.8 Disputes Between Constituent Councils**
- 5.8.1 The Constituent Councils agree to work together in good faith to resolve any matter requiring their direction or resolution.
- 5.8.2 Where the Constituent Councils are unable to resolve a matter within 28 days of the matter being presented to them, the matter will be referred for arbitration by the President (or his/her nominee) of the Institute of Arbitration.
- 5.8.3 Notwithstanding subclause 5.8.2 the Constituent Councils agree to be bound by the decision of the Arbitrator (except in relation to any decision relating to the acquisition or disposal of any real property) and will endeavour to work together in good faith in the implementation of that decision.
- 5.8.4 The costs of arbitration shall be borne equally by the Constituent Councils.
- 5.9 Committees**
- 5.9.1 The Board may establish a committee comprised of any persons for the purpose of enquiring into and reporting to the Board on any matter within the Authority's functions and powers and as detailed in the terms of reference given by the Board to the committee.
- 5.9.2 The Board may establish a committee comprised only of Board Members for the purpose of exercising, performing or discharging delegated powers, functions or duties.
- 5.9.3 A member of a committee established under this Clause holds office at the pleasure of the Board.

5.9.4 The Chair of the Board is an *ex-officio* a member of any committee established by the Board.

**5.10 Common Seal**

5.10.1 The Authority will have a common seal, which may be affixed to documents requiring execution under seal and where affixed must be witnessed by two Board Members or where authority has been conferred by instrument executed under the common seal of the Authority, by the Chair of the Board and the Executive Officer.

5.10.2 The common seal must not be affixed to a document except to give effect to a resolution of the Board.

5.10.3 The Executive Officer must maintain a register which records the resolutions of the Board giving authority to affix the common seal and details of the documents to which the common seal has been affixed with the particulars of persons who witnessed the fixing of the seal and the date that the seal was affixed.

5.10.4 The Board may by instrument under seal authorise a person to execute documents on behalf of the Authority.

**5.11 Circumstances Not Provided For**

If any circumstances arise about which this Charter is silent, incapable of taking effect or being implemented according to its strict provisions, the Board has the power to consider the circumstance and determine the action to be taken.

MARK HINDMARSH Executive Officer

## Appointment of Council representatives to Metropolitan Seaside Councils' Committee

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R11

### REPORT OBJECTIVE

To appoint suitable person(s) to represent the City of Marion on the Metropolitan Seaside Councils' Committee (MSCC).

### EXECUTIVE SUMMARY

The MSCC provides a valuable forum for Councils to develop a common response to shared concerns, to facilitate collaboration to source funding to address priority concerns across Council boundaries, and to raise the profile of our coastal environments.

Membership of the MSCC comprises of all Councils along the metropolitan Adelaide Coast (Cities of Salisbury, Port Adelaide Enfield, Charles Sturt, West Torrens, Holdfast Bay, Marion and Onkaparinga) as well as representatives of Adelaide Shores.

Due to the 2018 Local Government Elections, Council's nominated representatives to the MSCC now require review. Council's current representatives are Councillor Ian Crossland and the Environmental Sustainability Manager. Councillor Tim Gard is appointed as proxy in the event Councillor Crossland is unable to attend. Each organisation must nominate one Elected Member and one Staff Member. The Terms of Reference are included as Appendix 1. It is recommended that the staff representative to be appointed be the Senior Environmental Planner, as this aligns with their role and functions.

The City of Charles Sturt has hosted the MSCC for the past four years and the next host has not yet been decided. The City of Marion was host council from 2010 - 2014.

The Metropolitan Seaside Councils' Committee provides a valuable opportunity for Councils to collaborate on a range of issues and opportunities relating to the management of the metropolitan Adelaide coast.

### RECOMMENDATION

**That Council:**

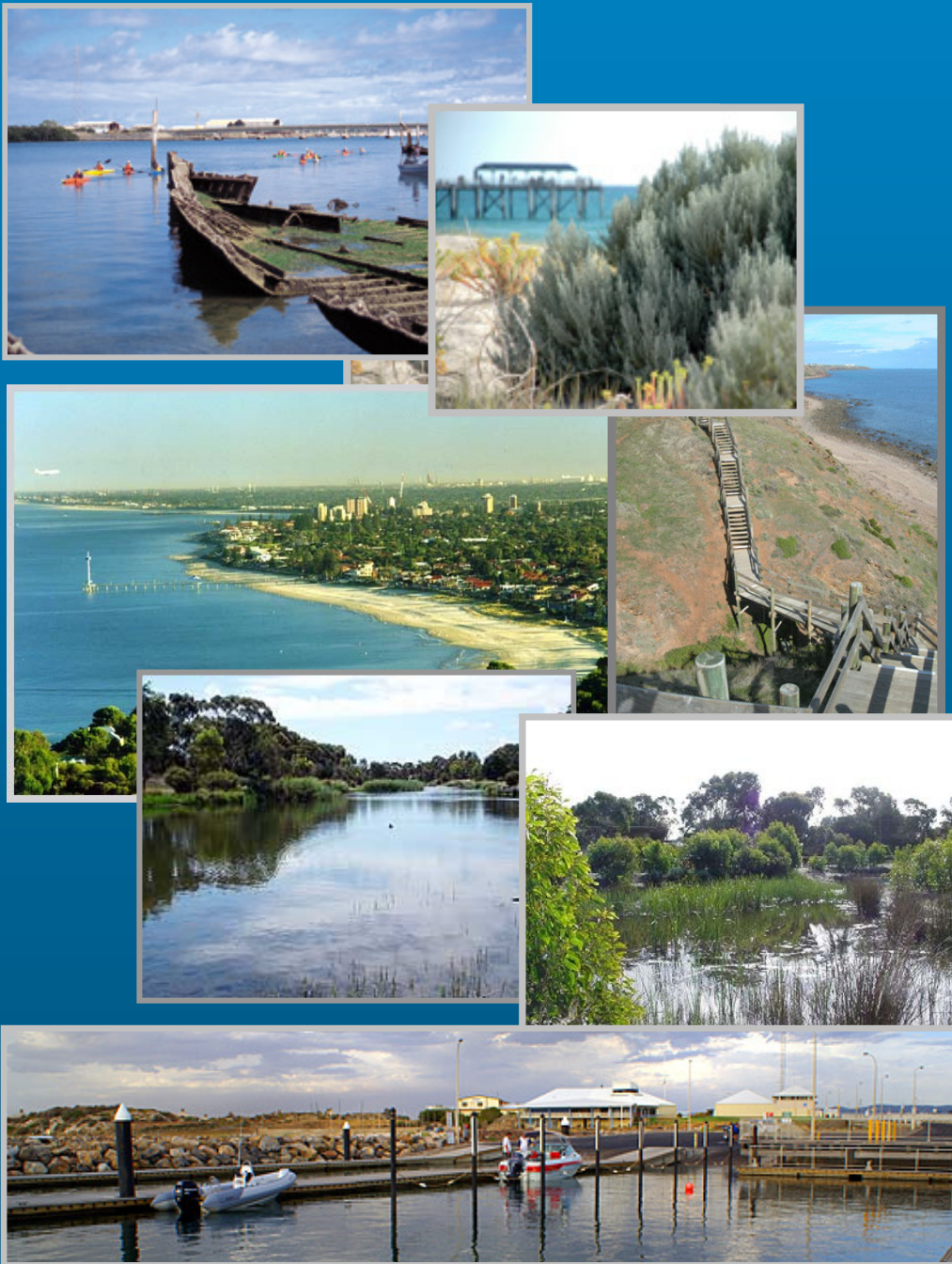
- 1. Appoints Councillor.....and Councillor.....as proxy to act as Council's representatives on the Metropolitan Seaside Councils Committee for the duration of the current term.**
- 2. Appoints the Senior Environmental Planner as the officer to act as Council's representation to the metropolitan councils committee for the duration of the current term.**

### Attachment

#	Attachment	Type
1	Appendix 1 - MSCC Terms of Reference	PDF File

# Metropolitan Seaside Councils' Committee

## Working together for tomorrow's Coasts



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## About the Metropolitan Seaside Councils Committee

The Metropolitan Seaside Councils Committee (MSCC) is a successor unincorporated body to the former MSCC Inc. and is a body of Local Government representatives of long standing, pre-dating the Coast Protection Act of 1972, which established the Coast Protection Board.

Concern by metropolitan councils over increasing storm damage led to a predecessor of the current MSCC commissioning the University of Adelaide to undertake a study of metropolitan beaches. The outcome of this study – The Culver Report 1970 – proposed both the modern sand replenishment strategy and a Coast Protection Act.

The MSCC has existing links to the Coastal Protection Board, through the Chair of the MSCC being an advisory member of the Board, Natural Resources Adelaide and Mount Lofty Ranges Region and Adelaide Shores (West Beach Trust). Council staff representatives are drawn from parks, engineering and planning departments, at middle to senior management level.

The MSCC provides a valuable forum for councils to develop a common response to shared concerns, to facilitate collaboration to source funding to address priority concerns across council boundaries, and to raise the profile of our coastal environments. Other benefits to councils include preparation of submissions on coastal issues during public consultation on government initiatives which specifically relate to the coastal environment.



# TERMS OF REFERENCE

## 1. PRELIMINARY

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### 1.1. Name

The name of this unincorporated association is the "Metropolitan Seaside Councils' Committee".

### 1.2. Interpretation

In these Terms of Reference unless the contrary is apparent:

- 1.2.1. "Act" means the *Local Government Act 1999* (SA).
- 1.2.2. "Council" means a council constituted under the Local Government Act 1999 and any other authority of a local government nature constituted or established under South Australian legislation.
- 1.2.3. "Representative" means a representative appointed by a Member Council for the purposes of these Terms of Reference to represent a Member Council at meetings of MSCC.
- 1.2.4. "Elected Member" means any councillor of a Council.
- 1.2.5. "Host Council" means the Member Council that is chosen to be the Host Council for the MSCC for the term of 4 years.
- 1.2.6. "Member Council" means a Council which is a signatory to the MSCC Memorandum of Understanding.
- 1.2.7. "MSCC" means the Metropolitan Seaside Councils Committee.
- 1.2.8. "Suitable advisory organisation" means a Government entity or other association which meets the requirements of the MSCC for membership.
- 1.2.9. Words importing the masculine gender include the feminine gender and vice versa.
- 1.2.10. Words importing the singular include the plural and vice versa.



## 2. AIMS AND OBJECTS

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### 2.1. Aims

The principal aims of the MSCC are to:

- 2.1.1. Ensure the maintenance and improvement of coastal environments;
- 2.1.2. Re-establish and rehabilitate coasts areas where possible;
- 2.1.3. Determine the present and future conditions of the Adelaide metropolitan coast, and the best method of preserving and improving the foreshore and beaches.
- 2.1.4. Develop strategic partnerships to protect, enhance and promote the coast.

### 2.2. Objects

The Primary Objects of the MSCC are to:

- 2.2.1. Promote cooperation between Member Councils and advisory organisations and stakeholders, and coordinate actions on issues of regional significance regarding the sustainability of the urban coastal environment.
- 2.2.2. Ensure the co-operation and co-ordination of all the Member Councils and advisory organisations and stakeholders to take any action necessary for the improvement and betterment of facilities, amenities and conveniences in order to provide enjoyment and recreation to the public.
- 2.2.3. Represent the Member Councils and advocate on issues relating to the sustainability of coastal and estuarine environments to regional, state and federal bodies.
- 2.2.4. Facilitate the sustainable and integrated planning and management of natural and built coastal and estuarine assets.
- 2.2.5. Identify and address emerging issues affecting metropolitan coasts and estuaries, including any human impacts upon St Vincent's Gulf, through research and project development.
- 2.2.6. Facilitate knowledge and tools development and exchange to enhance community awareness and engagement on sustainability of coasts and estuaries.
- 2.2.7. Develop strategic partnerships with other appropriate organisations to devise, prioritise and implement protection strategies and address emerging issues which affect the metropolitan coast.



### 3. POWERS OF THE MSCC

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- 3.1. To associate with other associations (both incorporated and unincorporated), clubs and organisations having similar objects to those of the MSCC.
- 3.2. To seek funding through the Host Council for suitable coastal management projects.
- 3.3. To publish material such as reports and papers.
- 3.4. To do things which are conducive to the Objects of these Terms of Reference and to further the interests of the MSCC.
- 3.5. To as required, with the assistance of the Host Council, raise funds at any time from Government Grants or other external sources as required to carry out the aims and objectives of the MSCC.
- 3.6. To as required, utilise the funds of the MSCC held by the HOST Council as necessary to carry out the aims and objectives of the MSCC.

### 4. MEMBERSHIP AND VOTING

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#### 4.1. Eligibility for Membership

- 4.1.1. A Council shall be eligible for membership if the Council has a coastal boundary as defined by the Coast Protection Board's Metropolitan Coastal Protection District and has signed the MSCC Memorandum of Understanding.
- 4.1.2. Eligible Member Councils and suitable advisory organisations shall each be represented by two Representatives from each organisation - one elected member and one officer of a Council, or two staff of an advisory organisation.

#### 4.2. Appointment of Representatives

- 4.2.1. The recording of the names and contact details of all Representatives, the date of appointment and the Member Council they represent shall be the responsibility of the Host Council.
- 4.2.2. The appointment of additional Representatives to the MSCC shall be at the discretion of, and in a manner determined by, the Member Council's.
- 4.2.3. The office of a Representative shall become vacant if:
  - 4.2.3.1. The Representative resigns by letter addressed to the Council which appointed him/her;
  - 4.2.3.2. The Representative is replaced by his/her Council at any time.
  - 4.2.3.3. The Representative ceases to remain an Elected Member or staff member of that Council.
- 4.2.4. Where the office of a Representative becomes vacant, the Council concerned may appoint another Representative.



#### 4.3. Voting

- 4.3.1. Each Member Council will have one vote per Representative;
- 4.3.2. Advisory organisations invited by the MSCC to participate in its meetings will not have voting rights;
- 4.3.3. The Chairperson shall have a deliberative vote only.

#### 4.4. Opportunity and respect

- 4.4.1. All Members of the MSCC will be provided with equal opportunity in an atmosphere of equal respect in discussions and voting.

### **5. INDEMNITY AND INSURANCE**

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- 5.1. The Representatives of each Member Council will be protected by the general protections for Council members and employees as provided for in the Act.

### **6. HOST COUNCIL**

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- 6.1. The Representatives shall at the Meeting following the Local Government elections elect a Host Council from amongst the Member Councils of the MSCC which have indicated a willingness to accept that position and role.
- 6.2. The Host Council will maintain that position for a term, being the four years between Local Government periodic elections.
- 6.3. A Host Council shall not be elected to this position for any more than two consecutive terms.
- 6.4. The Host Council will provide administration services and support to assist in the ongoing management of the MSCC, as well as hosting the MSCC's meetings.
- 6.5. The Host Council will maintain an account to hold the funds of the MSCC and will provide access to those funds when requested.
- 6.6. The Host Council will pursue funding on behalf of the MSCC when required.
- 6.7. The Host Council shall keep and retain proper books of accounts and records of accounting records and meeting proceedings to correctly record and explain the financial transaction and financial position of the MSCC.
- 6.8. The Host Council will receive and bank all monies and issue receipts for the same, pay all accounts which have been passed by the MSCC and shall keep a proper record of all such receipts and payments in such a manner as an auditor may determine.
- 6.9. The Host Council shall prepare or have prepared a full financial statement and balance sheet annually.



## 7. CHAIRPERSON

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- 7.1. The Representatives shall appoint a Chairperson from the Representatives of the Host Council as well as a Vice Chairperson from the other Representatives of the MSCC.
- 7.2. The Chairperson or in his/her absence, a Vice Chairperson shall preside at all meetings of the MSCC.
- 7.3. The Chairperson and Vice Chairperson shall hold office for a period of 4 years.
- 7.4. The Chairperson and Vice Chairperson may be removed from office at any time by a resolution carried by two thirds of the MSCC Representatives.
- 7.5. If at any stage the office of Chairperson or Vice Chairperson becomes vacant a replacement Chairperson may be appointed by the MSCC to hold office for the balance of the term of the original appointment.

## 8. MEETINGS

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- 8.1. Meetings of the MSCC shall be held at regular quarterly intervals. The MSCC may also choose to hold additional meetings throughout the year.
- 8.2. 14 days' notice of a meeting will be given to all Members. The notice shall set out where and when the meeting will be held, and particulars of the nature and order of the business to be transacted at the meeting.
- 8.3. The notice may be delivered by email or by post.
- 8.4. Meetings of the MSCC will be held at the Host Council's offices which will be the official address of the MSCC or at an agreed location as notified.
- 8.5. The quorum of any meeting of the MSCC shall be the attendance of at least one Representative from a minimum of half the Member Councils plus one.
- 8.6. If there are insufficient Members present to constitute a quorum, the meeting shall take place but no decisions will be made.
- 8.7. An ordinary resolution is a resolution passed by a simple majority at a meeting.

## 9. MINUTES

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- 9.1. Minutes of all proceedings of meetings of the MSCC shall be entered within one month after the relevant meeting in minute books for the purpose.
- 9.2. The minutes kept pursuant to this rule must be confirmed by the Representatives at a subsequent meeting.



- 9.3. The minutes kept pursuant to this rule shall be signed by the Chairperson of the meeting at the succeeding meeting at which the minutes are confirmed.

## **10. ALTERATION TO THE TERMS OF REFERENCE**

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These Terms of Reference may be amended by a resolution of two thirds of all the Member Council's.

## **11. DISSOLUTION**

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- 11.1. The MSCC may be dissolved or wound up by resolution of two thirds of all the Member Council's.
- 11.2. If after the winding up of the association there remains 'surplus funds', these funds are to be distributed amongst the Member Councils in an equal proportion.



## Appointment of Council Representative on the Dial Before You Dig Board

<b>Originating Officer</b>	Manager Engineering and Field Services - Mathew Allen
<b>Corporate Manager</b>	Manager Engineering and Field Services - Mathew Allen
<b>General Manager</b>	General Manager City Services - Tony Lines
<b>Report Reference</b>	GC181127R12

### REPORT OBJECTIVE

The purpose of this report is to seek Council support in appointing representation from the City of Marion on the SA/NT Board of Dial Before You Dig (DBYD).

### EXECUTIVE SUMMARY

DBYD SA/NT was founded in 1999 by a group of South Australian service utilities and asset owners from the gas, electricity and telecommunications industries. It includes representation from local and state government. Key objectives of DBYD are to reduce damage to underground services, to provide an enquiry service on the location of underground services, and to promote enquiries to locate underground services before excavation.

The City of Marion is a founding member of DBYD, which entitles Council to appoint two persons to be members of the Board.

### RECOMMENDATION

**That Council:**

- 1. Appoints the Manager Engineering and Field Services, Mathew Allen as a City of Marion representative on the SA/NT Board of Dial Before You Dig.**

### DISCUSSION

DBYD is Australia's free referral service for information on the location of underground infrastructure. It is a not for profit organisation.

The service is designed to protect Australia's network of underground pipes and cables and ensure the safety of those working around this infrastructure. DBYD acts as a single point of contact between underground asset owners and excavators.

When excavators lodge an enquiry with DBYD, their project information is sent to the member (for example, nbn and Telstra). The member responds to the excavator, normally in the form of plans.

Without these plans or maps, trunk cable may inadvertently be cut or dug up and other underground conduits or cables damaged, resulting in the possibility of cutting off essential services to homes and businesses until the cable is repaired by the owner of the asset.

For land subdivision, underground pipes and cables may need to be moved to alternate locations.

#### Functions of the Board

The DBYD SA/NT Board is managed by a board of nine members, comprising representatives from Telstra, SA Water, APA (gas), SA Power Networks, NBN, Power and Water Corporation, and the City of Burnside. The affairs of DBYD are managed and controlled exclusively by the Board and are outlined in the constitution

of DBYD. The DBYD board responsibilities include the development of a financial plan and policies to achieve the objectives of DBYD.

The Board meets quarterly.

#### Membership

The City of Marion is a founding member of DBYD. In accordance with the constitution, each Foundation member is entitled to appoint two persons to be members of the Board.

Board Positions are unpaid.

DBYD SA/NT is based in Norwood and consists of:

State Manager (Full time)

Awareness Training & Member Liason / Infrastructure Damage Reporting officer (P/T - 3 days/week)

Marketing Coordinator (P/T - 3 days/week)

There are four other state regions and one national office that employ approximately 20 FTE staff in total.

#### Appointment of City of Marion Representative

The appointment of a Board Member from the City of Marion will provide an opportunity for additional Local Government representation, provide the ability to contribute to the direction of DBYD and work with them to represent Councils more generally. This would assist in promoting DBYD in the protection of underground assets.

It is recommended that Council's Mathew Allen represent the City of Marion on the DBYD Board. Mathew is the Manager Engineering and Field Services and is responsible for design, construction and maintenance activities relating to roads, stormwater and open space and has the technical expertise to undertake this role.

The board position would provide valuable board experience and facilitate networking with other service authority Board members.

The second DBYD Board position can be filled at a later date.

#### **CONCLUSION**

The City of Marion has the opportunity to appoint two Board members to contribute to the future direction and policies of DBYD. It is recommended that Mathew Allen be appointed as one of those Board members.

## Appointment of Date, Time and Place of Council Meetings

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R13

### REPORT OBJECTIVE

The purpose of this report is to provide a draft Schedule of Meeting dates for 2019 Council consideration.

### EXECUTIVE SUMMARY

As an aid to provide open, responsive and accountable government, the *Local Government Act 1999*, requires Council to resolve the times and places at which ordinary meetings of the Council will be held.

The manner in which Council can do this is by the adoption of a Schedule of Meeting dates, which can also be used to relay the dates and times of meetings to the community.

### RECOMMENDATION

**That Council:**

1. Adopt the following meeting cycle to facilitate open, responsive and accountable government as well as the timely conduct of Council's business:

**General Council Meeting to be held on Tuesday, 29 January 2019.**

**General Council Meetings to be held on the 2nd and 4th Tuesday of the month in February, March, May, June, August and October.**

**General Council Meetings to be held on the 4th Tuesday of the month in April, July, September, and November.**

**General Council Meeting to be held on Tuesday, 10 December 2019.**

**General Council meetings will be held in the Chamber, at the City of Marion Administration Centre, 245 Sturt Road, Sturt commencing at 6.30pm.**

2. Adopts that the Urban Planning Committee meets on the first Tuesday of February, June and October 2019.
3. Adopts that the Infrastructure and Strategy Committee meets monthly from February 2019 to December 2019.
4. Adopts the schedule of meeting dates for 2019 provided at Appendix 1 to the report.
5. Publish the Schedule of Meetings for 2019 in the Guardian Messenger the week commencing Monday 10 December 2018.

## GENERAL ANALYSIS

Sections 81 of the *Local Government Act 1999* (the Act) requires Council to appoint the times and places for ordinary meetings of Council.

### COMMITTEE TERMS OF REFERENCE

#### Urban Planning Committee

Section 4.3 of the Urban Planning Committee Terms of Reference states that the Committee will meet as resolved by Council, between February and November. It is therefore proposed that the Committee meets in February, June and October. Special meetings will be called as required.

#### Infrastructure and Strategy Committee

Section 4.3 of the Strategy and Infrastructure Committee Terms of Reference states that the Committee will meet as resolved by Council, between February and December each year. It is therefore proposed that the Committee meets, each month during this period.

#### Review and Selection Committee

Section 4.4 of the Review and Selection Committee Terms of Reference states that the Committee will meet on an ad-hoc basis with a meeting occurring at least every 6 months. Meetings will be convened at the request of the presiding member of the elected members on the Committee, hence the Council is not required to make a resolution about the meetings schedule for this Committee

#### Finance and Audit Committee

Section 4.12 of the Finance and Audit Committee Terms of Reference states that the Committee will meet at least quarterly. Section 4.15 states that an annual schedule of meetings will be developed and agreed to by the Committee members, hence the Council is not required to make a resolution about the meeting schedule for this Committee. This schedule of meetings will include at least one joint workshop with the Council and the Committee.

## DISCUSSION

The proposed Schedule of Meetings 2019 provided at **Appendix 1** identifies meeting dates and times from January to December 2019.

Matters to be noted in considering the Schedule include:

- The schedule complies with the requirements of the Act which provide that there must be at least one ordinary (General) meeting of the Council in each month.
- The proposed meeting dates and times allow Council to meet the objective of providing open, responsive and accountable government.
- It is proposed the meeting start time is 6.30 pm.
- The holding of two General Council meetings some months and only one for others allows Council to balance formal decision making meetings with informal gathering time to focus on planning/strategies, training, etc.
- Meetings have not been included for the Review and Selection Committee and Council Assessment

Panel (CAP) as these Committees/Panels have either been set by separate resolution or they set their own schedule of meetings in accordance with their Terms of Reference.

## Implementation

The Schedule of Meetings for 2018 will be published in the Guardian Messenger and will be available at the Administration Centre and via Council's website. Details of Council's upcoming meetings will also be placed on the sign at the front of the Administration Centre.

## Attachment

#	Attachment	Type
1	Schedule of Meetings 2019	PDF File

<b>SCHEDULE OF GENERAL COUNCIL MEETINGS – 2019</b> All meetings will be held at the City of Marion Administration Centre, 245 Sturt Road, Sturt		
<b>Date</b>	<b>Time (PM)</b>	<b>Meeting</b>
29 January 2019	6.30pm – 9.30pm	General Council
5 February 2019	6.30pm – 9.30pm	Infrastructure and Strategy Committee
5 February 2019	6.30pm – 9.30pm	Urban Planning Committee
12 February 2019	6.30pm – 9.30pm	General Council
19 February 2019	6.30pm – 9.30pm	Elected Member Forum
26 February 2019	6.30pm – 9.30pm	General Council
5 March 2019	6.30pm – 9.30pm	Infrastructure and Strategy Committee
12 March 2019	6.30pm – 9.30pm	General Council
19 March 2019	6.30pm – 9.30pm	Elected Member Forum
26 March 2019	6.30pm – 9.30pm	General Council
2 April 2019	6.30pm – 9.30pm	Infrastructure and Strategy Committee
9 April 2019	6.30pm – 9.30pm	Elected Member Forum
16 April 2019	6.30pm – 9.30pm	Elected Member Forum
23 April 2019	6.30pm – 9.30pm	General Council
30 April 2019	6.30pm – 9.30pm	5 <sup>th</sup> Tuesday – currently no meeting
7 May 2019	6.30pm – 9.30pm	Infrastructure and Strategy Committee
14 May 2019	6.30pm – 9.30pm	General Council
21 May 2019	6.30pm – 9.30pm	Elected Member Forum
28 May 2019	6.30pm – 9.30pm	General Council
4 June 2019	6.30pm – 9.30pm	Infrastructure and Strategy Committee
4 June 2019	6.30pm – 9.30pm	Urban Planning Committee
11 June 2019	6.30pm – 9.30pm	General Council
18 June 2019	6.30pm – 9.30pm	Elected Member Forum
25 June 2019	6.30pm – 9.30pm	General Council
2 July 2019	6.30pm – 9.30pm	Infrastructure and Strategy Committee
9 July 2019	6.30pm – 9.30pm	Elected Member Forum
16 July 2019	6.30pm – 9.30pm	Elected Member Forum
23 July 2019	6.30pm – 9.30pm	General Council
30 July 2019	6.30pm – 9.30pm	5 <sup>th</sup> Tuesday – currently no meeting
6 August 2019	6.30pm – 9.30pm	Infrastructure and Strategy Committee

<b>SCHEDULE OF GENERAL COUNCIL MEETINGS – 2019</b> <b>All meetings will be held at the City of Marion Administration Centre, 245 Sturt Road, Sturt</b>		
<b>Date</b>	<b>Time (PM)</b>	<b>Meeting</b>
13 August 2019	6.30pm – 9.30pm	General Council
20 August 2019	6.30pm – 9.30pm	Elected Member Forum
27 August 2019	6.30pm – 9.30pm	General Council
3 September 2019	6.30pm – 9.30pm	Infrastructure and Strategy Committee
10 September 2019	6.30pm – 9.30pm	Elected Member Forum
17 September 2019	6.30pm – 9.30pm	Elected Member Forum
24 September 2019	6.30pm – 9.30pm	General Council
1 October 2019	6.30pm – 9.30pm	Infrastructure and Strategy Committee
1 October 2019	6.30pm – 9.30pm	Urban Planning Committee
8 October 2019	6.30pm – 9.30pm	General Council
15 October 2019	6.30pm – 9.30pm	Elected Member Forum
22 October 2019	6.30pm – 9.30pm	General Council
29 October 2019	6.30pm – 9.30pm	5 <sup>th</sup> Tuesday – currently no meeting
5 November 2019	6.30pm – 9.30pm	Infrastructure and Strategy Committee
12 November 2019	6.30pm – 9.30pm	Elected Member Forum
19 November 2019	6.30pm – 9.30pm	Elected Member Forum
26 November 2019	6.30pm – 9.30pm	General Council
3 December 2019	6.30pm – 9.30pm	Infrastructure and Strategy Committee
10 December 2019	6.30pm – 9.30pm	General Council
Christmas Break – No more meeting until 2020		

## Council Members' Allowances and Benefits Policy

<b>Originating Officer</b>	Unit Manager Governance and Records - Jaimie Thwaites
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R14

### REPORT OBJECTIVE

To consider and adopt the '*Council Members' Allowances and Benefits Policy*'.

### EXECUTIVE SUMMARY

Elected Members should not be out-of-pocket as a result of performing and discharging their official functions and duties.

Section 77 of the *Local Government Act 1999* (the Act) provides that a member of a council is entitled to receive from the council reimbursement of prescribed expenses incurred in performing or discharging official functions and duties.

The Act also enables Council to develop a policy which details which of those additional expenses, specified within Regulation 6 of the *Local Government (Members Allowances and Benefits) Regulations 2010*, it wishes to reimburse to Elected Members.

A Policy adopted under these provisions lapses at a general election of the Council.

To ensure that members have the necessary support to undertake their roles, the purpose of this report is to present a draft Council Members' Allowances and Benefits Policy to Council for adoption in accordance with Section 77(1)(b) of the Act.

Council may wish to consider and adopt the policy in two parts, separating the ordinary business and the section relating to Mayoral Support (section 2.9).

### RECOMMENDATION

**That Council:**

- 1. Adopts the Council Members' Allowances and Benefits Policy as provided in Appendix 1 (excluding Section 2.9 - Mayoral Support) with the following amendments:**
  -
- 2. Adopts Section 2.9 - Mayoral Support of the Council Members' Allowances and Benefits Policy as provided in Appendix 1 with the following amendments:**
  -

## BACKGROUND

The *Local Government Act 1999* (the Act) and the *Local Government (Members Allowances and Benefits) Regulations 2010* (the Regulations) provides for the payment of Elected Member allowances, the reimbursement of expenses and the provision of facilities and support incurred or utilised in performing or discharging official functions and duties.

### Allowances

Pursuant to section 76 of the Act, a member of Council is entitled to an allowance determined by the Remuneration Tribunal. The Remuneration Tribunal reviews and sets the allowance every four years. This was last reviewed in 2018 and the Tribunal's determination of 30 August 2018 provides for the following allowances with respect to the City of Marion:

Category	Payment
Councillors	\$20,630
Mayor	\$82,520
Deputy Mayor or Presiding Member of a Council Committee (inclusive of Councillor payment)	\$25,787.50

The allowance is currently paid three months in advance, which is in accordance with the requirements of the Regulations.

The allowance must be indexed on the first, second and third anniversary of the local government election.

### Expenses

Section 77(1)(a) of the Act, via Regulation 5 of the Regulations prescribes the kinds of expenses for which a member of the Council will receive reimbursement.

Section 77(1)(b) of the Act also enables Council to develop a policy that details which of those additional expenses, specified within Regulation 6 of the Regulations, it wishes to reimburse to Elected Members.

### Facilities and Support

In addition, Section 78 of the Act enables Council to provide, at its discretion, facilities and other forms of support to Elected Members to assist them in the performance or discharging of their official functions and duties. These facilities and services must be made available to Elected Members on a uniform basis other than those specifically provided to the Mayor.

## DISCUSSION

Provided at Appendix 1 is a draft Council Members' Allowances and Benefits Policy for consideration. It has been drafted to reflect the *Local Government (Members Allowances and Benefits) Regulations 2010*.

As a starting point, the Policy is similar to that adopted by the previous Council. It has been updated insofar as contemporary practices and technology. It is presented to ensure the new Council has sufficient support to undertake its role. It is proposed that discussion be held during the meeting to identify any specific amendments that this Council may wish to adopt, including whether any further cycle of review may be scheduled within this term of Council.

The proposed Policy details those expenses Council is required to reimburse under Section 77(1)(a) and Regulation 5 of the *Local Government (Members Allowances and Benefits) Regulations 2010*. Such expenses include:

- Travel expenses incurred in travelling to and from a prescribed meeting if the journey is an eligible journey and the journey is by the shortest or most practicable route. The Regulation states that travel expenses will only be reimbursed for the component of the journey within the Council Area.
- Expenses for the care of a child or a dependent of the Member requiring full-time care actually and necessarily incurred by an Elected Member as a consequence of their attendance at a prescribed meeting.

An “*eligible journey*” is defined under the Regulations to mean “a journey (in either direction) between the principal place of residence, or a place of work, of a member of the council, and the place of a prescribed meeting “

A “*prescribed meeting*” is defined under the Regulations to mean “a meeting of the council or council committee, or an informal gathering, discussion, workshop, briefing, training course or similar activity which is directly or closely related to the performance or discharge of the roles or duties of the member.”

Other expenses which can be approved by Council, in accordance with Section 77(1)(b) of the Act and Regulation 6 of the *Local Government (Members Allowances and Benefits) Regulations 2010* via a policy, comprise:

- Travel expenses in relation to a member’s attendance at a function or activity on the business of the Council other than travel to prescribed meetings.
- Travel expenses in respect of an eligible journey outside the Council area.
- Phone, facsimile and other telecommunication device costs attributed to the business of Council.
- Child and dependent care expenses incurred by a member as a consequence of the member’s attendance at a function or activity on the business of the Council other than prescribed meetings.
- Expenses associated with the attendance at conferences, training, seminars etc directly or closely related to the performance or discharge of the roles or duties of the member.

The Council Members' Allowances and Benefits Policy includes those expenses defined in Regulation 6 of the *Local Government (Members Allowances and Benefits) Regulations 2010*, detailed above, which Council may wish to consider for reimbursement (Appendix 1).

Additional item for consideration:

A request has been made to include a telephone land line for Council business at a Council Member's place of residence. Council will need to determine whether or not this item is added to the policy.

Conflict of Interest (Section 8AAA of the *Local Government (General) Regulations 2013*):

The requirements set out in Sections 74(6) and 75A(6) of the *Local Government Act 1999* do not apply to a matter of ordinary business of a Council of a kind prescribed by regulation for the purposes of this section. The following matters are prescribed by Section 8AAA of the *Local Government (General) Regulations 2013*:

(b) *the preparation, discussion, adoption or revision of a policy relating to allowances and benefits payable to members if the policy relates to allowances and benefits payable equally to each member (rather than allowances and benefits payable to particular members or particular office holders);*

This means the sections of the Policy that relate to all Members are considered ordinary business, however

the sections relating to just the Mayoral position are not.

Council may wish to consider and adopt the policy in two parts as highlighted in the recommendation to separate the sections considered ordinary business and those that are not.

Following adoption, the Council Members' Allowances and Benefits Policy will be available to the general public via Council's website and the Administration Centre.

### **Financial Implications**

Any changes to the rate of reimbursement will be managed within Council's current budget allocation.

### **CONCLUSION**

The Council Members' Allowances and Benefits Policy clarifies those expenses, incurred by Elected Members, which must be or can be reimbursed and ensures compliance with the provisions of *the Local Government Act 1999* and the *Local Government (Members Allowances and Benefits) Regulations 2010*.

### **Attachment**

#	Attachment	Type
1	Appendix 1 - Council Members Allowances and Benefits Policy	PDF File

# Council Members' Allowances and Benefits Policy



## 1. POLICY STATEMENT

~~Elected Council~~ Members should not be out-of-pocket as a result of performing and discharging their official functions and duties.

The City of Marion will ensure that the reimbursement of expenses is accountable, transparent and in accordance with the *Local Government Act 1999* (the LG Act) and the *Local Government (Members Allowances & Benefits) Regulations 2010* (the Regulations).

This policy summarises the provisions of the Act and the Regulations in respect to ~~Elected Council~~ Member expenses and support, specifies the types of expenses to be reimbursed and the process for ~~Elected Council~~ Members to obtain reimbursement of those expenses. In determining this policy Council took into consideration the overall support provided to ~~Elected Council~~ Members pursuant to Sections 76, 77 and 78 of the Act.

## 2. POLICY

### 2.1 Allowances

Council Member allowances are determined by the Remuneration Tribunal on a 4 yearly basis before the designated day in relation to each set of periodic elections held under the *Local Government (Elections) Act 1999*. Allowances to ~~Elected Council~~ Members will be paid in quarterly installments, 3 months in advance.

**NOTE:** A member of a council who holds office for part only of the period in respect of which an allowance is payable is entitled to the proportion of the allowance that the period for which the member held the office bears to the total period (section 76(11) of the LG Act).

### 2.2 Mandatory Reimbursements – Travel (Section 77(1)(a))

Council Members are entitled to receive reimbursement for travelling expenses actually and necessarily incurred by the Council Member for travel within the Council area and associated with attendance at a “prescribed meeting” (section 77(1)(a) of the LG Act).

- 2.2.1 reimbursement for travel expenses is restricted to ‘eligible journeys’ (as defined in Regulation 3) provided the journey is by the shortest or most practicable route and to that part of the journey within the Council area i.e. any travelling outside the Council area in order to attend Council or Council committee meetings is not reimbursable under section 77(1)(a) of the LG Act. For reimbursement for travel outside the Council area refer to “Prescribed and Approved Reimbursements” below.
- 2.2.2 where a Council Member travels by private motor vehicle, the rate of reimbursement is at a rate equal to the appropriate rate per kilometre (determined according to the engine capacity of the vehicle) prescribed for the purposes of calculating deductions for car expenses under section 28.25 of the Income Tax Assessment Act 1997 of the Commonwealth.
- 2.2.3 travelling by taxi, bus or other means of public transport is reimbursed on the basis of expenses ‘actually and necessarily incurred’, but is still limited to ‘eligible journeys’ by the shortest or most practicable route and to the part of the journey that is within the Council area.
- 2.2.4 the Council may aggregate claims for reimbursement of expenses that relate to journeys that do not exceed 20 kilometres and then pay them on either a quarterly or monthly basis.

### **2.3 Mandatory Reimbursements – Child/Dependant Care (Section 77(1)(a))**

Council Members are entitled to reimbursement for child/dependant care expenses actually or necessarily incurred by the Council Member as a consequence of the Council Member's attendance at a prescribed meeting. Child/dependant care is not reimbursed if the care is provided by a person who ordinarily resides with the Council Member.

To receive reimbursement for such prescribed expenses (travel and child/dependant care) each Council Member is required to complete a Form 1 and submit it to the Council Support Unit. For the purposes of administrative efficiency Council Members are requested to submit these forms on a quarterly basis.

### **2.4 Prescribed and Approved Reimbursements (Section 77(1)(b))**

Additional prescribed expenses incurred by Council Members, will be reimbursed by the Council that do not fall within the category of mandatory reimbursement outlined above.

Section 77(1)(b) of the LG Act provides that the Council (meaning the Council as the governing body) may approve the reimbursement of additional expenses as set out in the Regulations incurred by Council Members, either on a case-by-case basis or under a policy adopted by Council. This Policy sets out the types of approved expenses that may be reimbursed.

These additional types of reimbursed expenses are distinguished from the payment of allowances and from the mandatory reimbursement of travel and child/dependent care expenses associated with attendance at a prescribed meeting.

Regulation 6 of the Regulations sets out the types of additional expenses that may be reimbursed under section 77(1)(b) with the approval of the Council. These are:

- an expense incurred in the use of a telephone, facsimile or other telecommunications device, or in the use of a form of electronic communication, on the business of the Council;
- travelling expenses incurred by the Council Member as a consequence of the Member's attendance at a function or activity on the business of the Council (other than for which the member is reimbursed under section 77(1)(a) of the LG Act);
- travelling expenses incurred by the Member in undertaking an eligible journey to the extent that those expenses are attributable to travel outside the area of the Council;
- expenses for the care of:
  - (i) a child of the Member; or
  - (ii) a dependent of the Member requiring full-time care
 incurred by the Member as a consequence of the Member's attendance at a function or activity on the business of the Council (other than for which the member is reimbursed under section 77(1)(a) of the LG Act); and
- expenses incurred by the Member as a consequence of the Member's attendance at a conference, seminar, training course or other similar activity which is directly or closely related to the performance or discharge of the roles and duties of a Council Member (other than for which the member is reimbursed under section 77(1)(a) of the LG Act).

For the purposes of this Policy, and pursuant to section 77(1)(b) of the LG Act, the Council approves the reimbursement of additional expenses of Council Members as described below.

## 2.5 Travel

Pursuant to section 77(1)(b) of the LG Act the Council approves reimbursement of:

- Travel expenses related to attendance at a “prescribed meeting” being an “eligible journey” (as defined in Regulation 3), as it is attributable to travel outside the Council area, up to a maximum of \$50 or 20km per return.

Reimbursement is restricted to the shortest or most practicable route.

Travel by air, approved by the Council, will be economy class for domestic travel and business class for international travel. Travel may be at a higher class where appropriate, for instance if travelling with a party also travelling business or first class.

## 2.6 Child and Dependant Care

Expenses incurred for the care of a child of the Elected Council Member or a dependant of the Member requiring full time care as a consequence of the Elected Council Member's attendance at a “function or activity on the business of Council” except where that care is provided by a relative who ordinarily resides with the member.

## 2.7 Conferences/Seminars/Training

Expenses incurred by the Member as a consequence of the Elected Council Member's attendance at a conference, seminar, training course or other similar activity that is directly or closely related to the performance or discharge of the roles or duties of the Member. Expenses will only be reimbursed for attendance at conferences, seminars, etc which have been approved under Council's 'Professional Development - Elected Members' Policy. The following types of expenses will be reimbursed:

- Airfares / train fare / bus fare
- registration fees
- accommodation
- meals\*
- taxi fares
- car parking
- incidentals\*

\* Meals and incidentals will be reimbursed up to the amounts recommended by the Australian Taxation Office in accordance with Subdivision 900-B of the Income Tax Assessment Act 1997 (with the exception of meals included as part of a conference or seminar etc registration as these will be reimbursed in full).

## 2.8 Facilities and Support

In addition to allowances and the reimbursement of expenses, the LG Act provides that the Council can provide facilities and forms of support for use by its Council Members to assist them to perform or discharge their official functions and duties (section 78).

The Council must consider and specifically approve the particular facility and support as necessary or expedient to the performance or discharge of all Council Members' official functions or duties. In approving the provision of facilities and support section 78 requires that any such services and facilities must be made available to all Council Members on a uniform basis, other than those facilities or support specifically provided to the Principal Member set out below (if any).

Pursuant to section 78 of the LG Act, Council has considered and is satisfied that the following facilities and support are necessary or expedient for all Council Members to assist them in performing or discharging their official functions and duties:

- 2.8.1 Each Elected Council Member will be entitled to a Smart phone connected to the Corporate Mobile Phone Plan. Elected Council Members may choose to bring their own device. Re-imbursement for Elected Council Members own devices will be to a maximum equivalent of the Corporate Mobile Phone Plan.
- 2.8.2 Each Elected Council Member will be entitled to a tablet device and corporate data plan for the purposes of Council business including but not limited to accessing corporate email, calendar and downloading minutes and agendas. Elected Council Members may choose to bring their own device. Re-imbursement for Elected Council Members own devices will be to a maximum equivalent of the Corporate Data Plan.
- 2.8.3 A personal desktop computer or laptop and corporate data plan for the purposes of Council business including but not limited to accessing corporate email, calendar and downloading minutes and agendas.
- 2.8.4 Ongoing support and training
- 2.8.5 Corporate approved applications Microsoft Office
- 2.8.6 Reimbursement of up to \$200 per annum for on-line subscriptions/applications
- 2.8.7 A Council land line will be provided to each Elected Council Member and diverted to their mobile number of choice. This provides ratepayers with a landline to contact Elected Council Members on.
- 2.8.8 All conference rooms in the Council offices can be booked if available by Elected Council Members, if available, for meetings with residents and key stakeholders, interviews and other functions. This does not include Council Members booking rooms on behalf of third parties.
- 2.8.9 Up to 50 Christmas cards, as approved by the Mayor, and envelopes of standard size each year and postage.
- 2.8.10 Individual electronic Elected Council Members' letterhead will be supplied. The electronic letterhead will not incorporate the City Of Marion logo.
- 2.8.11 Business cards
- 2.8.12 Envelopes and postage facilities for Council business only.
- 2.8.13 A meal and drinks will be provided where appropriate while attending Council meetings, Council Committee meetings, briefings and workshops.

The provision of these facilities and support are made available to all Council Members (including the Principal Member) under the LG Act on the following basis:

- they are necessary or expedient for the Council member to perform or discharge his/her official functions or duties;
- the facilities remain the Council's property regardless of whether they are used off site or not; and
- they are not to be used for a private purpose or any other purpose unrelated to official Council functions and duties, unless such usage has been specifically pre-approved by the Council and the Council Member has agreed to reimburse the Council for any additional cost or expenses associated with that usage.

## 2.9 Mayoral Support

In addition to the above, Council has resolved to make available to the Principal Member (and to any acting Principal Member appointed during the Principal Member's absence) the following additional facilities and support to assist them in performing and discharging their official functions and duties:

- Office space
- Additional quantity of Corporate Christmas cards to send on behalf of the City of Marion
- Administrative support in accordance with Council's budget.
- Mayoral letterhead
- a motor vehicle with an overall rating of 4 stars or greater according to the Australian Government Green Vehicle Guide up to the value of the top of the range Mitsubishi Outlander vehicle for the Mayor's Council business use. Personal use of the vehicle by the Mayor and Mayor's immediate family is permitted if the Mayor reimburses the Council. If there is no evidence to the contrary, payment of 50% of running costs incurred by Council (eg petrol, tyres, servicing) shall be deemed adequate reimbursement for the purpose of this clause.

## 3. EXCLUSIONS

The use of Council facilities, support and/or services by Council Members for campaign or election purposes is not permitted under any circumstances on the basis it is not necessary or expedient to the performance or discharge of a Council Member's official functions or duties under the LG Act. The use of such facilities for electoral purposes during the election period would be a breach of section 78(3) of the LG Act.

## 4. REIMBURSEMENT AND RECORDS MANAGEMENT

### 4.1 Claims for Reimbursement

*Council Members are required to provide details of kilometres travelled and/or evidence of expenses incurred to support all reimbursements claimed. All claims for reimbursement must be submitted to the Chief Executive Officer (or other nominated and delegated officer) on the form/s provided for this purpose on a ~~6-monthly~~ quarterly basis for the purposes of maintaining the Register of Allowances and Benefits.*

*Reimbursement of expenses will only be paid to a Council Member upon presentation of the form/s and adequate evidence supporting the claims made.*

### 4.2 Reimbursement to Council

Any additional cost or expenses associated with a private purpose or any other purpose unrelated to official Council functions and duties must be reimbursed to Council by 30 June in the year that the cost or expense was incurred.

### 4.2.4.3 Other Reimbursements

Any additional reimbursements and facilities and support not detailed in this Policy will require the specific approval of Council prior to any reimbursements being paid, benefits being received and facilities and/or support being provided.

### 4.3.4.4 Register of Allowances and Benefits

Pursuant to section 79(1) and (2) of the LG Act, the Chief Executive Officer must maintain a Register in which he or she shall ensure that a record is kept of—

- (a) the annual allowance payable to a Council Member (in the case of section 79 (1)(a)); and
- (b) any expenses reimbursed under section 77(1)(b) of the LG Act (in the case of section 79(1)(b)); and
- (c) other benefits paid or provided for the benefit of the Member by the Council (in the case of section 79(1)(c)); or
- (d) to make a record of the provision of a reimbursement or benefit not previously recorded in the Register (in the case of section 79(2)(b)),

on a quarterly basis (see regulation 7 of the Regulations).

The Chief Executive Officer is required to record in the Register any changes in the allowance or a benefit payable to, or provided for the benefit of, Council Members. Accordingly, the Chief Executive Officer will update the Register each quarter and therefore each Council Member is required to provide his or her claim form for reimbursement to the Council Support Unit ~~by~~ on the last business day of each quarter. ~~for specify an alternative period prior to the end of the quarter.~~

The Register of Allowances and Benefits is available for inspection on the City of Marion website and will be updated quarterly.

## 5. SUMMARY

In addition, although not required by the LG Act, the Council has determined that the provision of the above facilities and support are made available to Council Members on the following terms:

- each Council Member is solely responsible for those facilities released into their care and/or control for the duration of their term in office;
- all facilities must be returned to the Council at the end of each term in office, upon the office of a Member of a Council becoming vacant, or earlier at the request of the Chief Executive Officer;
- if the facilities provided to the Council Member are damaged or lost the Council Member must lodge a written report with the Council officer responsible for this Policy (whose name is detailed at the end of this Policy).

## 6. DEFINITIONS

**The Act** - The Local Government Act 1999

**Regulation** - Refers to the stated regulation of the Local Government (Members Allowances & Benefits) Regulations 2010.

**Eligible Journey** - means "a journey (in either direction) between the principal place of residence, or a place of work, of a member of a council, and the place of a prescribed meeting" (Regulation 3)

**Prescribed Meeting** - means "a meeting of the council or council committee, or an informal gathering, discussion, workshop, briefing, training course or similar activity which is directly or closely related to the performance or discharge of the roles or duties of the member." (Regulation 3)

## 7. REFERENCES

*Local Government Act 1999 (Sections 4, 76, 77, 78, 79, 80)*

*Local Government (Members Allowances & Benefits) Regulations 2010*

*Income Tax Assessment Act 1997 (Section 28.25)*

*Professional Development - Elected Members Policy*

## 8. REVIEW AND EVALUATION

This Policy will lapse at the next general election at which time the newly elected Council will be required to adopt a new policy dealing with Council Member's allowances, reimbursements and benefits for their term in office (section 77(2) LG Act).

## Persons to Act in Absence of CEO

<b>Originating Officer</b>	Unit Manager Governance and Records - Jaimie Thwaites
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	Chief Executive Officer - Adrian Skull
<b>Report Reference</b>	GC281127R15

## REPORT OBJECTIVE

As part of the suite of reports provided to the first Council meeting in a new term, the purpose of this report is to consult with and seek Council's endorsement of suitable persons to act in the absence of the Chief Executive Officer (CEO) in accordance with legislative provisions.

## EXECUTIVE SUMMARY

The *Local Government Act 1999* (the Act) provides for the Chief Executive Officer to appoint a deputy CEO or a person to act in their absence. The Act requires that this is done in consultation with the Council.

## RECOMMENDATION

**That Council:**

- 1. Supports the approach of staff occupying the position of 'General Manager' to act in the absence of the Chief Executive Officer.**

## GENERAL ANALYSIS

Section 99 of the Act details of the functions of a CEO. In summary, the role of CEO requires that the policies and lawful decisions of the council are implemented in a timely and efficient manner and the day-to-day operations and affairs of the council are undertaken appropriately.

Section 102 of the Act provides:

*"In the absence of the chief executive officer, the following provisions apply:*

- a)** if there is a deputy to the chief executive officer—the deputy must act in the office of the chief executive officer;*
- b)** if there is no deputy or the deputy is absent—a suitable person appointed by the chief executive officer after consultation with the council must act in the office;*
- c)** if a person is not appointed under paragraph (b)—a suitable person must be appointed by the principal member of the council to act in the office (after taking into account the organisational structure of the council);*
- d)** if a person is not appointed under paragraph (c)—a suitable person must be appointed by any three or more members of the council to act in the office (after taking into account the organisational structure of the council)."*

In recent years, the CEO has determined not to have a deputy instead, appointing a General Manager to act in their absence.

## DISCUSSION

Based on the legislative requirements, it is the continued desire of the CEO to enact section 102(b) and appoint a suitable person, in consultation with the Council, to act in the role of CEO when the CEO is absent. The CEO can be defined as absent when:

- either on leave (sick, annual or long service); or
- a specific role/function requires that the CEO be physically present and they cannot (i.e. interstate on business).

To ensure efficiency in the process of appointing someone to act in their absence and the requirement to consult with Council, it is proposed that staff occupying the position of Director to be endorsed by Council to act in the absence of the Chief Executive Officer:

Each of the positions of Director are occupied by senior executives within the organisation and have been appointed based on their requisite skills, knowledge and experience to fulfil the role of a Director and act as the CEO.

## Coastal climate change adaptation planning

<b>Originating Officer</b>	Senior Environmental Planner - Rebecca Neumann
<b>Corporate Manager</b>	Manager Innovation and Strategy - Fiona Harvey
<b>General Manager</b>	General Manager City Development - Abby Dickson
<b>Report Reference</b>	GC181127R16

### REPORT OBJECTIVE

To provide the Council with an update on the council's coastal climate change adaptation planning and seek endorsement of the *Coastal Climate Change Adaptation Study* (Attachment 4 - distributed separately) for use during consultation with key stakeholders.

### EXECUTIVE SUMMARY

The *City of Marion Business Plan 2016-2019*, identifies a priority to “*Plan and deliver a Regional Coastal Management Plan to support effective coastal management*” by 2018/2019.

Preliminary scoping identified that coastal climate change is a priority coastal issue and with advice from a coastal planning consultant (Mark Western, Integrated Coasts), an approach was developed to form the coastal climate change adaptation plan. This approach consists of three key stages:

- Stage 1: Collection of existing data and historical analysis (complete)
- Stage 2: Collection of new data, sea level rise modelling and risk assessments (complete)
- Stage 3: Ongoing monitoring and action planning including identifying actions for City of Marion (commenced - see Attachment 2).

The Infrastructure and Strategy Committee have received two updates on the progress of this plan:

- A preliminary update at the 3 April 2018 meeting (ISC030418R10.1) where the Stage 1 study and scope of were supported.
- An update at the 7 August 2018 meeting (ISC180707R01) where the completed Stage 1 and Stage 2 studies were supported and a plan for Stage 3 was supported.

This report presents:

- A summary of the progress on coastal climate change adaptation planning (Attachment 1),
- The *Coastal Climate Change Adaptation Study* (Attachment 4, distributed separately)
- A summary of key risks and actions along the City of Marion - noting that the role to deliver actions is still to be determined (Attachment 3)
- The proposal for Stage 3 - the final ongoing stage of the project (Attachment 2)

Please note that whilst it is Council's responsibility to consider climate change adaptation for our community and public assets (see *City of Marion Climate Change Policy 2016* GC270916R16), the role of the City of Marion in delivering coastal climate change adaptation actions and priorities is still to be determined. Further consideration of responsibility for delivery of actions will occur as part of Stage 3 of the project being

delivered during 2018/19 and will be contained in the report coming back to Council in early 2019.

## RECOMMENDATION

### That Council:

1. Endorses the *Coastal Climate Change Adaptation Study* (Attachment 4 distributed separately) for use during key stakeholder consultation - noting that this study highlights priorities for climate change adaptation along the City of Marion coastline, however does not identify the role of City of Marion in delivering these actions.
2. Receives a report summarising the results of consultation including further information on the role of the City of Marion in delivering actions (in early 2019).

### Valuing Nature:

This project is a key priority of the 2016-2019 Business Plan as part of the goal for "a healthy and climate resilient urban environment" Council will "develop and deliver a Regional Coastal Management Plan to support effective coastal management" by end 2018/2019

### Risk Management:

This project has been included in Council's Corporate Risk Register as one of the controls to manage climate change related risks.

### Timeline

This project commenced in 2017. A summary of progress has been included in Attachment 2 and key time frames for completion of the final stage (Stage 3) are included in Attachment 3.

### Current Budget Allocation

Stage 3 is budgeted in 18/19 (\$15,000).

### Proposed Future Budget Allocation:

Future coastal climate change monitoring and protection will required. These priorities will be identified as part of the on ongoing monitoring and adaptation program developed in the Stage 3 coastal climate change planning.

### Other Funding Sources:

Funding will be regularly sought from the Department for Environment and Water (Coast Protection), to support monitoring work and support funding for on-ground protective works.

## DISCUSSION

The draft *Coastal Climate Change Adaptation Study* (Attachment 4, distributed separately) is a detailed scoping of coastal climate change risk along the Marion coastline. The aim of the study was to provide City of Marion with an overall assessment of climate risk hazards. The data collected in this project provide a vital baseline for comparison of future change and adaptation planning.

The draft *Coastal Climate Change Adaptation Study* includes detailed assessments of the whole Marion coastline. These assessments are broken up into five distinct zones (Marino Cliffs, Hallett Cliffs, Hallett Beach, Field River and Southern Cliffs). The assessments include:

- A detailed historical analysis of erosion rates and shoreline movement along the Hallett Cove and Marino coastline. The analysis focuses on shoreline movement and does not include descriptions of sand movement at Hallett Cove Beach. The Hallett Cove Beach Coastal Study 2012 addresses sand movement in this area (see GC260612R02).
- High tide modelling based on: current conditions; predictions for 2050; predictions for 2100.

- Storm surge modelling for storms with an "average recurrence interval" (ARI) of 1 in 100 years based on: current conditions; predictions for 2050; predictions for 2100.
- An extreme weather event analysis based on the 9 May 2016 storm event. Photographs of this storm event were collected from local residents to highlight the accuracy of the model and help to show the effects of "wave run-up".
- An analysis of coastal geology to establish vulnerability of the coastline to erosion.

When considered in a global context where many coastal locations are under considerable threat from inundation or erosion, City of Marion generally has a positive outlook for coastal climate change. Within the next 100 years, inundation and major erosion are unlikely to be major issues for City of Marion if early action and planning is made. In this regard, there are several "hot spots" that will need ongoing monitoring and re-assessment and are likely to require onground action in the short to medium term.

Following from a request from the Infrastructure and Strategy Committee, a summary of key risks and actions that were identified in the draft *Coastal Climate Change Adaptation Study* has been made in Attachment 3. It should be noted that these are priority actions for the City of Marion coastline, however delivery of these actions is not necessarily the responsibility of Council. Areas of particular note include:

- The low-lying areas of Marino along The Esplanade that experienced minor "overtopping" of waves during past storm events. This area is likely to become more vulnerable with increased sea levels.
- The Marino cliffs where softer more easily eroded landforms exist. These cliff areas are likely to erode, may become unstable and vulnerable to slumping and should be monitored over time. Areas where infrastructure is close to cliff edges will be of particular concern, e.g. Marino Rocks Café carpark and coastal access points along the coastal walking trail.
- The Heron Way embankment in Hallett Cove will experience further erosion and protection needs to be designed into future upgrades (this reinforces the existing data collected in the Hallett Cove Coastal Study - GC260612R02 and is already a planned priority)
- The Field River Mouth and sand dunes to the north and south are vulnerable with private and public infrastructure likely to come under threat. Close monitoring against the coastal baseline will allow quantitative assessments of the severity of this issue to be made (further investigation of this area is already planned for 2018/2019).
- The impact on coastal ecology is also an area that may require further consideration (in collaboration of other partners). The biggest risks are to shoreline ecology including shorebirds such as hooded plovers and the intertidal and subtidal marine environments. These systems will have limited capacity to adapt to the rates of change projected to occur and are likely to be threatened.

The next stage of this project focuses on targeted engagement with key stakeholders (including State Government) to assist with identification of roles and responsibilities and guide future action planning in the coastal zone. Attachment 2 outlines key timeframes for monitoring and action planning (Stage 3). Key stakeholders to be engaged include:

- State Government - particularly coast protection branch, parks management and the natural resource management branches.
- Local interest groups - particularly environment and conservation groups and interested residents groups.
- Local residents with special interest in the project.

Key outcomes from Stage 3 and the ongoing future coastal monitoring and adaptation planning program will include:

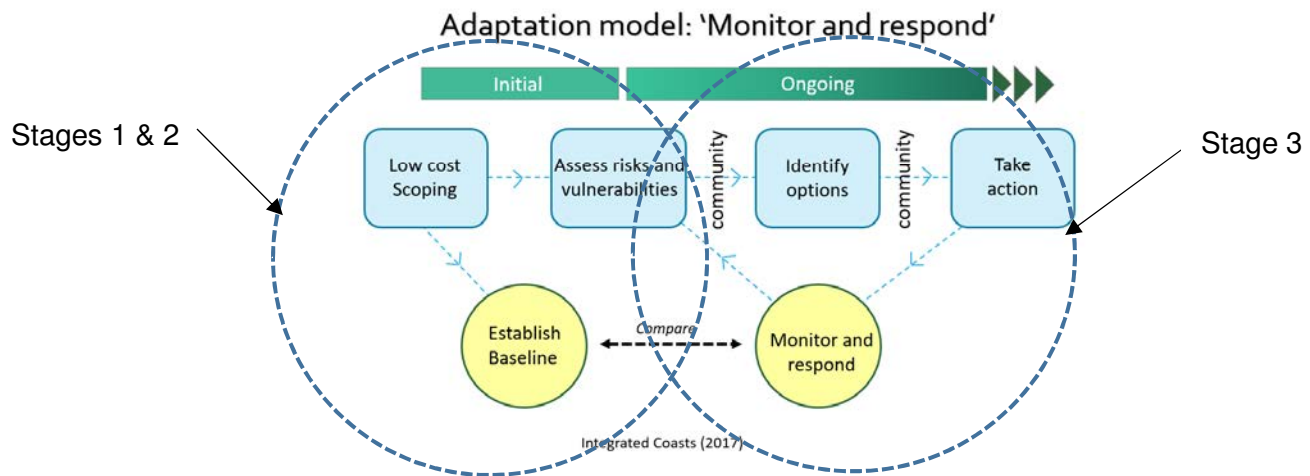
- Ongoing review of coastal climate risk profiles with stakeholders
- Recapturing digital imagery of the coastline and overlaying comparisons to detect change - particularly highlighting slumping or erosion issues. These comparisons should focus on hotspots and storm events.
- Monitoring storm water flows in cliff environments, starting with those cliff top locations identified in the geological review as “friable”.
- Encouraging the community to get involved with photo monitoring - particularly during extreme weather events.
- Working with stakeholders in identifying future tipping points for action and identifying pathways for adaptation with a focus on roles and responsibilities.

*Attachment 4 - Coastal Climate Change Adaptation Study* - distributed separately

## Attachment

#	Attachment	Type
1	Attachment 1 - Coastal Adaptation Model and Progress Summary	PDF File
2	Attachment 2 - Stage 3 Plan	PDF File
3	Attachment 3 - risk and action summary	PDF File

## ATTACHMENT 1

**Marion Coastal Management Plan - Coastal Adaptation Model.**Coastal Adaptation in South Australia  
**Framing future action****Project plan outlining the three stages of the Marion Coastal Management Plan** (updated from ISC030418R10.1 and WAP reporting)

Phase	Step	Deliverable	Start	Status
Initiation	Define scope	Desktop coastal priority assessment Coastal management research Identification of preferred approach	Oct 2016 - Feb 2017	Complete
Detailed Planning	Engage consultant	Consultant brief and project plan	Apr - Aug 2017	Complete
Delivery	<b>Stage 1:</b> Initial scoping and desktop studies of existing information.	<ul style="list-style-type: none"> <li>- Coastal context description</li> <li>- Agreement on planning approach</li> <li>- First draft of scoping report.</li> </ul>	Aug - Nov 2017	Complete
	<b>Stage 2:</b> Data collection and modelling	Coastal Plan report including Stage 1 above and: <ul style="list-style-type: none"> <li>- Digital elevation model (3D imagery)</li> <li>- Extreme event models</li> <li>- Inundation models</li> <li>- Geological analysis</li> <li>- Hotspot analysis.</li> </ul>	Dec 2017 - June 2018	Complete
Closure and monitoring	<b>Stage 3:</b> Monitoring and adaptation	Detailed monitoring and response plan including actions for City of Marion.	July 2018 - June 2019	Commenced

**ATTACHMENT 2****Coastal Climate Change Planning: Stage 3 - monitoring and adaptation**

<b>Steps</b>	<b>Purpose</b>	<b>Indicative dates</b>
Stakeholder engagement	<ul style="list-style-type: none"> <li>• Meet with key stakeholder groups to share information from Stage 1 and 2 and seek input to future and adaptation options.               <ul style="list-style-type: none"> <li>○ Department for Environment and Water (Coast Protection)</li> <li>○ Department for Environment and Water (Parks)</li> <li>○ Friends groups and key residents.</li> </ul> </li> </ul>	Nov 2018 – Feb 2019
Draft actions	<p>Present Council with:</p> <ul style="list-style-type: none"> <li>• Draft model / policy that guides future decision making in the coastal zone.</li> <li>• Key short-term actions for City of Marion.</li> </ul> <p>Seek feedback through Making Marion.</p>	March – April 2019
Final endorsement	<ul style="list-style-type: none"> <li>• Summary of community engagement back to Council</li> <li>• Identification of key future adaptation and monitoring actions and funding requirements.</li> <li>• Adoption of model / policy that guides future decision making in the coastal zone.</li> </ul>	June 2019
Ongoing review	<ul style="list-style-type: none"> <li>• Ongoing monitoring and review and progressive implementation of actions (above) with special attention on any new policy, data or projects in vulnerable coastal areas.</li> </ul>	2019+

Note that all short-term actions are being addressed in Stage 3 of the coastal climate change adaptation study and include further assessing the role of Council in monitoring and protection. Council funding priorities for the next 5 years will be identified as part of the Stage 3 assessments.

Source: [location.sa.gov.au/viewer](http://location.sa.gov.au/viewer)

1 Marino: Cliffs

2 Hallett: Cliffs

3 Hallett: Beach

4 Field River

5 Southern Cliffs

Marino

Perry Barr Rd

Barramundi Dr

Longwater Rd

Sheidow Park

Hallett Cove

Field Rd

Marino Ex

Hallett Ex

Location	Risk summary	<b>ACTIONS</b> Note: Stage 3 of this project includes further consideration of timing and responsibility for delivery of these actions. Some of these actions may not be the responsibility of City of Marion.		
		Short term actions (1-2 years)	Medium term action (3-5 years)	Longer term actions (5+years)
<b>Whole Coastline</b>	See analysis in each section below.	<ul style="list-style-type: none"> <li>Regular auditing of stormwater outlets and cliff top erosion (including photographs)</li> <li>Monitor winter tidal regimes and their impact along the coast</li> <li>Regular inspection of the effect of storm surge.</li> <li>Community involvement in monitoring of change.</li> </ul>	<ul style="list-style-type: none"> <li>Recapture digital 3D image and compare to baseline to provide a detailed assessment of erosion.</li> </ul>	Ongoing comparison of digital model to detect change (every 3-5 years)
<b>Marino Cliffs 1:1 – the Esplanade</b>	<p>Several areas are vulnerable due to soft geology along the cliffs.</p> <p>High risk areas include the Esplanade where houses and public infrastructure may be threatened by storm surge on short term increases in sea level.</p>	<ul style="list-style-type: none"> <li>Detailed re-assessment of protection options (e.g. rock revetment).</li> </ul>	<ul style="list-style-type: none"> <li>Likely need for construction of protective structures.</li> </ul>	Ongoing review of protection options. Post 2050 retreat options may need to be considered for 2100 scenarios.
<b>Marino Cliffs 1:2 – Marino Rocks Carpark</b>	The base of the cliff at Marino Rocks carpark is highly vulnerable to erosion and undercutting is beginning to occur making the car park at risk.	<ul style="list-style-type: none"> <li>Detailed assessment of protection options (e.g. rock revetment).</li> </ul>	<ul style="list-style-type: none"> <li>Likely need for construction of protective structures.</li> </ul>	The future location of the carpark may need to be consider based on the outcomes of medium-term monitoring.

Location	Risk summary	ACTIONS		
		Note: Stage 3 of this project includes further consideration of timing and responsibility for delivery of these actions. Some of these actions may not be the responsibility of City of Marion.		
		Short term actions (1-2 years)	Medium term action (3-5 years)	Longer term actions (5+years)
<b>Marino Cliffs</b> 1:3 – Marine Parade	Whilst the geology is more resistant to erosion that 1:1 and 1:2, infrastructure at Marine Parade between Emma St and Alan St are closer to the cliff edges and need monitoring.			The base of the cliff will come under high direct impact post 2050 and protection is likely to be needed in the longer term.
<b>Marino Cliffs</b> 1:4	<p>This section contains highly resistant geology and is less vulnerable to the effects of sea level rise.</p> <p>The impact of increased stormwater runoff due to climate change along stairs and access points may loosen rocks the present a hazard.</p>			
<b>Hallett Cove Cliffs</b> 2:1	<p>This section contains mostly resistant geology however there are some sections that have been identified that are more vulnerable to erosion.</p> <p>In some sections infrastructure is situated closer to the cliff edges and needs to be monitored more closely.</p>		<ul style="list-style-type: none"> <li>Monitoring should focus on areas where infrastructure is closer to cliffs and underlying geology is friable.</li> </ul>	
<b>Hallett Cove Cliffs</b> 2:2	Geology at the cliff based is highly resistant to erosion, however cliff tops are friable and more vulnerable to erosion from stormwater.		<ul style="list-style-type: none"> <li>Monitoring should focus on areas where infrastructure is closer to cliffs and underlying geology is friable.</li> </ul>	

Location	Risk summary	ACTIONS		
		Note: Stage 3 of this project includes further consideration of timing and responsibility for delivery of these actions. Some of these actions may not be the responsibility of City of Marion.		
		Short term actions (1-2 years)	Medium term action (3-5 years)	Longer term actions (5+years)
<b>Hallett Cove Cliffs</b> 2:3	<p>Although the cliff geology is likely to be resistant in this area, there is evidence of past rock falls and the cliffs are already under direct wave interaction.</p> <p>Most infrastructure is situated a long way back from the cliffs which lowers the risk ratings.</p>		<ul style="list-style-type: none"> <li>Monitoring should focus on areas where infrastructure is closer to cliffs and underlying geology is friable.</li> </ul>	
<b>Hallett Cove Cliffs</b> 2:4 The Esplanade and Clifftop Cres	<p>This section as with 2:3 is under existing regular wave attack.</p> <p>Although the geology of the cliff bases is likely resistant, the cliff tops are more friable. Risk levels are elevated due to the proximity of infrastructure to the cliff edges.</p>	<ul style="list-style-type: none"> <li>Further geological review of the cliffs in this area given the proximity of infrastructure to cliff edges.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring should focus on areas where infrastructure is closer to cliffs and underlying geology is friable.</li> </ul>	
<b>Hallett Cove Cliffs</b> 2:5 The Esplanade and Clifftop Cres	<p>This section is likely to be vulnerable to erosion, particularly from stormwater erosion along the cliff tops.</p> <p>There is infrastructure along the cliff tops that is close to the cliff edges and may be at risk in the future.</p>	<ul style="list-style-type: none"> <li>Monitoring and further control of stormwater on cliff tops.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring should focus on areas where infrastructure is closer to cliffs and underlying geology is friable.</li> </ul>	
<b>Hallett Cove Cliffs</b> 2:6 The Esplanade	<p>As with 2:4 and 2:5, this section has a friable cliff top and is likely vulnerable to erosion from stormwater.</p> <p>Risk ratings are high because the proximity of infrastructure to cliff edges.</p>	<ul style="list-style-type: none"> <li>Monitoring and further control of stormwater on cliff tops.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring should focus on areas where infrastructure is closer to cliffs and underlying geology is friable.</li> </ul>	

Location	Risk summary	ACTIONS		
		Note: Stage 3 of this project includes further consideration of timing and responsibility for delivery of these actions. Some of these actions may not be the responsibility of City of Marion.		
		Short term actions (1-2 years)	Medium term action (3-5 years)	Longer term actions (5+years)
<b>Hallett Cove Beach</b> 3:1,2 Hallett Cove Conservation Park	The sand dunes in this section have previously been assessed as low risk (Lord 2012), however recent stormwater-based erosion of dunes has increased their vulnerability and likely of erosion during storm surge.	<ul style="list-style-type: none"> <li>Consult with managers of Hallett Cove Conservation Park highlighting the recent changes in risk for the dunes along the beach</li> <li>Quantify more accurately the nature of routine storm surge impact on the dunes (note: this is not necessarily a Council responsibility since stormwater may be collecting from within the conservation park)</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	This area will come under increasing threat and the need for retreat of the dune system needs to be considered.
<b>Hallett Cove Beach</b> 3:1,2 Heron Way Embankment	As has been highlighted in previously (Lord 2012), the Heron Way embankment is already under threat from storm surge and will need protection.	<ul style="list-style-type: none"> <li>Undertake scenario modelling and detailed study to plan and design for protection of the Heron Way embankment.</li> </ul>	<ul style="list-style-type: none"> <li>Construction of Heron Way embankment protection.</li> </ul>	

Location	Risk summary	ACTIONS		
		Note: Stage 3 of this project includes further consideration of timing and responsibility for delivery of these actions. Some of these actions may not be the responsibility of City of Marion.		
		Short term actions (1-2 years)	Medium term action (3-5 years)	Longer term actions (5+years)
<b>Field River</b> 4:1,2	<p>With current elevations, the projected risk for inundation in this area is low even when considered with the confluence of stormwater.</p> <p>The erosion risks for infrastructure along the shore high and will change the inundation risks in the future if the shoreline is not protected.</p> <p>The site is an existing hooded plover nesting site. Future erosion and inundation may threaten this site and adaptation measures may be needed to protect this species in this location.</p>	<ul style="list-style-type: none"> <li>Investigate options for the protection of assets along River Parade and the dune system south of the River</li> </ul>	<ul style="list-style-type: none"> <li>Construction of protective options will be needed within the medium term to protect infrastructure and potentially nesting of hooded plovers (note: this is not necessarily a Council responsibility).</li> </ul>	
<b>Southern Cliffs</b> 5:1,2,3	Infrastructure is located well away from cliff edges in this location and the cliffs are resistant to the effects of erosion.			

## Dogs on and off leash areas

<b>Originating Officer</b>	Unit Manager Community Health and Safety - Sharon Perin
<b>Corporate Manager</b>	Acting Manager Development and Regulatory Services - Greg Salmon
<b>General Manager</b>	General Manager City Development - Abby Dickson
<b>Report Reference</b>	GC181127R17

### REPORT OBJECTIVE

The purpose of this report is to provide Council with the results of the community consultation regarding potential changes to the current dog on/off leash provisions at:

- Edwardstown Oval and Velodrome
- Northern area and walking path surrounding the northern area at the Mitchell Park Reserve
- Area south of the Field River, Hallett Cove including the rocks, beach area and sand dunes

and to make a recommendation regarding the future dog on/off leash provisions at these areas.

### EXECUTIVE SUMMARY

The effective control of dogs is important for creating a safe public environment and enhancing the amenity and environment of the City.

Under the *Dog and Cat Management Act 1995* (the Act), dogs must be on leash in public places with the exception of public parks, where dogs must either be on a leash or be under the effective control of its owner. The Act makes provision for local councils to create By-Laws regarding the management of dogs in their local area. Under the City of Marion's By-law for the management of dogs (*By-law No.4 Dogs 2014*), dogs are required to be on a leash in certain areas.

The City of Marion values the importance of pet ownership and recognises that adequate, regular exercising of dogs is important for a dog's health and that many dog owners find positive health, well-being and social outcomes from exercising their dogs.

To provide a balance between the needs of dogs and their owners and others, the City of Marion has declared which parks and reserves are either dog on leash or off leash areas. This is to provide a balance between dogs being able to be exercised in public, as well as enabling members of the community to make an informed choice about which park or reserve they wish to visit, in the knowledge that dogs at particular parks or reserves will either be on or off leash.

At the General Council Meeting on 26 June 2018, Council reviewed and endorsed the dog exercise off leash and dog on leash provisions in parks and reserves. To further consider the appropriate dog on and off leash provisions at three specific sites, Council made the following resolution:

*"Endorses community consultation be undertaken regarding potential changes to dog on/off leash provisions at the following locations:*

- *Edwardstown Oval and Velodrome,*
- *Northern area and walking path surrounding the northern area at the Mitchell Park Reserve,*
- *Area south of the Field River, Hallett Cove including the rocks, beach area and sand dunes,*

*and that a report with the results of the community consultation be brought back to Council in September*

2018" (GC260618R08).

Community consultation was undertaken to understand the views of community members regarding dog on/off leash requirements of these three areas and to understand the level of support from the community regarding the possibility of changing these areas to dog on leash.

This report provides the results of the community consultation that has been undertaken and recommends:

- The Edwardstown Oval and Velodrome be declared dog on leash areas for safety reasons;
- Retains the northern area and walking path surrounding the northern area at the Mitchell Park Reserve as a dog off leash area due to community feedback;
- The area south of the Field River Hallett Cove including the rocks, beach area and sand dunes be declared a dog on leash area due to environmental reasons.

A report was prepared for the previous Council for the General Council Meeting of 11 September 2018, but it was rescheduled due to the volume of other matters at that meeting.

## RECOMMENDATION

**That Council:**

- 1. Receives and notes this report**
- 2. Declares the Edwardstown Oval and Velodrome dog on leash areas**
- 3. Retains the northern area and walking path surrounding the northern area at the Mitchell Park Reserve as a dog off leash area**
- 4. Declares the area south of the Field River Hallett Cove including the rocks, beach area and sand dunes a dog on leash area**

## GENERAL ANALYSIS

**Liveable:** The effective control of dogs is important for creating a safe and welcoming city.

**Legal / Legislative / Policy:** Under the Dog and Cat Management Act, 1995, Council may make By-laws for the management of dogs and cats within its Council areas. Under the City of Marion's By-Law No. 4 Dogs 2014, Council can declare dog on leash areas.

## DISCUSSION

Under the City of Marion's *By-law No.4 Dogs 2014*, "dog on leash areas" are identified as:

- those areas declared by Council by resolution;
- on any park or reserve during times when organised sport is being played;
- within 5 metres of children's playground equipment;
- in any wetland area

"Dog on leash areas" require the dog to be secured by a strong leash, not exceeding two metres in length, which is either tethered securely to a fixed object capable of securing the dog, or held by a person capable of controlling the dog and preventing it from being a nuisance or a danger to other persons.

Broad community engagement has been undertaken regarding the possibility of changing the current dog exercise off leash provisions at the following locations:

- Edwardstown Oval and Velodrome
- Northern area and walking path surrounding the northern area at the Mitchell Park Reserve

- Area south of the Field River, Hallett Cove including the rocks, beach area and sand dunes.

The purpose of the consultation was to understand community preferences for dog on/off leash provisions at the above locations and understand the level of support from the community regarding the possibility of changing these areas to dog on leash.

The consultation period was for 3 weeks regarding each location, with a survey available online at the City of Marion's Making Marion website and a hard copy survey available upon request.

For the Edwardstown and Mitchell Park locations, the community survey was available on the Making Marion website from 3 August 2018 to 24 August 2018.

To provide greater clarity for the community regarding the area in question at Hallett Cove, a new map was subsequently created and distributed and the consultation period was extended to 5 September 2018.

The survey was promoted through the City of Marion website and Facebook page and signs were placed at each of the three locations. The survey link was mailed to a range of stakeholders including local community and resident groups; and was distributed to residents within a 400m catchment around each location.

The results of the community consultation are contained in Appendix 1.

517 people visited the Making Marion website and 227 people provided feedback. 208 people completed the survey on-line, 17 people submitted a hard copy survey and 2 people submitted feedback by email. Prior to the consultation, the Mitchell Park Sports and Community Club management committee had requested the northern area and walking path surrounding the northern area at the Mitchell Park Reserve be changed to a dog on leash area and had previously raised concerns about dogs not being on leash in this area and the issue of dog faeces being left on the northern oval.

In summary, there are mixed views from the community regarding whether each of the areas should be declared a dog on leash area or if they should remain a dog on leash area. Common themes and key issues raised included:

*Support for individual areas to be declared a dog on leash area:*

- Concerns for the safety of people when dogs are off leash in public places
- Concerns for the safety of dogs when other dogs are off leash in public places
- A view that if dogs are on leash their owners are more likely to pick up their dog's faeces.

*Support for retaining individual areas as a dog off leash area:*

- Concern about restricting the freedom of people to exercise with their dog
- The benefit to the health and well-being of both people and dogs from being able to actively exercise
- Dogs need to have areas where they can be exercised off leash and have vigorous exercise
- Dogs need to be able to socialise with other dogs and with people

A summary of the consultation outcomes for each of the specific sites is provided below:

### **Edwardstown Oval and Velodrome**

Under the City of Marion's *By-law No.4 Dogs 2014*, dogs must be on a leash when organised sport is being played on the oval. Currently dogs can be off leash on the oval when cyclists use the velodrome.

#### Community Feedback

73 people completed the survey (on-line or hard copy):

- 36 respondents (50%) supported the area becoming a dog on leash area
- 37 respondents (50%) were not supportive of the area becoming a dog on leash area

#### Key issues raised included:

- The oval is an open space ideal for people to exercise their dogs.
- Safety concern of cyclists who have experienced dogs off leash and not under effective control,

running at or in front of the bicycles

- The need to consider the safety of cyclists and dogs with cyclists using the velodrome often cycling at high speed using speed bicycles that do not have brakes
- The area is unique as it is the only oval with a velodrome and cyclists and people with dogs use the same common area. The velodrome is the only velodrome in the City of Marion and is used by a number of cycling clubs. Through the redevelopment of the facility, Council is working to attract new groups to the site including optimising the velodrome.

### **Northern area and walking path surrounding the northern area at the Mitchell Park Reserve**

#### Community Feedback

78 people responded to this question:

- 31 respondents (39%) supported the area becoming a dog on leash area.
- 47 respondents (60%) were not supportive of the area becoming a dog on leash area.

In addition, prior to the consultation, the Mitchell Park Sports and Community Club management committee requested the northern area and walking path surrounding the northern area at the Mitchell Park Reserve be changed to a dog on leash area.

#### Key issues raised:

- It is popular area to exercise dogs
- A view that the majority of people who use this area are responsible and control their dogs well
- It is unfair to restrict people from exercising their dogs off leash in this area when there are no issues in this area
- Concerns that some dog owners do not pick up their dog's faeces
- Concern from the Mitchell Park Sports and Community Club management committee that large amounts of dog faeces are often left on the oval and concerns that dogs are not kept under effective control when off-leash

### **Area south of the Field River, Hallett Cove including the rocks, beach area and sand dunes**

#### Community Feedback

78 people provided feedback with 73 people completing the survey on-line, 3 people completing the hard copy survey and 2 people providing feedback by email:

- 46 respondents (59%) supported the area becoming a dog on leash area.
- 32 respondents (41%) were not supportive of the area becoming a dog on leash area.

#### Key issues raised:

This section of the beach is home to a large number of birds and it recently became a nesting area for the Hooded Plover. The Natural Resources Adelaide and Mount Lofty Ranges website references that the Hooded Plover is listed as being a vulnerable species. The birds nest at the base of the sand dunes during spring and summer on Adelaide's beaches and will abandon eggs and chicks if persistently disturbed by vehicles, dogs, humans or foxes.

- Need to find a balance of preserving the environment in this area and the needs of all users of this area
- Some people said the area is ideal for exercising dogs off leash, including dogs being able to vigorously exercise. The area is generally quiet with minimal people and other dogs present and is one of the few such areas easily accessible
- Some people said that the majority of dog owners exercise their dogs responsibly in this area
- The area is not suitable for children to play, but is beneficial for people to train their dogs when off-leash to return upon command
- Suggestions that the northern area of the Field River, the mouth of the Field River and the whole walking path should be made dog on leash as this would prevent dogs from disturbing and affecting vegetation and birds and ducks in the river

- Concerns expressed that Council is unnecessarily restricting where dogs can be off leash
- Concerns that there are not enough dog off leash areas (Of the 44 parks and reserves in Hallett Cove, 32 are dog off leash areas)

## Summary

Taking on board the results of the community consultation and to balance the needs of all users of shared public spaces, as well as being mindful of the environmental issues at the Hallett Cove location, it is recommended that:

- The Edwardstown Oval and Velodrome be declared dog on leash areas for safety reasons
- The northern area and walking path surrounding the northern area at the Mitchell Park Reserve be retained as a dog off leash area due to community support
- The area south of the Field River, Hallett Cove including the rocks, beach area and sand dunes be declared a dog on leash area due to the environmental sensitivity of the area

Regarding the Mitchell Park location, to address the concerns of members of the community, including the Mitchell Park Sports and Community Club management committee and its associated members and users, the number of dog poo bag dispensers will be reviewed with a view to installing dispensers at each key entry point to the area. In addition, signage regarding picking up after your dog will be installed and Community Safety Inspectors will actively monitor the area for the next three months.

## Attachment

#	Attachment	Type
1	GC20181127R - Dog On or Off Leash - Appendix 1- Results of Community Consultation - pdf	PDF File

## Appendix 1 Summary of Community Consultation



### Community Engagement Findings (Summary)

#### Summary of Community Consultation dog on/off leash provisions:

- Edwardstown Oval and Velodrome
- Northern area and walking path surrounding the northern area at the Mitchell Park Reserve
- Area south of the Field River, Hallett Cove including the rocks, beach area and sand dunes

#### 1. INTRODUCTION

Broad community engagement has been undertaken to understand community preferences for dog on/off leash provisions at the above locations and understand the level of support from the community regarding the possibility of changing these areas to dog on leash.

This report summarises the community consultation process and the community feedback.

## 2. CONSULTATION PROGRAM

The consultation period was for 3 weeks regarding each location, with a survey available online at the City of Marion's "Making Marion" website at <https://www.makingmarion.com.au/dogs-on-leash> and a hard copy survey available upon request.

For the Edwardstown and Mitchell Park locations, the community survey was available on the Making Marion website from 3 August 2018 to 24 August 2018.

To provide greater clarity for the community regarding the area in question at Hallett Cove, a new map was subsequently created and distributed and the consultation period was extended to 5 September 2018.

The survey was promoted through the City of Marion website and Facebook page. Signs were placed at each of the three locations. The survey link was mailed to a range of stakeholders including local community and resident groups; and distributed to residents within a 400m catchment around each location.

The consultation was conducted by:

- The survey was promoted on the City of Marion website:
  - .For the Edwardstown and Mitchell Park locations: 3/8/18 – 24/8/18
  - .For the Hallett Cove location: 3/8/18 – 5/9/18
- Correspondence advising of the consultation and a link to survey was sent to range of key stakeholders including applicable sporting associations, resident and community groups and the Dover Gardens Kennel and Obedience Club
- Social media posts were placed on the City of Marion Facebook page
- Flyers displayed at:
  - The City of Marion's Administration Building
  - Cooina Neighbourhood Centre
  - Trott Park Neighbourhood Centre
  - Mitchell Park Neighbourhood Centre
  - Marion Cultural Centre Library
  - Parkholme Library
  - Cove Civic Centre
- Signs erected at each site with information about the online survey and a map of the area in question
- An invitation was extended via the above methods including on site signs, for a hard copy survey to be sent to members of the community who did not wish to complete the survey on-line.

A total of 227 people have provided feedback, through either the on-line or hardcopy survey or via email and 1 community organisation requested dogs to be on leash at the Mitchell park location prior to the formal community consultation.

### 3. CONSULTATION OVERVIEW

In summary, during this consultation, 517 people visited the Making Marion website. Council received feedback from 228 members of the community via:

- 208 on-line surveys
- 17 hard copy surveys
- 2 emails
- 1 request prior to the community consultation

125 people identified as being a dog owner and 82 people identified as not being a dog owner.

There are mixed views from the community regarding whether the areas should be declared a dog on leash area or if they should remain a dog on leash area. Common themes and key issues raised included raised through the feedback are:

#### **Supporting individual areas to be declared a dog on leash area:**

- Concerns for the safety of people when other dogs are off leash in public places
- Concerns for the safety of dogs when other dogs are off leash in public places
- A view that if dogs are on leash their owners are more likely to pick up their dog's faeces.
- Environmental concerns at the Hallett Cove location

#### **Support for retaining individual areas as a dog off leash area:**

- Concern about restricting the freedom of people to exercise their dog
- The benefit to the health and well-being of both people and dogs from being able to actively exercise
- Dogs need to have areas where they can be exercised off leash and have vigorous exercise
- Dogs need to be able to socialise with other dogs and with people
- The benefit to the physical and mental health and well-being people experience through the interaction with other people and dogs

#### 4. CONSULTATION FINDINGS FOR EDWARDSTOWN OVAL AND VELODROME

73 people completed the survey, either on-line or hardcopy.



People were asked the following questions:

1. Please nominate your level of support for a change from dog OFF leash to all times to do ON leash at all times

☐ Strongly support  
☐ Do not support

☐ Support  
☐ Strongly do not support

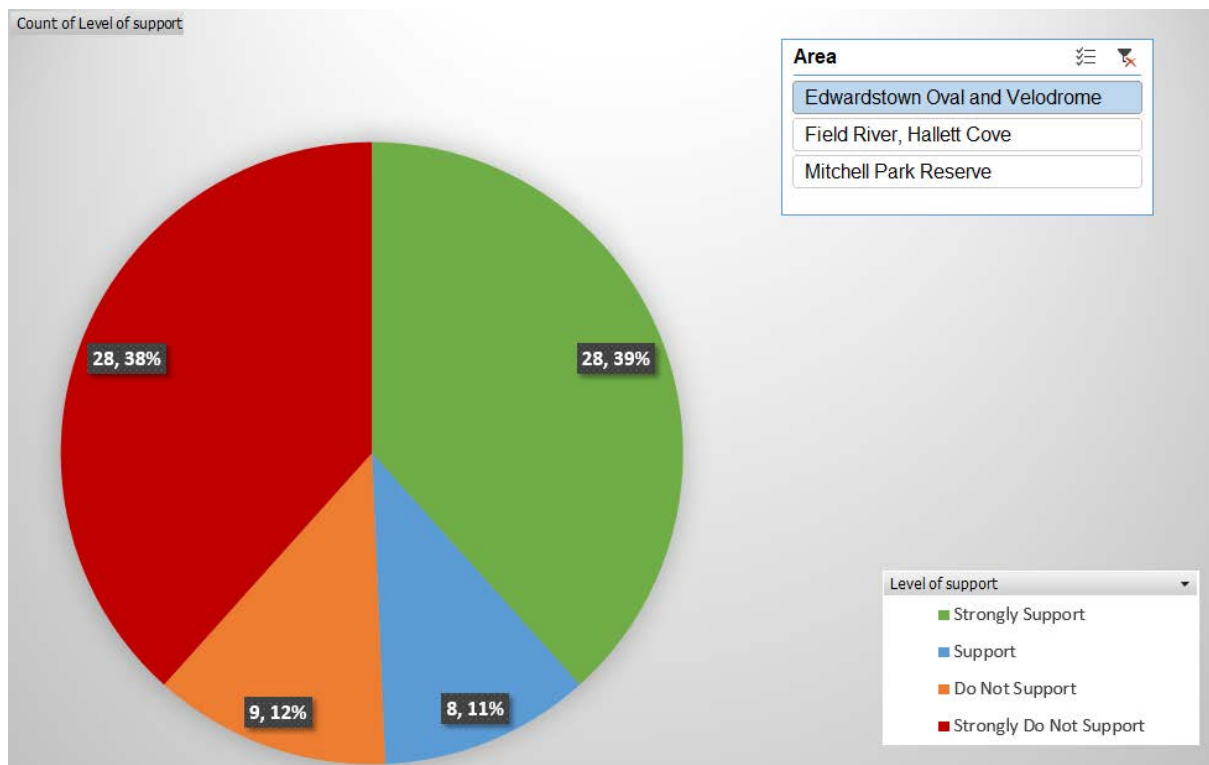
36 respondents (50%) supported the area becoming a dog on leash area.

37 respondents (50%) were not supportive of the area becoming a dog on leash area.

2. Are you a dog owner?

☐ Yes  
☐ No

65 people responded to this question. 26 people (40%) identified as being a dog owner and 39 people (60%) identified as not being a dog owner.



Below is a summary of the comments received for Edwardstown Oval and Velodrome:

**Comments in support included:**

- Safety concern of cyclists who have experienced dogs off leash running at or in front of the bicycles
- The need to consider the safety of cyclists and dogs with cyclists using the velodrome often cycling at high speed using speed bicycles that do not have brakes
- The velodrome is the only velodrome in the City of Marion and is used by a number of cycling clubs. The area is unique, as it is the only oval with a velodrome where cyclists and people with dogs use the same common area.

**Comments not in support included:**

- The oval is an open space ideal for people to exercise their dogs, particularly for dogs to be able to run
- There are limited areas in Edwardstown and surrounding suburbs for dogs to be exercised off leash, particularly in a gated area and not near playgrounds (Of the 6 parks and reserves in Edwardstown, only Dumbarton Avenue Reserve is a dog off leash area)
- Exercise is essential for a dog so it does not become noisy and disruptive (through barking)
- Comments that the majority of dog owners control their dogs and put their dogs on a leash when cyclists use the velodrome

## 5. CONSULTATION FINDINGS FOR NORTHERN AREA AND WALKING PATH SURROUNDING THE NORTHERN AREA AT THE MITCHELL PARK RESERVE

78 people completed the survey, either on-line or hardcopy. In addition, prior to the consultation, the Mitchell Park Sports and Community Club management committee requested the northern area and walking path surrounding the northern area at the Mitchell Park Reserve be changed to a dog on leash area.



People were asked the following questions:

1. Please nominate your level of support for a change from dog OFF leash to all times to do ON leash at all times

☐ Strongly support  
☐ Do not support

☐ Support  
☐ Strongly do not support

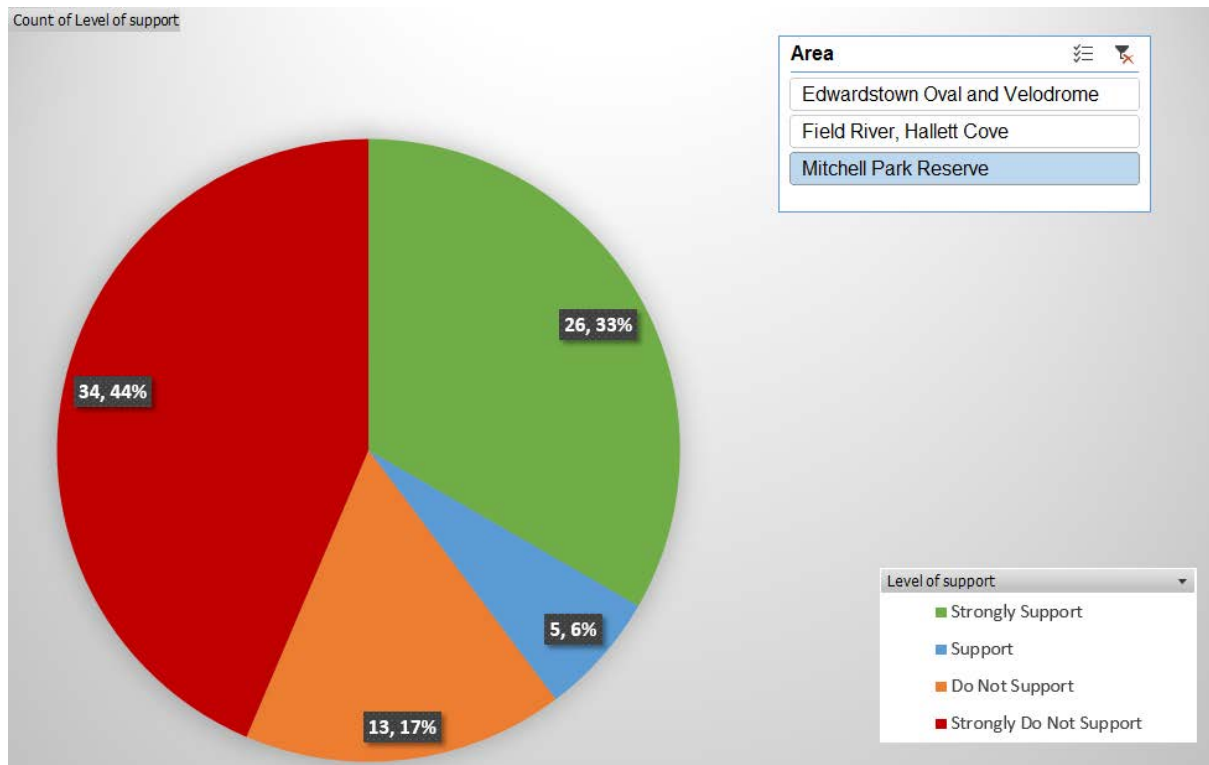
31 respondents (39%) supported the area becoming a dog on leash area.

47 respondents (60%) were not supportive of the area becoming a dog on leash area.

2. Are you a dog owner?

☐ Yes  
☐ No

71 people responded to this question. 40 people (56%) identified as being a dog owner and 31 people (43%) identified as not being a dog owner.



Below is a summary of the comments received for the northern area and walking path surrounding the northern area at the Mitchell Park Reserve:

**Comments in support included:**

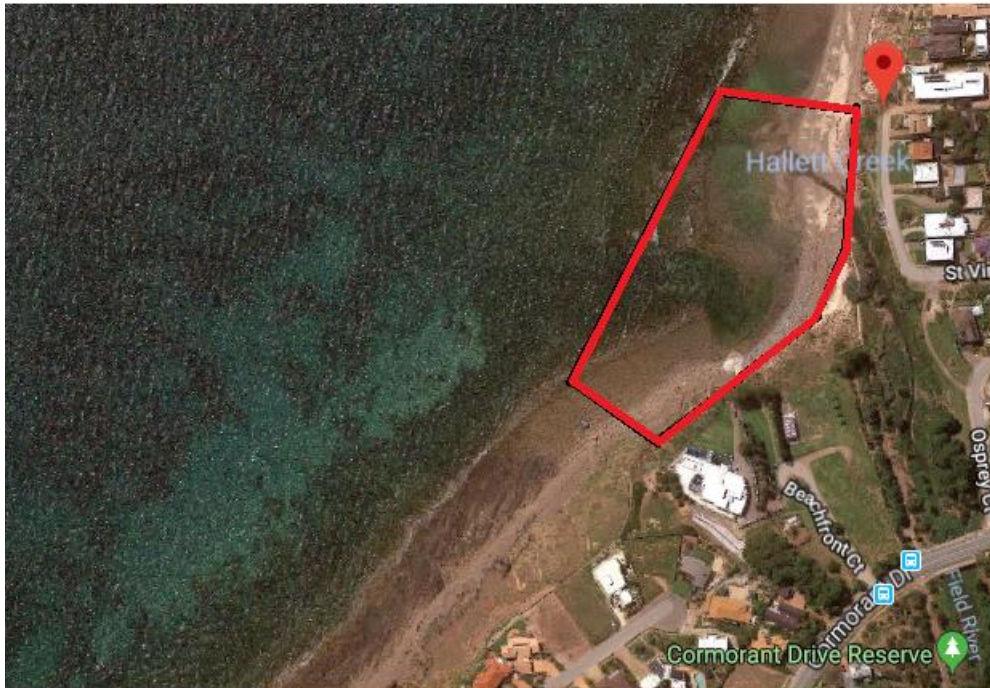
- Concerns that some dog owners do not pick up their dog's faeces
- Feedback was received from the Mitchell Park Sports and Community Club Management Committee prior to the consultation about large amounts of dog faeces often left on the oval and concerns that dogs are not kept under effective control when off-leash

**Comments not in support included:**

- It is popular area to exercise dogs
- A view that the majority of people who use this area are responsible and control their dogs well
- It is unfair to restrict people from exercising their dogs off leash in this area when there are not issues in this area

## 6. CONSULTATION FINDINGS FOR AREA SOUTH OF THE FIELD RIVER HALLET COVE INCLUDING THE ROCKS, BEACH AREA AND SAND DUNES

78 people provided feedback with 73 people completing the survey on-line, 3 people completing the hardcopy survey and 2 people providing feedback by email.



People were asked the following questions:

1. Please nominate your level of support for a change from dog OFF leash to all times to do ON leash at all times

☐ Strongly support  
☐ Do not support

☐ Support  
☐ Strongly do not support

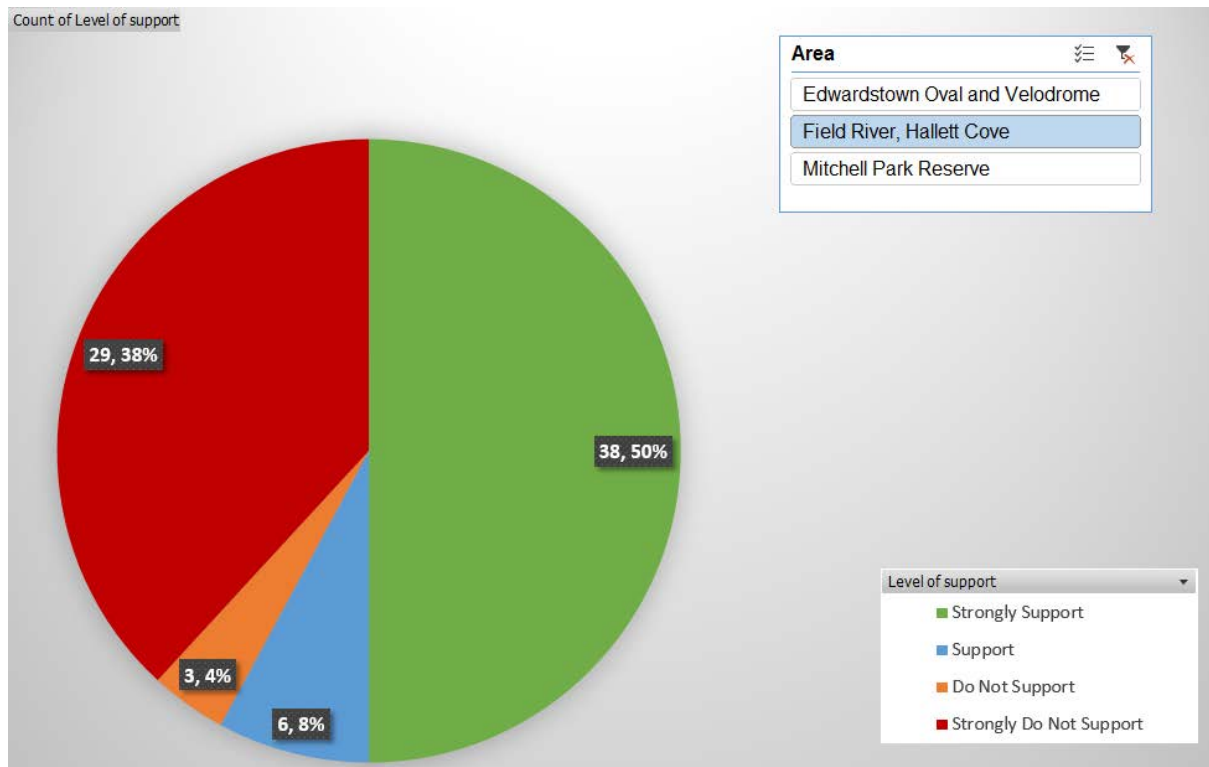
46 respondents (59%) supported the area becoming a dog on leash area.

32 respondents (41%) were not supportive of the area becoming a dog on leash area.

2. Are you a dog owner?

☐ Yes  
☐ No

71 people responded to this question. 25 people (35%) identified as being a dog owner and 46 people (64%) identified as not being a dog owner.



Below is a summary of the comments received for the area south of the Field River, Hallett Cove including the rocks, beach area and sand dunes:

#### Comments in support included:

- This section of the beach is home to large number of birds and it recently became a nesting area for the Hooded Plover. The Natural Resources Adelaide and Mount Lofty Ranges website references that the Hooded Plover is listed as being a vulnerable species. The birds nest at the base of the sand dunes during spring and summer on Adelaide's beaches and they will abandon eggs and chicks if persistently disturbed by vehicles, dogs, humans and foxes.
- Need to find a balance of preserving the environment in this area and the needs of all users of this area
- Suggestion that the area north of the Field River also be a dog on leash area
- Suggestion that the small area below the road bridge, including the mouth of the Field River be preserved as a bird sanctuary

#### Comments not in support included:

- The area is ideal for exercising dogs off leash, including dogs being able vigorous exercise, as it is generally quiet with minimal people and other dogs present

## CORPORATE REPORTS FOR INFORMATION/NOTING

### Questions Taken on Notice Register

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R18

### REPORT OBJECTIVE

To receive and note the information contained within the *Questions Taken on Notice Register* provided in Appendix 1.

### EXECUTIVE SUMMARY

The 'Code of Practice – Procedures At Council Meetings 2017/18' states that:

4.7 Questions without Notice that were not answered at the same meeting will be entered into a register. This register will be tabled as an information report at the following meeting.

Under Regulation 9 of the Local Government (Procedures at Meetings) Regulations 2013 (the regulations):

- (3) A member may ask a question without notice at a meeting.
- (4) The presiding member may allow the reply to a question without notice to be given at the next meeting.
- (5) A question without notice and the reply will not be entered in the minutes of the relevant meeting unless the members present at the meeting resolve that an entry should be made.

### RECOMMENDATION

**That Council:**

- 1. Notes the report "Questions Taken on Notice Register".**

### Attachment

#	Attachment	Type
1	Questions Taken on Notice Register - Appendix 1	PDF File
2	Questions Taken on Notice Register - Appendix 1a	PDF File

# Questions Taken on Notice Register



## Appendix 1

Report Reference	Meeting Date	Councillor	Responsible Officer	Question taken on notice during the meeting	Response
GC181009R04 Annual Financial Statements for the year ended 30 June 2018	9 Oct 18	Councillor Hull	Ray Barnwell	What is the comparative operating surplus of other Councils to our \$11m operating surplus?  Is the increase of \$500,000 in fines out of the ordinary in comparison to other Councils?	Refer to response provided in Appendix 1a
GC181009R04 Annual Financial Statements for the year ended 30 June 2018	9 Oct 18	Councillor Hull	Adrian Skull	Can Administration enquire with the LGA regarding the selection process for the legal services contract.	<p>Full response emailed from Adrian Skull to Council Members 11/10/18. Extract from response of Steven Nolis, Executive Director, LGA:</p> <p><i>The process of identifying a legal partner was recommended by an independent Audit Committee and endorsed by the LGA Board Executive – that being by select tender. Six legal firms were invited to tender (all being existing providers of legal services to the Local Government sector). The tender process was independently facilitated by LGA Procurement and a weighted assessment was considered across three areas:</i></p> <ul style="list-style-type: none"> <li><i>Cost (requested blended rate and/or a schedule of rates)</i></li> <li><i>Value proposition</i></li> <li><i>Capacity to service the entire state and have the resources, expertise and depth of knowledge required to provide quality and succinct advice to the sector.</i></li> </ul> <p><i>Both our CEO (Matt Pinnegar) and myself were not involved in the selection process – specifically because Matt had existing working relationships with some of the invited legal firms and I preferred to</i></p>

# Questions Taken on Notice Register



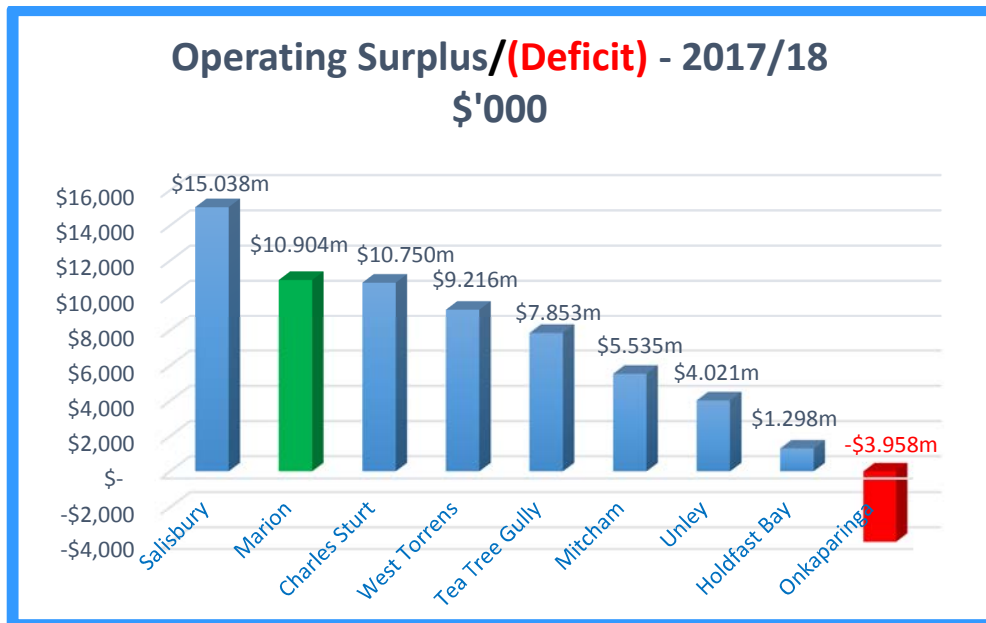
					<p><i>remain independent of the selection process to maintain a high level of probity. This was to avoid any potential concerns over a perceived conflict of interest.</i></p> <p><i>At the conclusion of the process, LGA Procurement advised that they recommend HWL Ebsworth as the preferred partner as their net score/rating was clearly higher than the other tenderers. From this point, the LGA Board Executive endorsed the appointment, the Chair of the independent Audit Committee was advised and our CEO (Matt Pinnegar) was authorised by the LGA Board Executive to execute a contract agreement with HWL Ebsworth.</i></p>
GC181009R08 Outcome of review of Hire Charges of Council Operated Facilities	9 Oct 18	Councillor Veliskou	Tony Lines / Liz Byrne	<p>What do residents get for the \$10 fee that covers insurance? (i.e. is this a one off cover, for a specified time or unlimited?)</p> <p>What are current users told if they do not have insurance? (this is in particular reference to the group requesting to book the MCC for a candidate briefing session)</p>	<p>If individuals/groups wish to hire a room and do not have public liability insurance they are advised they can pay an application fee of \$10 and that this will cover them for the duration of usage.</p>
GC181009R24 Higher Density Dwelling Impacts on Adjacent Infrastructure and Local Parking Management	9 Oct 18	Councillor Byram	Colin Heath / Ray Barnwell	<p>How often are bins not able to be collected due to cars being parked on both sides of the road?</p>	<p>Nil.</p> <p>Solo (council's kerbside waste collection contractor) has advised they instruct their drivers to get out of their trucks and manually collect bins if access issues such as this occur.</p> <p>Solo communicate to council any ongoing access issues to enable council to work on solutions (eg alternative bin placement by residents, working with traffic management on temporary parking restrictions etc).</p>

# Questions Taken on Notice Register



**What is the comparative operating surplus of other councils compared to our \$11m operating surplus?**

Council in adopting the 2017/18 Annual Budget forecast an Operating Surplus of \$5.008m. The result achieved was an Operating Surplus of \$10.904m. It should be noted that sustaining an operating surplus provides critical funding necessary to renewing the \$1.1 billion of community assets under council's control in addition to funding major projects in Council's Long Term Financial Plan.



The comparative data was compiled from the 2017/18 Annual Financial Statements of each council. The City of Mitcham figures are in draft form and yet to be adopted by the City of Mitcham Council.

There were a number of factors including but not limited to those noted below that contributed to a higher than budgeted 'Operating Surplus';

- **2018/19 Financial Assistance Grants** - Advance payment (Although this relates to 2018/19 it was received in 2017/18 and must be accounted for in our 2017/18 results) \$1,521k
- **Unbudgeted grants received** - HACC (\$132k), Ace Skills (\$124k), Sturt River Linear Path (\$140k), Coastal Walk trail (\$200k), Other (\$570k) \$1,166k
- **Investment Income** – return on higher cash holding throughout year \$ 358k
- **SRWRA** – Our regional waste subsidiary, through efficiency measures were in a position to distribute a large distribution to Council \$765k \$ 765k
- **Statutory & User Charges** - increased revenue \$ 991k
- **Operating expenses** - lower than budgeted \$ 302k

### In Summary: Actual versus Budgeted Operating Result

<b>Original Budgeted Operating Surplus</b>	<b>\$5.008m</b>
<b>Higher than Budgeted Operating Income</b>	<b>\$5.594m</b>
<b>Lower than Budgeted Operating Expenses</b>	<b><u>\$0.302m</u></b>
<b>Final Operating Surplus per Annual Financial Statements</b>	<b>\$10.904m</b>

#### *Is the increase of \$500k in fines out of the ordinary in comparison to other councils?*

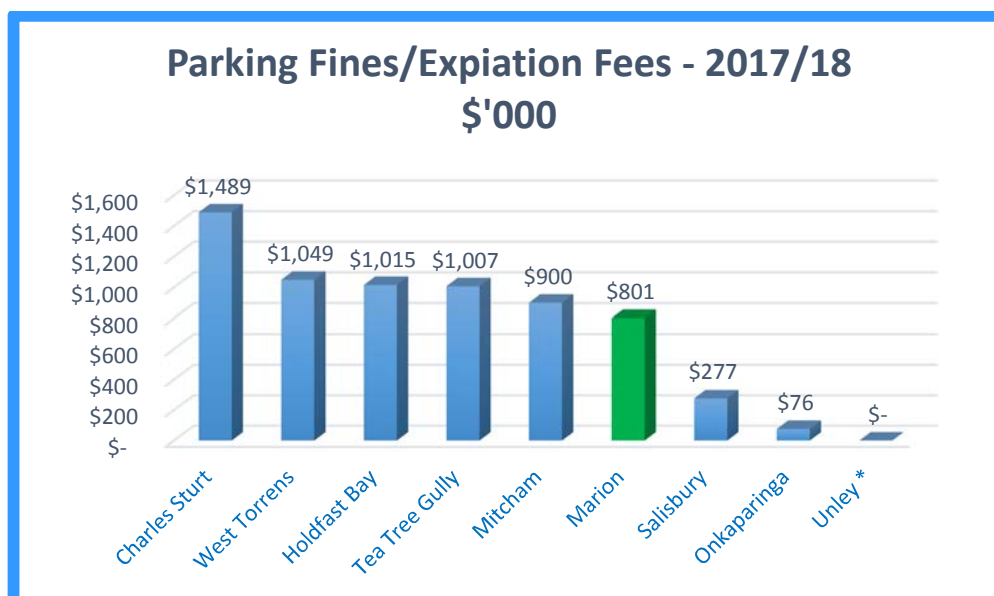
Council's overall statutory fees and charges for 2017/18 increased by \$426k compared to 2016/17. This increase was made up of an increase in Development & Planning fees of \$77k, Animal registration fees and fines of \$66k, and an increase from parking fines and expiations of \$283k.

<b>Statutory Charges</b>	<b>2017-18 000s</b>	<b>2016-17 000s</b>	<b>Variance 000s</b>
Parking Fines and Expiations	\$ 801	\$ 518	\$ 283
Animal Registration Fees and Fines	\$ 531	\$ 465	\$ 66
Development & Planning Fees	\$ 973	\$ 896	\$ 77
<b>Total</b>	<b>\$ 2,305</b>	<b>\$ 1,879</b>	<b>\$ 426</b>

The main reasons contributing to the increase in parking fines and expiations are;

- generally having had a full complement of staff during 2017/ 2018 compared to 2016/ 2017 and
- an increased level of monitoring of parking, both in the community, e.g. near schools and at bike lanes, and monitoring the Westfield Marion Shopping Centre.

The graph below compares revenue from parking fines and expiations raised by the City of Marion against a number of other metro councils. The increase in our revenue in 2017/18 has brought the City of Marion more in line with the revenue raised by other metro council's.



The comparative data was compiled from the 2017/18 Annual Financial Statements of each council. The City of Mitcham figures are in draft form and yet to be adopted by the City of Mitcham Council.

\*The City of Unley Annual Financial Statements did not provide a detailed breakdown of statutory fees and charges.

## Work Health & Safety - Monthly Performance Report - September/October 2018

<b>Originating Officer</b>	Unit Manager Risk - Sherie Walczak
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R19

### REPORT OBJECTIVE

The objective of this monthly report is to provide Council with assurance that the City of Marion has effective strategies in place to meet its legal obligations as outlined in the Work Health and Safety Act (SA) 2012 and to monitor Council's core target of a 10% reduction of the Lost Time Injury Frequency Rate (LTIFR) from the previous year.

### RECOMMENDATION

**That Council:**

- 1. Notes the report and statistical data contained therein.**

### DISCUSSION

Targets and performance indicators have been established in order to measure the continual improvement of the program. Performance against these targets are measured in two ways:

- positive performance indicators (PPI's); and
- lag performance indicators (LPI's) both of which are outlined in **Appendix 1**.

The current LTIFR is 4.7 with one lost time injury being recorded this financial year. This is slightly lower than that of last years result, 5.2, at the same time and is just below the industry comparison LTIFR rate of 4.8.

Key initiatives implemented which have contributed to the reduction in LTIFR include:

- The roll-out of the SkyTrust 'app' for mobile incident and hazard reporting.
- The ongoing implementation of SkyTrust for hazard management and work area inspections.
- Widening of the Think Safe Live Well Safety Observation program with front-line staff being visited and observed by relevant people leaders.
- Incident investigation training.
- Reviewing of SWMS, SWPs and SOPs.
- Piloting of an internal WHS Audit program.

### CONCLUSION

The ongoing significant reduction in Lost Time Injuries being 78% over the 2016/17 and 2017-18 reporting periods has been a commendable achievement for the City of Marion as it continues in its commitment to place the community and safety at the forefront of everything we do in line with our corporate values. In the 2018-19 reporting period, we will consolidate and further build on the good work that has been implemented and aim to achieve Council's KPI of 10% or greater reduction in LTIFR compared to the end of 2017-18 reporting period.

**Attachment**

#	Attachment	Type
1	GC271118R - WHS Monthly Performance Report – Sep&Oct 2018	PDF File

## APPENDIX 1 – WHS Monthly Performance Report – September / October 2018

The Think Safe Live Well program's vision is **'through our thoughts words and actions, we can all make a difference and reduce harm'**. It specifically focuses on further developing our leadership styles, organisational culture and WHS systems by:

- Developing our people to lead the change across the City of Marion
- Embedding a culture of safety and wellbeing as a part of normal business practice
- Continually improving our WHS Management System (WHSMS) to achieve best practice

### POSITIVE PERFORMANCE INDICATORS

#### Hazard and Near Miss Reports

Historical statistics inform us that when there is a healthy culture of Hazard/Near Miss Reporting, there is a consequential reduction in injuries to Workers. Hazards and Near Misses are reported to date for this financial year and are outlined in Table 1 and can be compared against those reported last financial year which are outlined in Table 2.

**Table 1: Hazard and Near Miss Reports - Financial Year 2018-19**

Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total	Ave
17	9	13	12									51	12.75

**Table 2: Hazard and Near Miss Reports - Financial Year 2017-18**

Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total	Ave
21	14	11	9	8	3	5	11	10	16	10	14	132	11

#### Lost Time Injuries Reported

Lost Time Injuries (LTI's) are those injuries where a whole work day or more has been lost due to a workplace injury. LTI's reported to date for this financial year are outlined in Table 4 and can be compared against those reported last financial year which are outlined in Table 5.

**Table 4: Number of LTI's per month - Financial Year 2018-19**

Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total
1	0	0	0									1

**Table 5: Number of LTIs per month - Financial Year 2017-18**

Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
0	1	0	0	1	0	1	0	1	0	0	0	4

Individual LTI's reported for 2018/19 are outlined in Table 6 below :

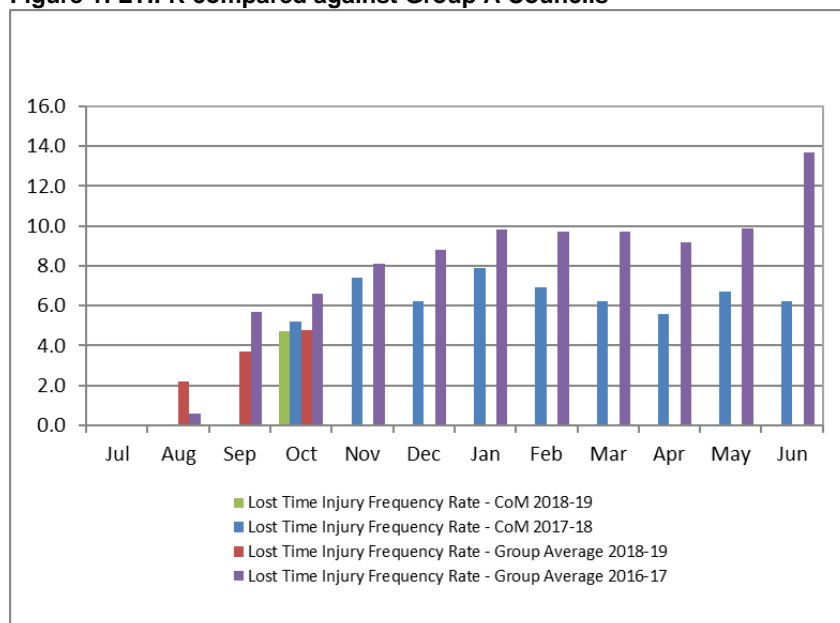
**Table 6: Outline of LTI's reported - Financial Year 2018-19**

No.	Description of Incident	Mechanism of Injury	Injury Description
1	Trip and fall down internal stair well	Fall on differing level	Bilateral shoulder sprain and left knee sprain injuries.

### Lost Time Injury Frequency Rate

Lost Time Injury Frequency Rate (LTIFR), is an industry standard tool for measuring LTI's within a given reporting period which enables comparison to other organisations. Council's LTIFR is outlined in Figure 1, from the LGA's Member Portal data once claims have been determined and can be measured and monitored against our industry counterparts being the Group A Councils (<sup>1</sup>GaC).

**Figure 1: LTIFR compared against Group A Councils**

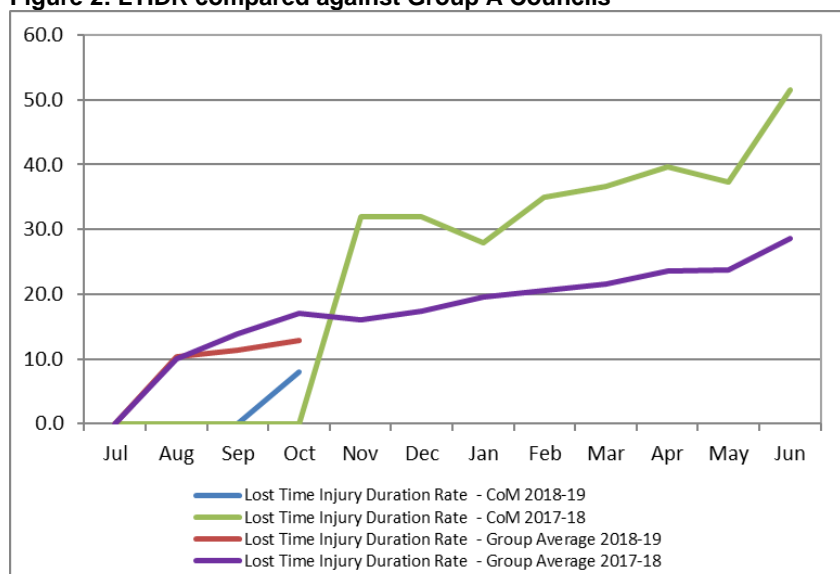


The current LTIFR for the City of Marion (represented in green) is 4.7 with one lost time injury being recorded. This is slightly lower than that of last years result, 5.2, at the same time and is just below the industry comparison LTIFR rate of 4.8.

### Lost Time Injury Duration Rate

The Lost Time Injury Duration Rate (LTIDR), is an industry standard tool for measuring the average days lost from LTI's within a reporting period to enable comparison to other organisations. Council's LTIDR is outlined in Figure 2, data is sourced from the LGA's Member Portal once claims have been determined and can be measured and monitored against our industry counterparts being the GaC.

**Figure 2: LTIDR compared against Group A Councils**



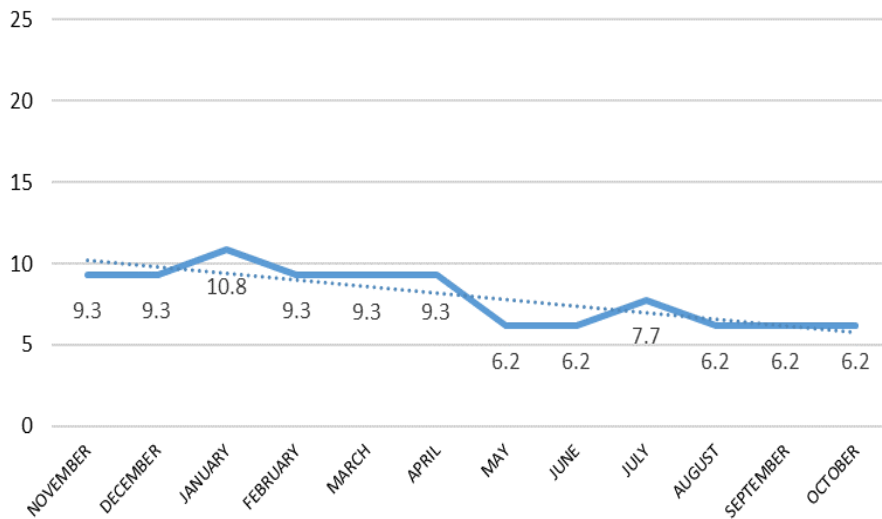
The current LTIDR for the City of Marion (represented in blue) is 8.0 which is higher than recorded last year at the same time however it is under the industry comparison LTIDR rate of 12.8..

<sup>1</sup> GaC are metropolitan councils with more than 300 staff (Marion, Adelaide, Charles Sturt, Onkaparinga, Playford, Port Adelaide Enfield, Salisbury and Tee Tree Gully).

### Rolling Lost Time Injury Frequency Rate

Rolling LTIFR, outlined with a solid blue line in Figure 3 from internal incident report data, provides analysis of the average LTIFR over the last 12 months. The dotted blue 'median' line tracks the downward trend.

**Figure 3: Rolling LTIFR**

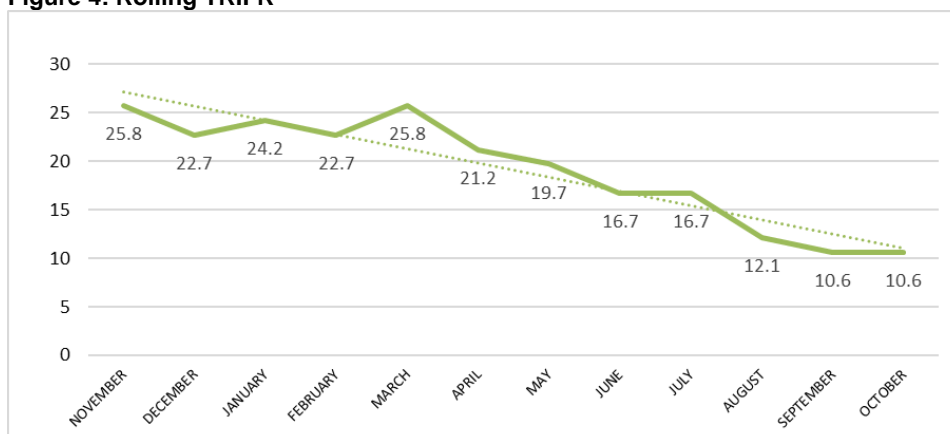


The current rolling LTIFR for the City of Marion is 6.2, which represents a 33.3% reduction over the previous 12 months.

### Rolling Total Recordable Incident Frequency Rate

Total Recordable Incidents include fatalities, LTI's and incidents resulting in the employee receiving medical treatment and/or is certified as only fit to undertake suitable duties. The Rolling Total Recordable Incident Frequency Rate (TRIFR), outlined with a solid green line in Figure 4 from internal incident report data, provides analysis of the average TRIFR over the last 12 months. The dotted green 'median' line tracks the downward trend.

**Figure 4: Rolling TRIFR**



The current rolling TRIFR for the City of Marion is 10.6 which represents a 59% reduction over the previous 12 months.

**Finance Report - October 2018**

<b>Originating Officer</b>	Junior Accountant - Melissa Virgin
<b>Corporate Manager</b>	Manager Finance - Ray Barnwell
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127R20

**REPORT OBJECTIVE**

This report provides Council with information relating to the management of financial resources under its control as at October 2018. This report is one of a series of reports designed to assist Council in achieving and maintaining a financially sustainable position. Other reports assisting in this process include the Quarterly Budget Reviews and the Long Term Financial Plan.

It is considered appropriate that financial information regarding Major Projects be presented on a monthly basis in this report. The principles used for assessment of reportable projects are according to the following criteria:

- Council has agreed to proceed with the project and approved a Section 48 Prudential Report.
- The Whole-of-Life Cost is greater than \$4 million dollars (including grant assisted projects).
- Has a project life of more than 12 months.

**RECOMMENDATION**

**That Council:**

1. **Receives the report “Finance Report – October 2018”.**

**GENERAL ANALYSIS****BACKGROUND**

This report is presented on a monthly basis to provide Elected Members with key financial information to assist in monitoring Council's financial performance against budget.

**DISCUSSION:**

Appendix 1 contains a financial report to identify Council's performance against budget utilising a “Funding Statement”. It provides a review against all of the elements contained within the Statement of Comprehensive Income and Statement of Financial Position that are adopted as part of the Annual Budgeting process.

The detailed Capital Works graphs provide a weighting of the projects against budget. As an example, a graph with a total budget of \$100k spread over two projects, where Project A has a budget of \$90k it now accounts for 90% of the works when complete and project B with its budget of \$10k now accounts for 10% of the works when complete.

**Attachment**

#	Attachment	Type
1	Finance Report_October Appendix 1 Pt 1 2 3 4	PDF File
2	Finance Report_October Appendix 2 pt 1 2	PDF File
3	Finance Report_October Appendix 3 pt 1 2	PDF File

## Funding Statement – Actual versus Budget

The Funding Statement provides a view of Council's financial performance against the approved budget and is consistent with the information provided at budget reviews. It provides a review against all of the elements contained within the Statement of Comprehensive Income and the Statement of Financial Position that are adopted as part of the Annual Budget Report. It details Council's:

### Statement of Comprehensive Income -

The operating result is recognised as one of Council's key financial indicators. The budget framework includes a commitment to its ongoing Financial Sustainability maintaining an Operating Surplus Ratio of between 0% and 5%, on average over each five-year period, which for 2018/19 means a targeted operating surplus of between \$0 and \$4.554m.

**Comment:** Council currently has a net operating surplus result of \$4.799m before capital revenues, against a year to date forecast budget of \$3.925m surplus. This position is detailed in the attached Funding Statement and variation notes.

### Capital Budget -

The Capital Budget is linked to Council's key financial indicator – "Asset Sustainability Ratio" and an actual to budget comparison reflects Council's progress in achieving its Capital program.

**Comment:** The actual to budget position reveals that 64.38% of the year to date Capital Renewal Budget has been spent.

The actual progress to date of Council's full Capital New and Renewal Expenditure program is detailed by asset class in the attached graphs (appendix 2).

### Loans -

The loans component of the Funding Statement identifies any new proposed loan receipts or principal payments. Council's borrowings are included in Council's key financial indicator – "Net Financial Liabilities" which reflects Council's total indebtedness.

**Comment:** No new borrowings are included in the 2018/19 budget and principal repayments of \$1.100m mean that the overall loan liability balance is forecast to decrease by \$1.100m to \$6.805m at 30 June 2019.

### Reserves & Cash -

Various fund movements such as surplus budget review results, unspent grants and carryover projects at year end are reflected as transfers to reserves, whilst utilisation of reserve funds are recognised as transfers from reserves.

Cash may be utilised to fund expenditure within the context of Treasury Management to ensure loans are not drawn down where temporary cash holdings are available.

**Comment:** Council's Reserves are detailed in the below table. Transfer to Reserves of \$0.359m and Transfers from Reserves of \$22.829m are forecast to occur in 2018/19, and after accounting for amounts quarantined for specific projects or works, there is \$4.004m available.

Reserves (\$000s)	Asset Sustainability Reserve						Open Space Reserve	Grants & Carryover Reserve	TOTAL ALL RESERVES
	Major Infrastructure Failure	General	Other	Major New Projects	CFPP	TOTAL ASR			
Opening Balance	2,000	7,178	647	5,160	6,672	21,657	1,218	12,256	35,132
Budgeted transfers to reserve	0	0	320	0	19	339	20	0	359
Budgeted transfers from reserve	0	(3,937)	(40)	(5,369)	(1,290)	(10,636)	0	(12,193)	(22,829)
Current Budgeted Closing Balance	2,000	3,241	927	(209)	5,401	11,360	1,238	63	12,661
Quarantined Funds	(2,000)	(2,367)	0	0	(3,722)	(8,089)	(505)	(63)	(8,657)
Projected Available Balance	0	874	927	(209)	1,679	3,271	733	0	4,004

The 2018/19 budget forecasts a net cash surplus of \$0.668m.

\*CFPP: Community Facilities Partnership Program

\*Other includes Walking & Cycling, Energy Efficiency and Oaklands Wetlands- Water Supply Opportunities

**Funding Statement  
as at 31 October 2018**

Original Adopted Budget \$'000	Carryovers \$'000		YTD Actual \$'000	YTD Budget \$'000	YTD Variance \$'000		Annual Budget \$'000	Note
		<b>Operating Revenue</b>						
77,173		Rates	26,126	26,125	1	F	77,173	
2,121		Statutory Charges	609	1,017	(408)	U	2,121	<b>A</b>
2,175		User Charges	542	565	(23)	U	2,175	
8,658	(1,522)	Operating Grants & Subsidies	2,244	2,833	(589)	U	7,136	<b>B</b>
704		Investment Income	376	209	167	F	704	<b>C</b>
540		Reimbursements	167	154	13	F	540	
878		Other Revenues	398	170	228	F	878	<b>D</b>
344		Net gain - Equity Accounted Investments	-	-	-	-	344	
<b>92,593</b>	<b>(1,522)</b>		<b>30,462</b>	<b>31,073</b>	<b>(611)</b>	<b>U</b>	<b>91,071</b>	
		<b>Operating Expenses</b>						
34,896		Employee Costs	10,973	11,399	426	F	34,896	<b>E</b>
20,518	1,643	Contractual Services	5,966	5,383	(583)	U	22,161	<b>F</b>
4,533		Materials	1,475	1,301	(174)	U	4,533	<b>G</b>
467		Finance Charges	(19)	(21)	(2)	U	467	
17,106		Depreciation	4,974	5,702	728	F	17,106	<b>H</b>
10,680		Other Expenses	2,294	3,384	1,090	F	10,680	<b>I</b>
<b>88,200</b>	<b>1,643</b>		<b>25,663</b>	<b>27,148</b>	<b>1,485</b>	<b>F</b>	<b>89,843</b>	
<b>4,393</b>	<b>(3,165)</b>	<b>Operating Surplus/(Deficit) before Capital Revenues</b>	<b>4,799</b>	<b>3,925</b>	<b>874</b>	<b>F</b>	<b>1,228</b>	
		<b>Capital Revenue</b>						
-		Capital Grants & Subsidies	917	-	917	F		
-		Contributed Assets	-	-	-	-		
-		Gain/(Loss) on Asset Disposal	(897)	-	(897)	U	-	
-			<b>20</b>	<b>-</b>	<b>20</b>	<b>F</b>	<b>-</b>	
<b>4,393</b>	<b>(3,165)</b>	<b>Net Surplus/(Deficit) resulting from operations</b>	<b>4,819</b>	<b>3,925</b>	<b>894</b>	<b>F</b>	<b>1,228</b>	
17,106		<i>add</i> Depreciation	4,974	5,702	(728)		17,106	
(344)		<i>less</i> Share of Profit Equity Accounted Investments	-	-	-		(344)	
<b>21,155</b>	<b>(3,165)</b>	<b>Funding available for Capital Investment</b>	<b>9,793</b>	<b>9,627</b>	<b>166</b>	<b>F</b>	<b>17,990</b>	
		<b>Capital</b>						
18,394	3,095	<i>less</i> Capital Expenditure - Renewal	4,101	6,370	2,269	F	21,489	<b>J</b>
12,694	4,509	<i>less</i> Capital Expenditure - New	2,774	2,557	(217)	U	17,203	<b>K</b>
		<i>less</i> Capital - contributed assets	-	-	-	-		
		<i>add</i> Proceeds from Sale of Surplus Assets			-	-		
<b>(9,933)</b>	<b>(10,769)</b>	<b>Net funding increase/(decrease)</b>	<b>2,918</b>	<b>700</b>	<b>2,218</b>	<b>F</b>	<b>(20,702)</b>	<b>L</b>

Original Adopted Budget	Carryovers		YTD Actual	YTD Budget	YTD Variance	Annual Budget	Note
\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	
<b>Funded by</b>							
		<b>Loans</b>					
-		Loan Principal Receipts (Net)	-	-	-	-	
-		Loan Receipts/(Payments) from Sporting Clubs (Net)	-	-	-	-	
(1,100)		Loan Principal Repayments	-	-	-	(1,100)	
<b>(1,100)</b>		<b>Loan Funding (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,100)</b>	
<b>Movement in level of cash, investments and accruals</b>							
668	-	Cash Surplus/(Deficit) funding requirements	14,619	12,401	2,218	668	
(11,701)	(10,769)	Reserves Net - Transfer to/(Transfer from)	(11,701)	(11,701)	-	(22,470)	
<b>(11,033)</b>	<b>(10,769)</b>	<b>Cash/Investments/Accruals Funding</b>	<b>2,918</b>	<b>700</b>	<b>2,218</b>	<b>(21,802)</b>	
<b>9,933</b>	<b>10,769</b>	Funding Transactions	<b>(2,918)</b>	<b>(700)</b>	<b>(2,218)</b>	<b>F 20,702</b>	

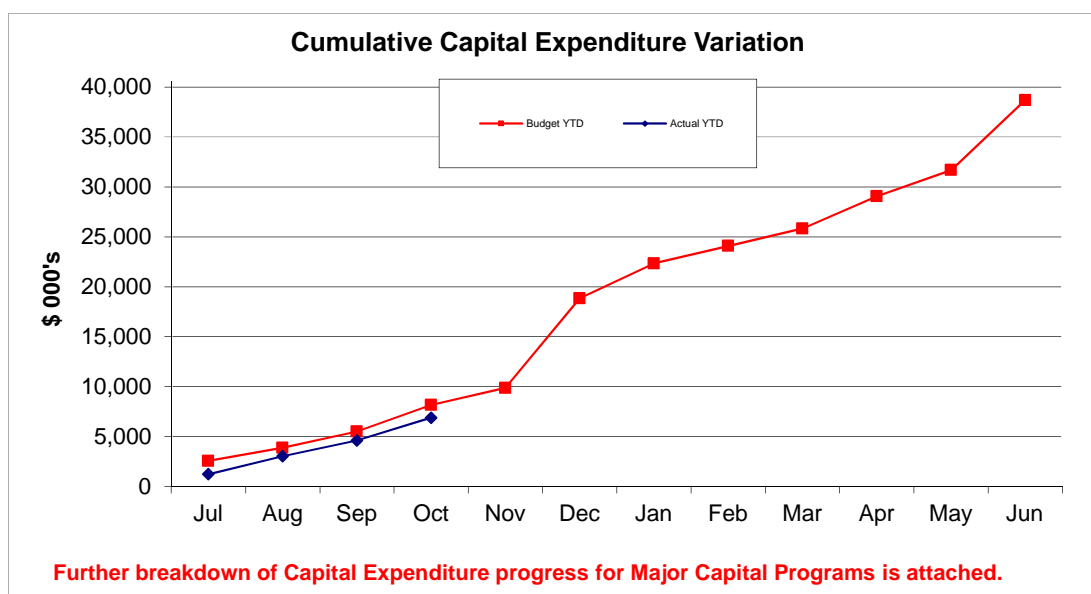
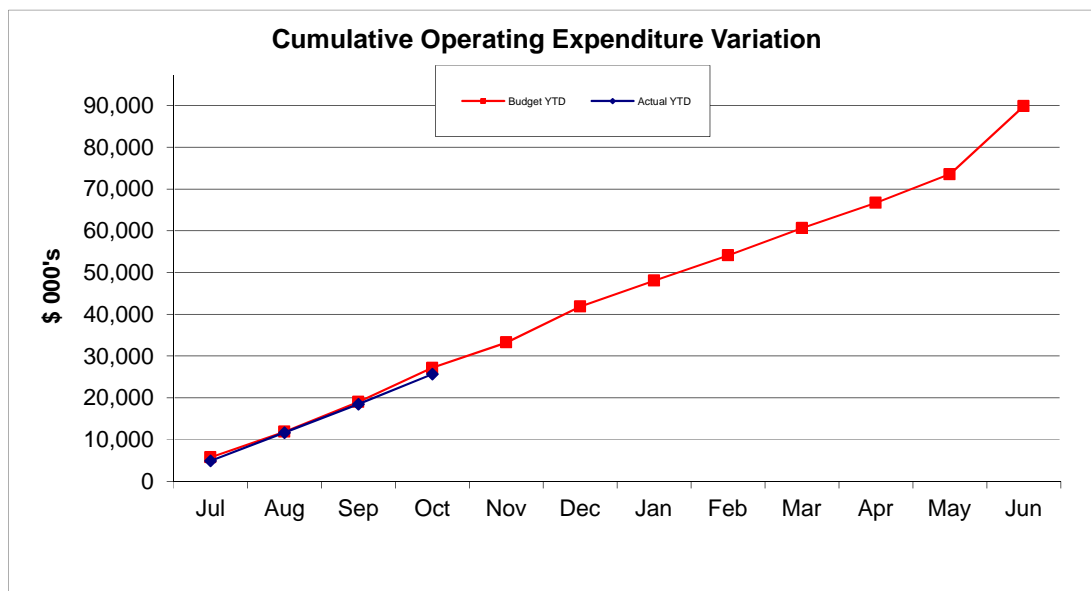
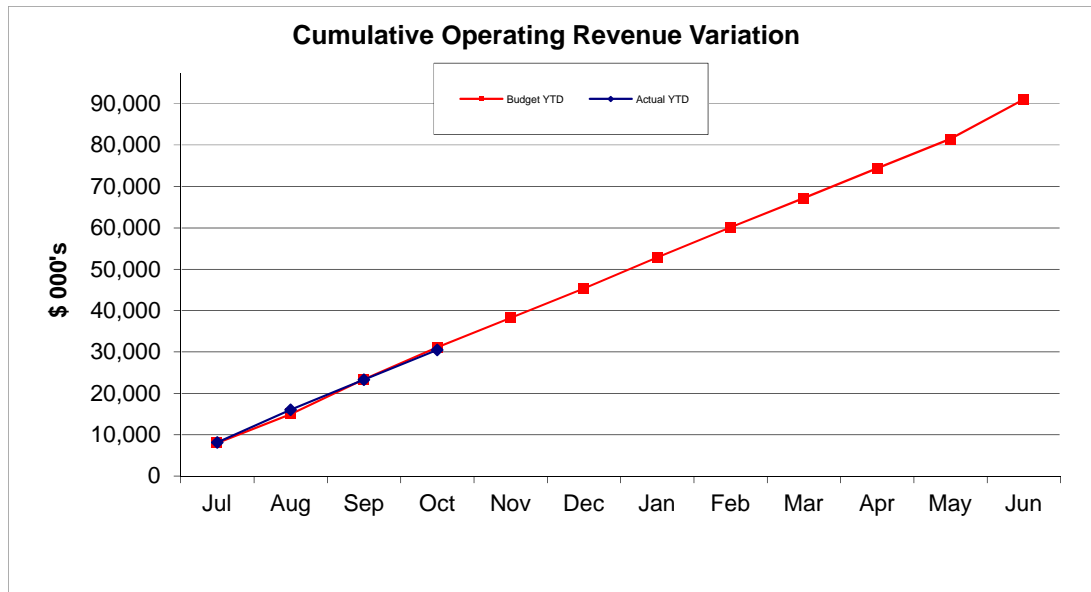
**Variation Notes**

<b>A</b>	<b>Statutory Charges</b>	<b>Unfavourable \$408k</b>	Reflects budget-timing variances with regards to the receipt of Dog Registration fees in relation to the transition to centralised registrations through DACO.
<b>B</b>	<b>Operating Grants &amp; Subsidies</b>	<b>Unfavourable \$589k</b>	Predominately reflects budget-timing variances with regards to receipt of Commonwealth Grant for Roads to Recovery (\$370k) and 1 <sup>st</sup> quarter Grants Commission Grant (\$229k) received but not allocated due to awaiting allocation splits from the State Government.
<b>C</b>	<b>Investment Income</b>	<b>Favourable \$167k</b>	Reflects budget-timing variances with regards to the early receipt of Local Government Financial Authority Annual Bonus, budgeted to be received in November.
<b>D</b>	<b>Other Revenues</b>	<b>Favourable \$228k</b>	Predominantly relates to unbudgeted contributions from Vietnam Veterans' Federation (\$67k), Marion Sports and community club for irrigation renewal (\$100k) for works being managed by Council, to be adjusted as part of the first budget review and a number of other variances which are individually insignificant.
<b>E</b>	<b>Employee Costs</b>	<b>Favourable \$426k</b>	Predominantly reflects budget-timing variances.
<b>F</b>	<b>Contractors</b>	<b>Unfavourable \$583k</b>	Predominately reflects budget-timing variances with regards to Maintenance Agreements (\$475k) and 2018 Local Government Election running costs (\$177k).
<b>G</b>	<b>Materials</b>	<b>Unfavourable \$174k</b>	Reflects variations with regards to the budget-timing of Reactive Footpath Maintenance (\$52k), Library Purchases (\$34k) and a number of other variances which are individually insignificant.
<b>H</b>	<b>Depreciation</b>	<b>Favourable \$728k</b>	Predominantly reflects a reduction in depreciation on buildings following the 30 June 2018 Accounting revaluation. To be adjusted as part of the first budget review.
<b>I</b>	<b>Other Expenses</b>	<b>Favourable \$1,090k</b>	Predominately reflects budget-timing variances with regards to councils contribution to the Oaklands Crossing upgrade (\$1,000k). Timed for October and paid in November.
<b>J</b>	<b>Capital Expenditure (Renewal)</b>	<b>Favourable \$2,269k</b>	Predominately reflects budget-timing variations with regards to the Edwardstown Oval Soldiers Memorial Redevelopment.
<b>K</b>	<b>Capital Expenditure (New)</b>	<b>Unfavourable \$217k</b>	Predominately reflects unbudgeted variations with regards to Vietnam Veterans RSL Clubhouse, to be adjusted as part of the first budget review.
<b>L</b>	<b>Funding Transactions</b>	<b>Favourable \$2,218k</b>	This variance is the sum total of all variances and reflects an increase against council's expected YTD cash position.

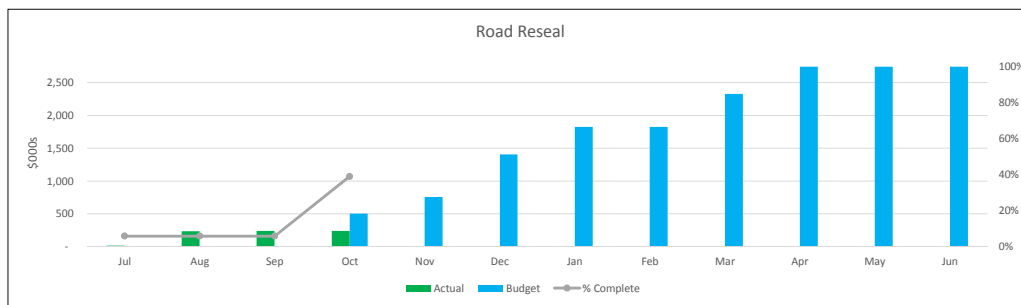
The above comments referring to budget timing variations are where some monthly budget estimates are not reflective of the actual expenditure patterns as at the reporting date.

Note: The progress to date of Capital Expenditure programs (New and Renewal) is detailed in the attached graphs, noting that where no budget exists in the initial months this is primarily due to certain types of capital works that cannot be carried out during periods of inclement weather.

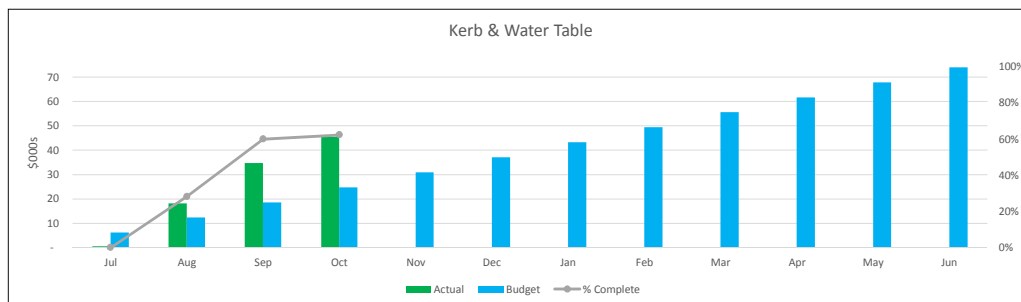
## Funding Statement Cumulative Position - 2018/19



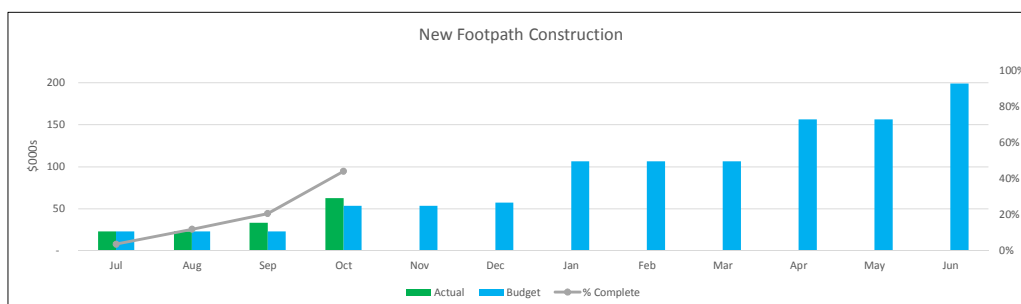
## Capital Construction Progress - 2018/19



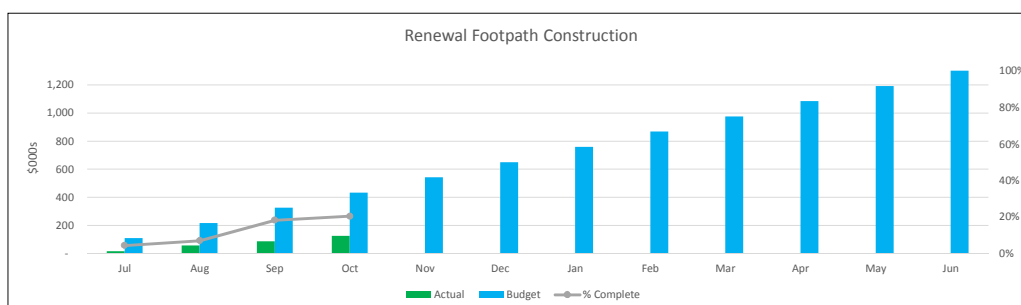
- Program commenced - 39% complete



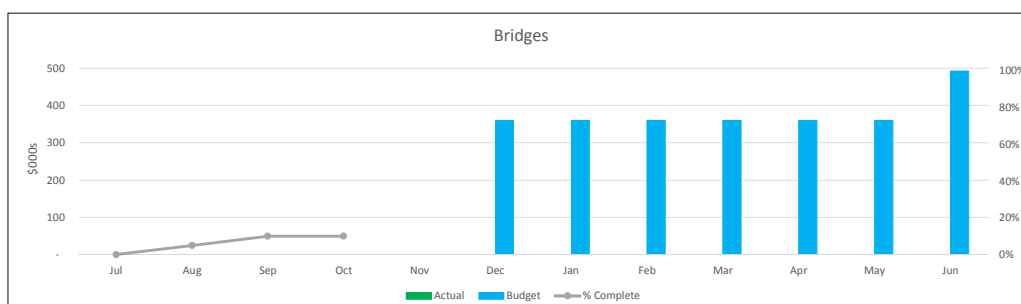
- Program commenced - 62% complete  
- Menzies Ave is in progress.



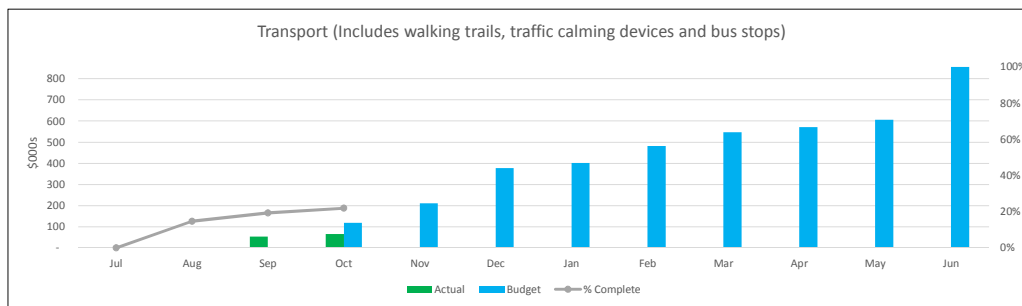
- Program commenced - 44% complete  
- Shaftesbury Terrace, Frederick Lane, Dutchman Drive, High Street, Clifftop Crescent, Kulanda Road, Pildappa Avenue, Harlow Street, Haddon Street, Teesdale Crescent and Nottingham Terrace (C/O) are complete.



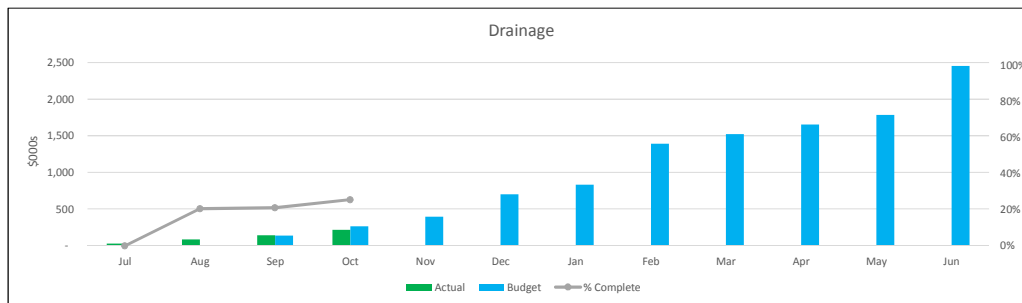
- Program commenced - 20% complete



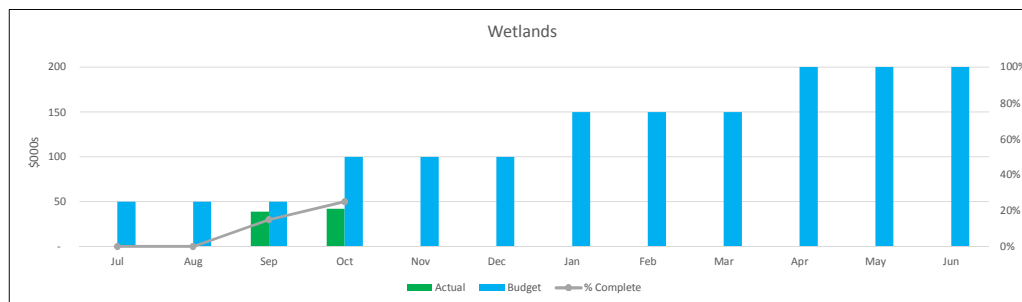
- Both bridges are currently out to tender for design and construct, on track for construction in early 2019.



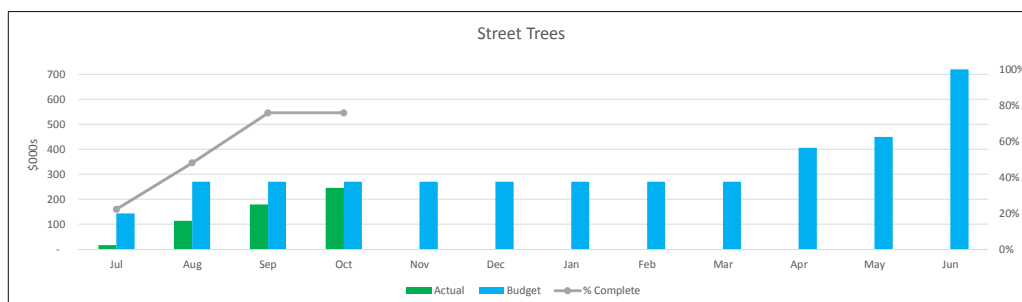
- Program commenced- 22% complete
- Designs have been completed for Sturt River Linear Path, Livingston Filmer Roundabout, Kangaroo Thorn Parking Bay and Calum Grove Crossing.
- Cove Road carpark (C/O) and 11 bus stops are complete.



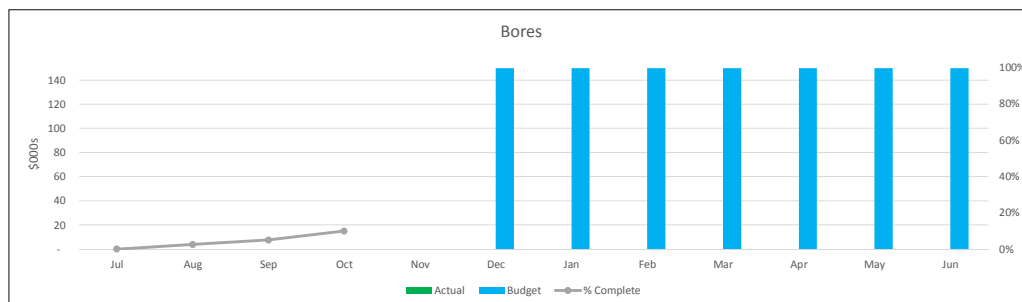
- Mitchell Street, Barramundi Drive and Glamis Avenue/ Wilga Street Drains completed (C/O).
- John Street Drain is in progress. Designs have been completed for Forrest Avenue and Heron Way Drains, both expected to commence in early 2019.



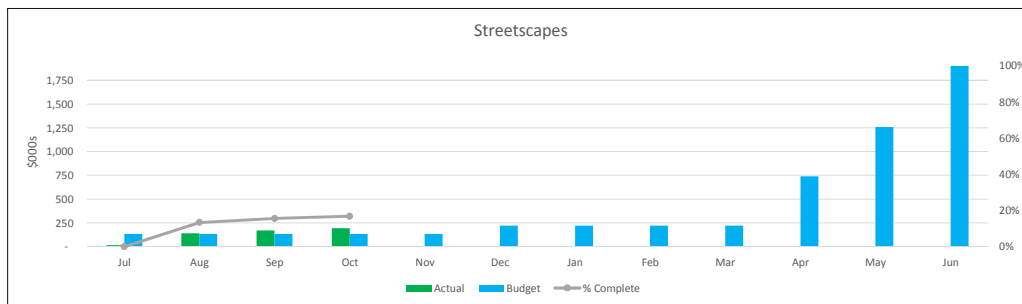
- Landscaping and weed control has commenced at Glade Crescent Reserve.



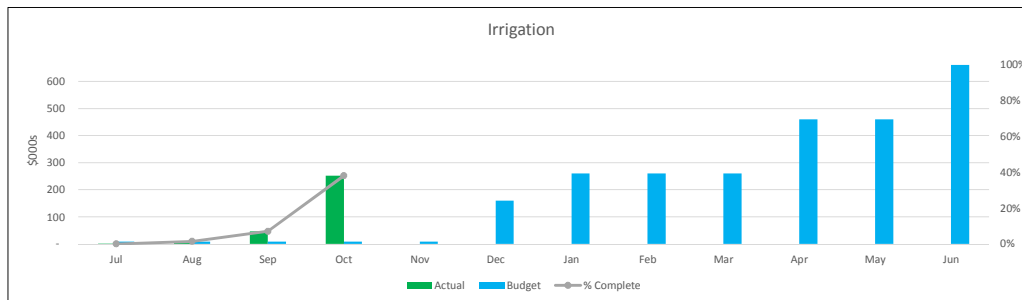
- Program commenced with 1,365 street trees planted. Planting to recommence in April.



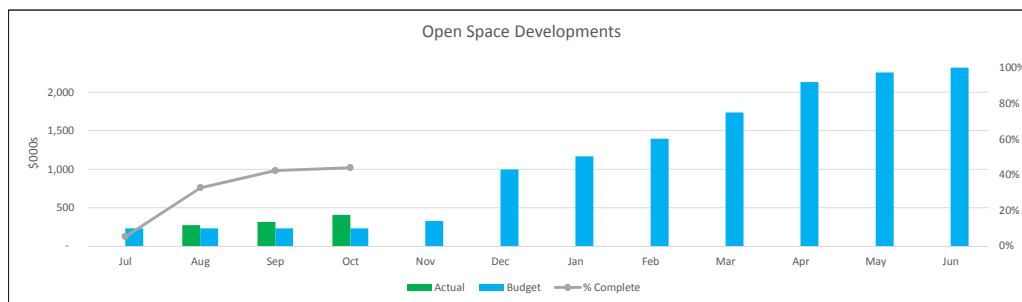
- Program is scheduled to commence in December 2018.



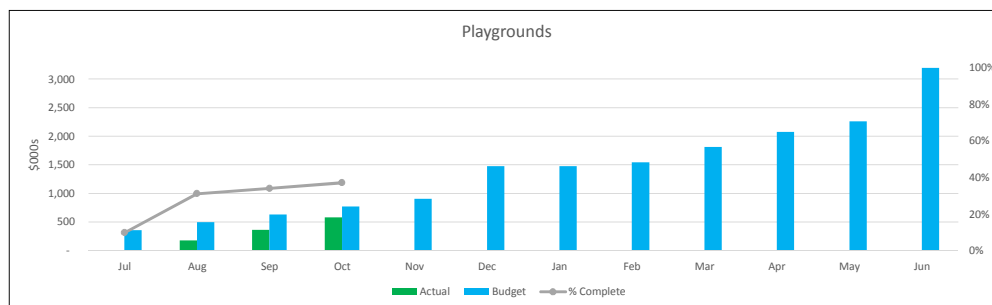
- Program commenced - 17% complete
- Finniss Street (C/O) and Heron Way (C/O) are complete.



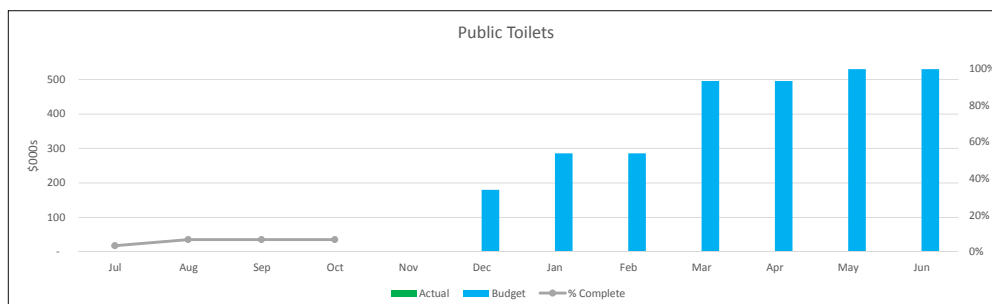
- Program has commenced with Mitchell Park Reserve, Cosgrove Hall and Parsons Trees complete.
- Timing to be adjusted as part of the first budget review.



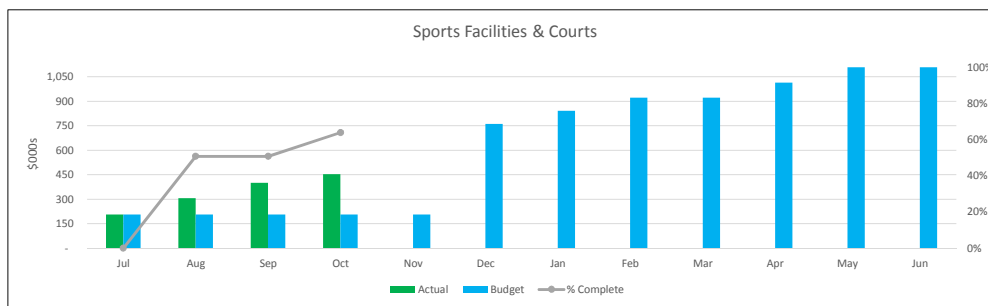
- Program commenced - 44% complete
- Youth Plaza Oaklands Wetlands stage 2 (C/O) is complete.
- Works have commenced on Shade Solutions for Reserves and Oaklands Estate Reserve. Detailed design is in progress for 2nd Dog Park.



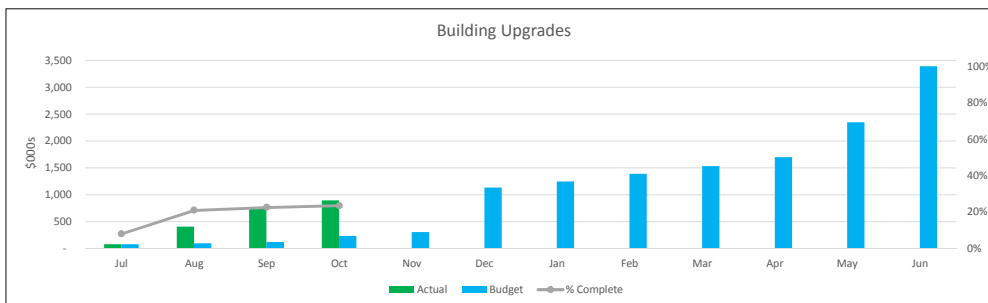
- Program commenced - 37% complete
- Construction on Heron Way Stage 4 is complete with minor defects to be resolved. Hendrie Street Inclusive Playground is complete.



- Program commenced - 7% complete



- Program commenced - 64% complete, timing to be adjusted as part of the first budget review.
- Southbank Tennis Club lighting and Plympton Sporting Club drainage (C/O) are in progress.
- Woodforde Reserve Courts Development (C/O), Marion Sports Club Solar Installation and Southern Carpark (C/O) are complete.



- Program commenced - 23% complete

#### Completed

- Public Toilet Trott Park- Asbestos Removal
- Cosgrove Hall Air Conditioner
- Vietnam Veterans Marion RSL Sheds
- Electric BBQ - LKCC (C/O)
- Marion Outdoor Pool Masterplan (C/O)

#### In Progress

- Trott Park Kitchen and Signage
- Fitzjames Building DDA works
- Park Holme Windows

#### In Progress (cont.)

- Parkholme Library Toilets DDA works
- Warradale Kindy Asbestos Removal
- Woodforde Reserve DDA works
- Carpark - Marion Outdoor Pool
- Vietnam Veterans RSL Clubhouse
- Marion Outdoor Pool Masterplan Renewal Works
- Solar Options for Marion (C/O)
- Coastal Walking Trail Renewal (C/O)
- Admin Foyer Refurbishment (C/O)
- Cover over Material Bays (C/O)

## Major Projects

### Edwardstown Oval Soldiers Memorial Recreation Ground

	2018/19 Actual YTD 31/10/2018	2018/19 Budget	Project Cost At Completion
<b>Income</b>			
Federal Budget Grant Contribution	1,000,000	2,400,000	4,000,000
<b>Total Income</b>	<b>1,000,000</b>	<b>2,400,000</b>	<b>4,000,000</b>
<b>Expenditure</b>			
<b>Operating</b>	-	-	-
<b>Capital Construction</b>	(1,463,691)	(3,868,996)	(8,965,300)
<b>Total Expenditure</b>	<b>(1,463,691)</b>	<b>(3,868,996)</b>	<b>(8,965,300)</b>
<b>Project Result Surplus/(Deficit)</b>	<b>(463,691)</b>	<b>(1,468,996)</b>	<b>(4,965,300)</b>

The net deficit forecast will be funded in the following manner:

<b>Funded By :</b>	<b>\$</b>
<b>(Over Project Life)</b>	
Reserve Transfer	4,965,300
- Asset Sustainability Reserve	
	<b>4,965,300</b>

The Edwardstown Oval Soldiers Memorial Recreation Ground project commenced construction in 2017/18 following the signing of a \$4m funding agreement with the Federal Government. This project is forecast to be completed in the first quarter of 2019.

Debtor	Total Balance	Current	30 Days	60 Days	90 Days	90+ Days	Percentage of total 90+ day balance	Comments for 90+ Day balances
General Total	4,402.15	.00	4,082.15	.00	165.00	155.00	0%	Made up of 1 out of 4 debtors.
Neighbourhood Centres Total	8,396.50	1,210.00	1,510.00	735.00	1,020.00	3,921.50	8%	Made up of 4 out of 13 debtors. One account totalling \$2,210.00 has been sent to the debt collector.
Regulatory Services Land Clearing Total	8,803.98	.00	.00	.00	4,953.30	3,850.68	8%	Made up of 6 out of 7 debtors, with one account totalling \$1,725.35.
City Property Facilities Total	34,068.16	721.67	19,297.76	6,343.86	6,551.99	1,152.88	2%	Made up of 2 out of 13 debtors.
Civil Services Private Works Total	39,800.16	13,061.16	3,910.00	2,045.00	6,540.00	14,244.00	28%	Made up of 10 out of 24 debtors, with one account totalling \$3,190.00. Two of these accounts totalling \$5,695.00 relate to works not commenced, awaiting payment. Three other accounts totalling \$1,715.00 are on a payment plans which are being met, one of these accounts totalling \$800.00 has subsequently been settled in November.
Swim Centre Debtors Total	191.60	.00	.00	.00	.00	191.60	0%	Made up of 1 debtor.
Grants & Subsidies Total	170,014.30	5,775.00	149,239.30	.00	.00	15,000.00	30%	Made up of 1 out of 5 debtors in this category. This amount relates to a contribution which will be paid upon the completion of the project estimated for December.
Environmental Health Inspections Total	11,312.10	236.00	2,059.60	.00	590.00	8,426.50	17%	Made up of 59 out of 75 debtors in this category, with none individually significant.
Regulatory Services Other Total	4,617.00	.00	2,473.00	67.00	402.00	1,675.00	3%	Made up of 9 out of 31 debtors in this category, with one totalling \$603.00. One account totalling \$67.00 has subsequently been settled in November.
Supplier Refund Totals	16,155.00	16,155.00	.00	.00	.00	.00	0%	
Development Services Total	1,279.00	.00	.00	.00	.00	1,279.00	3%	Made up of 4 debtors, with none individually significant.
Living Kaurna Cultural Centre Total	4,248.50	.00	1,936.10	1,445.40	.00	867.00	2%	Made up of 4 out of 12 debtors, with none individually significant.
Economic Development Total	14,889.00	.00	369.00	.00	14,520.00	.00	0%	
Marion Cultural Centre Total	12,714.70	9,402.70	112.00	3,200.00	.00	.00	0%	
Total	330,892.15	46,561.53	184,988.91	13,836.26	34,742.29	50,763.16		
Total Aging Profile		14%	56%	4%	10%	15%		

Category	Description
Employees	Anything that relates to CoM employees.
General	Anything that does not fit into one of the below categories.
Neighbourhood Centres	For hire of rooms in Neighbourhood Centres, etc. - usually charged out at an hourly rate. Also includes cultural workshops and tours.
Regulatory Services Land Clearing	When council has had to clear land due to non-compliance of owner.
Sporting Clubs & Other Leases	Rent, electricity, water, maintenance, etc. charged out to lessees.
Civil Services Private Works	Repairs or modifications to infrastructure (footpaths, kerbs, driveway inverts). Can be at resident request.
Swim Centre Debtors	Outdoor Swimming Centre - used for lane hire, school visits, etc.
Grants & Subsidies	Government grants and subsidies.
Environmental Health Inspections	Food Inspection fees.
Regulatory Services Other	Vehicle Impoundment fees and other regulatory services.
Supplier Refunds	Where a supplier owes the City of Marion funds. This category is used to keep track to ensure we have received payment for credits.
Development Services	Includes contribution from residents and/or developers for the removal and/or replacement of Council Street Trees and significant trees.
Living Kaurna Cultural Centre	Relates to programs run through the LKCC.
Environmental Health Testing	Environmental testing fees.
Local Government	Transactions with other Local Government corporations.
Communications	Anything related to communications.
Economic Development	Events, etc. relating to economic development within the City of Marion.
Marion Cultural Centre	Hiring of the Marion Cultural Centre.

\*any category that does not have any outstanding invoices will not be displayed.

## **Rates Report - Collection of Rates to 31 October 2018**

### **ANALYSIS OF OUTSTANDING RATES AS AT 31 OCTOBER 2018**

	<u>Note</u>		<b>% of Total Annual Rates</b>
CURRENT	1	\$ 50,039,641	<b>64.8%</b>
OVERDUE	2	\$ 730,820	<b>0.9%</b>
ARREARS	3	\$ 1,755,269	<b>2.3%</b>
INTEREST	4	\$ 57,993	<b>0.1%</b>
POSTPONED	5	\$ 195,133	<b>0.3%</b>
LEGALS	6	\$ 32,323	<b>0.0%</b>
		<b>\$ 52,811,180</b>	<b>68.4%</b>
<b>TOTAL ANNUAL RATES FOR 2018/19</b>		<b>\$ 77,172,549</b>	

#### **Note 1: Current**

Current rates represent the total amount of rates levied in the current financial year that are not yet due for payment. For example at 1st January this represents Quarter 3 & Quarter 4 rates unpaid.

#### **Note 2: Overdue**

Overdue rates represent rates levied in the current financial year that remain unpaid past their due payment date. For example on 1st January, this represents rates from Quarter 1 and Quarter 2 that remain unpaid.

#### **Note 3: Arrears**

Rates in arrears represent rates and charges levied in previous financial years that remain unpaid .

#### **Note 4: Interest**

Interest represent the fines and interest applied to overdue rates and rates in arrears.

#### **Note 5: Postponed**

Postponed rates represent any rates amount due by seniors that have been granted a deferral, until the eventual sale of their property, as allowable under the Local Government Act. Interest is charged on these deferred rates and is recoverable when the property is sold.

#### **Note 6: Legals**

Legals represent any legal fees, court costs that have been incurred by Council in the collection of rates in the current financial year. These amounts represent costs that have been on-charged to the defaulting ratepayers and are currently outstanding.

**CONFIDENTIAL ITEMS****Cover Page - Code of Conduct Complaint**

<b>Originating Officer</b>	Manager Corporate Governance - Kate McKenzie
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager Corporate Services - Vincent Mifsud
<b>Report Reference</b>	GC181127F01

**RECOMMENDATION**

**That:**

- 1. Pursuant to Section 90(2) and (3)(a) of the Local Government Act 1999 the Council orders that all persons present, with the exception of the following: Adrian Skull, Chief Executive Officer; Kate McKenzie, Manager Corporate Governance and Jaimie Thwaites, Unit Manager Governance and Records, be excluded from the meeting where the Council will receive and consider information pertaining to the item Code of Conduct upon the basis it is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential on the grounds that the report contains information relating to personnel matters.**

## Code of Conduct Complaint

### CONFIDENTIAL

#### Reason For Passing This Resolution:

**Local Government Act (SA) 1999 S 90 (2) 3(a):** information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

## WORKSHOP / PRESENTATION ITEMS - Nil

### MOTIONS WITH NOTICE

#### Retention of Marion Cultural Centre Services

**Elected Member** Councillor Jason Veliskou

**Report Reference:** GC181127M01

#### **Motion:**

That Council guarantees the retention of the Current Marion Cultural Centre Building and its services.

However council still has the ability to undertake any complementary renewal, enhancements and extensions (of the current Marion Cultural Centre) provided that this is undertaken with appropriate prior consultation with users and the community.

#### **Supporting Information:**

Nil

**Response Received From:** Unit Manager Economic Development - Donna Griffiths

#### **Staff Comments:**

At the 12 June 2018 General Council Meeting it was resolved to undertake an expression of interest (EOI) to build a major hotel at Oaklands Park (GC120618F02). The EOI was prompted by an unsolicited inquiry to redevelop 287 Diagonal Road, Oaklands Park (currently occupied by Marion Cultural Centre) into an international standard hotel.

To ensure the viability in building a major hotel in the heart of Marion, the City of Marion went to an open and competitive EOI to test the market to determine the degree of interest and viability of such an asset.

At 18 September 2018 General Council Meeting Council considered the proposals received during the EOI and resolved not to progress to the next stage of the EOI. Council at this meeting also endorsed Administration to undertake further discussion about an International Hotel Development in the City of Marion (GC180911F02).

Through this process Council received feedback from the community to retain the Marion Cultural Centre building and services. The above motion is aligned to the community feedback. The above motion also supports any future renewal of the facility to ensure it continues to deliver highly quality community and cultural services.

#### **Nomination for State Heritage Listing**

Council should also note on 30 August 2018, the City of Marion was formally advised by Heritage South Australia that a Heritage Assessment is to be undertaken on the Marion Cultural Centre site. The nomination is available on the Heritage SA website.

Places being considered for State heritage-listing need to go through a careful process of assessment before they can be considered by the South Australian Heritage Council. The Heritage Council is an independent body that reviews all nominations for the Register, and decides whether or not a place is of sufficient significance to be provisionally entered in the Register.

The criteria for state heritage listing includes:

- a) It demonstrates important aspects of the evolution or pattern of the State's history; or
- b) It has rare, uncommon or endangered qualities that are of cultural significance; or
- c) It may yield information that will contribute to an understanding of the State's history, including its natural history; or
- d) It is an outstanding representative of a particular class or places of cultural significance; or
- e) It demonstrates a high degree of creative, aesthetic or technical accomplishment or is an outstanding representative of particularly construction techniques or design characteristics; or
- f) It has strong cultural or spiritual associations for the community or a group within it; or
- g) It has a special association with the life or work of a person or organisation or an event of historical importance.

A Heritage Officer visited the site in September 2018 and will prepare an assessment report before December 2018. The assessment report will guide the Heritage Council's deliberations.

Typically, the assessment process takes 12 months. However, the assessment report will be referred to the Heritage Council for its consideration at the end of February 2019 (to be confirmed – likely to be 21 February 2019).

If a place is considered to be of State Heritage significance, it is subject to referral under the heritage provisions of the Development Act 1993 when any development is proposed. As with any property, whether it be listed or not, this Act requires that any proposed 'development' for a property must be referred to the relevant planning authority for approval.

## Selgar Avenue, Clovelly Park

**Elected Member** Councillor Raelene Telfer

**Report Reference:** GC181127M02

### Motion:

#### That:

- Subject to the acquisition by the State Government of land for a roadway and pavement from Selgar Avenue, Clovelly Park to the Tonsley Precinct, Tonsley at 6 Selgar Ave Clovelly Park, the City of Marion will partner with the State Government in the installation and maintenance of a one-way roadway, and footpath with associated drainage, for the purpose of one-way exit from Selgar Ave, Clovelly Park into Tonsley Boulevard, Tonsley, for use by heavy commercial vehicles.**

### Supporting Information:

The Darlington upgrade of South Road ceases its new works at Selgar Avenue, Clovelly Park. Selgar Avenue, Clovelly Park is a street of successful commercial business; many businesses with turnovers of well over a million dollars a year. Truck deliveries come with parts and depart with completed product, some for the export market. A right turn at Selgar Avenue onto South Road to travel south is extremely hazardous for traffic, especially if the trucks are large and laden. An eventual left turn after some waiting for a traffic gap, would see trucks travel along South Rd, right into the suburb of St Mary's create dangers by travel through residential streets to join South Road to travel southward.

Asst Minister Carolyn Power has approached Minister Knoll regarding the purchase of a piece of land to allow trucks a one-way exit from Selgar Avenue to Tonsley Bvd. Once the land is acquired for a roadway, the City of Marion needs to partner with the State Government to install and maintain this roadway.

**Response Received From:** Mark Griffin, Unit Manager Engineering

### Staff Comments:

#### Existing Situation

Selgar Avenue is a cul-de-sac, being approximately 400 metres in length with its only access being onto South Road. Commercial/retail developments about Selgar Avenue with major establishments on both corners with South Road. The Tonsley Hotel is situated on the northern corner and Jarvis Toyota on the southern corner.

At present all turning movements are available at the junction of Selgar Avenue and South Road. However as a result of the Darlington Upgrade project the Department of Planning, Transport and Infrastructure (DPTI) will prevent the right turn out of Selgar Avenue for road safety purposes.

#### Traffic Counts

Council has undertaken a number traffic surveys on Selgar Avenue, these are summarised below.

Data	Details
Traffic Count (10 m from South Road) - 5 day average	Volume – 1745 per day
	Trucks – 149 per day (8%)
	AM peak (9am - 10am) - 128
	PM peak (4pm - 5pm) - 140

Traffic Count (200 m from South Road) - 5 day average	Volume - 823 per day
	Trucks - 120 per day (15%)
	AM peak (7am - 8am) - 74
	PM peak (5pm - 6pm) - 81
	Average delay – 50 secs
	Maximum delay – 126 secs
Right Turn Out Movements from Selgar Avenue	Daily average - 102

It was noted that during this survey a number of motorists wished to turn right, gave up and turned left. This appeared to be due to the delays being experienced.

### Discussions

Council staff have met with representatives of Selgar Avenue, at which time they indicated that:

- As part of the Darlington Upgrade Project Community Liaison Group forum, they have raised the issues of access to South Road, the right turn out movement and a new road into the Tonsley precinct;
- The Group had also approached Renewal SA regarding a possible connection from Selgar Avenue into the Tonsley Precinct (unsuccessfully at this stage) ; and
- They requested Council's assistance, and as a result traffic data has been collected (as shown above).

It is understood that representatives have since met with the Minister for Transport.

### **Renewal SA - comments**

Renewal SA has no plans to provide a vehicular connection between Selgar Avenue and Tonsley and they don't see any advantage for Tonsley to provide such a connection, for the following reasons:

- Selgar Avenue is a relatively short dead-end street and providing a road connection will only benefit the small, limited number of properties fronting Selgar Avenue;
- A road connection would not benefit the businesses in Tonsley and does not improve vehicular accessibility or circulation for Tonsley's site owners/occupiers;
- The Tonsley Project budget is defined and has no capacity to incorporate an additional length of road from both a capital expenditure nor loss of saleable property; and
- Lots C39 and E09 (within Tonsley, abutting the rear of the properties in Selgar Avenue) are both under contract.

Renewal SA's position on this matter has previously been related to the business owners within Selgar Avenue.

### **Department of Planning, Transport and Infrastructure – comments**

DPTI has had ongoing discussions with local business representatives regarding a possible Selgar Avenue link Road.

The Darlington Upgrade Project design includes:

- All the entrance movements into Selgar Avenue from South Road; and
- A "left turn" only exiting Selgar Avenue into South Road (the right turn out restriction from Selgar Avenue is required due to road safety requirements associated with the Darlington Upgrade Project).

Representatives from Selgar Avenue businesses have requested on several occasions, via the Darlington Upgrade Project Community Liaison Group forum, a new connection be made available to connect Selgar Avenue and the Tonsley Precinct. In consultation between the Darlington DPTI project team and Renewal SA, it was confirmed the Tonsley development plans do not consider a connection at this location at this stage. This is due to planned land-sales, development within the precinct, internal access roads connectivity and existing high voltage overhead services constraining any future connection to Selgar Avenue. Land acquisition would also be necessary to provide an appropriate connection.

Should the State Government fund the purchase of land and the construction of a road, Council would then take on maintenance responsibility for that road.

## QUESTIONS WITH NOTICE

### Council Nursery

**Elected Member** Councillor Ian Crossland

**Report Reference:** GC181127Q01

#### Question:

In 2015 Council took the decision to close its Horticultural nursery.

1. What was the 2013/2014 budget for the nursery and what was the value of the plants the nursery was able to supply?
2. Was there a shortfall in the number of plants required by Council and if there was a shortfall what was the additional cost to Council to meet that demand?
3. Since closing the nursery what have been the financial and supply benefits of only using external providers?
4. Considering all the costs, including capital expenditure (new nursery, depreciation, maintenance) what are the annual budget benefits savings, if any, as well as an indication of savings over the long term financial plan?

#### Supporting Information:

Nil

#### Response Received From:

Manager Engineering and Field Services - Mathew Allen

#### Staff Comments:

**1. What was the 2013/2014 budget for the nursery and what was the value of the plants the nursery was able to supply?**

The total nursery Operating Budget for the 2013/2014 financial year was \$177,748. The value of the plants that the nursery supplied (as determined from internal reimbursement costs) was \$80,145.

**2. Was there a shortfall in the number of plants required by Council and if there was a shortfall what was the additional cost to Council to meet that demand?**

In the 2013/2014 financial year there was a shortfall in the number of plants that the nursery was able to supply. The total number of plants purchased from external suppliers was 369 trees (\$14,760) and 1600 tube stock (\$2,400) at a total cost to Council in the order of \$17,160.

**3. Since closing the nursery what have been the financial and supply benefits of only using external providers?**

The current procurement of plants is delivered on time and the quality is guaranteed providing good value. There are multiple plant suppliers available to the City of Marion who are recognised by the Nursery Industry Accreditation Scheme.

Sampling was recently undertaken on 40% of the plantings that were supplied by Councils Nursery during the 2015/16 planting season. The results indicate that the nursery tree stock planted in 15/16 had a lower survival rate than the trees we have planted since. Survival rates have increased from 75% to 80%. This represents a saving in lost tree stock and planting costs of around \$15,000 per annum. This is due to the quality of the tree stock that we have been able to source from external providers.

The financial savings since the closure of the nursery are estimated to be \$391k, including once off saving on relocation of the nursery (\$82k) and average operating savings per year (\$103k).

**4. Considering all the costs, including capital expenditure (new nursery, depreciation, maintenance) what are the annual budget benefits savings, if any, as well as an indication of savings over the long term financial plan?**

Based on similar plant numbers to the 2013/14 financial year estimated budget savings per year are approximately \$103k per annum. Total savings over the long term financial plan (10 years) would be approximately \$1.03m based on current average operating savings per year.

**MOTIONS WITHOUT NOTICE****QUESTIONS WITHOUT NOTICE****OTHER BUSINESS****MEETING CLOSURE**

Council shall conclude on or before 9.30pm unless there is a specific motion adopted at the meeting to continue beyond that time.